

CITY OF MINNEAPOLIS INCLUSIONARY ZONING LEASE-UP GUIDE

A step-by-step guide to the lease-up process for IZ units in the City of Minneapolis. Included are links to required documents, which also can be found on the [AHC website](#) and the [Minneapolis Inclusionary Zoning webpage](#).



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Disclaimer: this is a procedural guide. The official policy and/or requirements are detailed in the IZ ordinance and official documents for the program.

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Links and Resources for IZ

Links to Required Forms and Documents

- ✓ [Lottery Form Template](#) (p. 7)
- ✓ [HousingLink Instructions](#) (p. 7)
- ✓ [IZ Lease Addendum \(Unassisted\)](#) (p. 4)
- ✓ [Government Data Practices Act Disclosure Statement](#) (p. 8)
- ✓ [Household Application Questionnaire](#) (p. 8)
- ✓ [Head of Household Demographic Information form](#) (p. 8)
- ✓ [Student Self Certification form](#) (p. 8)
- ✓ [Under \\$5,000 Asset Certification](#) (p. 10)
- ✓ [Income and Asset Calculation Spreadsheet](#) (p. 10)
- ✓ [Utility Allowance Schedule](#) (p. 12)
- ✓ [Verification of Section 8 Eligibility form](#) (p. 10)
- ✓ [Tenant Income Certification \(TIC\)](#) (p. 12)

Links to Helpful Websites and Resources

- ✓ [AHC – Minneapolis IZ webpage](#) (p. 4)
- ✓ [City of Minneapolis – IZ webpage](#) (p. 7)
- ✓ [City of Minneapolis – Unified Housing Policy](#) (p. 9)
- ✓ [HousingLink website](#) (p. 7)
- ✓ [HUD Handbook 4350.3](#) (p. 10)
- ✓ [MN Housing Occupancy Forms](#) (p. 10)
- ✓ [Housing Tax Credit Compliance Manual for Minneapolis–St. Paul](#) (p. 15)

Affordable Housing Connections

Affordable Housing Connections (AHC) is a 501(c)(3) nonprofit organization. We work with affordable rental property owners, local units of government, and housing authorities. We support local government affordability programs through policy and program development, compliance management & information systems. Through our Education & Leadership Center, we provide training certifications and continuing education for affordable housing professionals.

ELC Professionals at AHC

- ❖ Bryan Hartman – Manager of Housing Assistant Services (bryan@ahcinc.net)
- ❖ Mabruka Abdisamad – Manager Education & Leadership Initiatives/Compliance Portfolio Manager (mabruka@ahcinc.net)
- ❖ Dan Goodrich – Housing Programs Education Specialist(dan@ahcinc.net)

Where does AHC fit into the process?



The City of Minneapolis has contracted with AHC to provide services to IZ projects; AHC collects a fee from property owners



AHC is here as your partner as you successfully lease IZ units and ensure ongoing compliance



AHC and the City will provide you with the tools and documents needed to meet the goals set for your IZ project



This guide will outline the steps for initial lease-up and annual compliance requirements

Overview of Inclusionary Zoning

In accordance with Minneapolis City ordinances, the Inclusionary Zoning (IZ) Ordinance requires new developments with more than 20 residential units to comply with IZ requirements. The number of IZ units in each project is based upon city regulations and is agreed to by the execution of the **IZ Declaration** and the **IZ Compliance Plan**. Leasing of IZ units starts with the initial lease-up of the property and extends through the affordability period as determined by the declaration, typically 20 years from the date of the Certificate of Occupancy (CO). Also, make sure that your lease includes an **IZ Lease Addendum (assisted or unassisted)**.



IZ Declaration

**INCLUSIONARY ZONING
DECLARATION OF AFFORDABLE HOUSING COVENANTS
RENTAL UNITS**

By

in favor of the

CITY OF MINNEAPOLIS

Dated as of: _____, 20____

Relating to the:
_____ Project

*This instrument was drafted by:
Minneapolis City Attorney's Office (SAR)
505 Fourth Avenue South, Room 220
Minneapolis, Minnesota 55415
(612) 673-_____*

Approved as to substance by:

*Manager, Residential Finance
Housing Policy and Development*

The Inclusionary Zoning Declaration of Covenants for Rental Units is a covenant (or legal agreement) between the property developer and the City of Minneapolis that must be agreed upon before the development of any IZ units. This document has important definitions, rules, and regulations that must be followed throughout the duration of the affordability period as determined by the declaration, typically 20-30 years from the date of the Certificate of Occupancy (CO). The full document is over 20 pages. The sample above is for unassisted projects (i.e., properties not receiving tax increment financing, or TIF, from the City).

IZ Compliance Plan



Community Planning and Economic Development
505 Fourth Ave. S., 320
Minneapolis, MN 55415
TEL 612.673.5095
www.minneapolismn.gov

Inclusionary Zoning Pre-Compliance Acknowledgement

By initialing below, the Project Developer acknowledges the following items pertaining to City of Minneapolis policies and practices on Inclusionary Zoning and the compliance process.

Project Name: _____

Project Developer: _____

Name of Project Representative (initials below): _____

The Developer has read and understands the City's current Unified Housing Policy and the Inclusionary Zoning Ordinance .	Initial:
The Developer has read and understands the City's Inclusionary Zoning Compliance Manual .	Initial:
The Developer has received approval for Site Plan Review.	Initial:
The Developer must submit the Inclusionary Zoning Pre-Compliance Acknowledgement, the Inclusionary Zoning Compliance Form with required attachments, and any applicable fees before the City will issue a building permit.	Initial:
Fees required by the Inclusionary Zoning Requirements shall be adjusted for any increases in net residential area for the Project.	Initial:
If the Developer chooses an on-site compliance option, the Developer must provide the City with a signed and recorded copy of the Declaration of Affordable Housing Covenants meeting the applicable provisions of the City's Unified Housing Policy in effect as of the date of Developer's submission of a completed application for Site Plan approvals for the Project before the City will issue a Certificate of Occupancy for the Project.	Initial:
If the Developer chooses to comply with Inclusionary Zoning through Off-Site Units, the Developer acknowledges that their Security Deposit will forfeit to the City unless closing has occurred on the construction financing for the Off-Site Units prior to the Deposit Forfeit Date.	Initial:

Each project developer must agree to the Inclusionary Zoning Compliance Plan for the development put forth by the City of Minneapolis. The sample above is for rental housing; a different for-sale housing form also exists for projects such as condominiums. The full document is about eight pages long. These forms are on the Minneapolis IZ webpage.

Minneapolis IZ Webpage

The Minneapolis IZ webpage is a helpful resource for all things IZ! Find forms and documents related to IZ lease-up:

- Minneapolis IZ compliance manual
- Current income and rent limits
- Current Utility Allowance (UA) Schedules
- Income and Asset Calculation spreadsheet
- Tenant Income Certification (TIC) form

Overview of Lease-Up Process and Steps

The main goal of the lease-up process is to ensure that **Gross Annual Income** and **Gross Rent** meet the limits set by the City in order to create more affordable housing options. To do this, you will **create a “Tenant File” to submit to AHC for approval**. The Tenant File includes all documents that are part of the lease-up process.

Every Tenant File tells a story, and the story needs to be consistent and accurate throughout to ensure IZ compliance.


Step 1 – Marketing IZ Units

- Market all new IZ units on **HousingLink website**
 - Use Affirmative Marketing and follow Fair Housing requirements
 - Initial marketing for 10 consecutive days
 - After 10 days is up, first come, first served
 - See the HousingLink instructions for how to add a unit on the Minneapolis IZ webpage
 - A file must be maintained with all marketing efforts related to property
- **Send the Lottery Form** (i.e., the list of interested households) to the City of Minneapolis for randomization. For any newly designated IZ unit, the city conducts a randomized selection of applicants for each IZ unit. The city will also remove any applicant who does not income-qualify based on their self-reported income:
 - Contact: Haley McSparron – haley.mcsparron@minneapolismn.gov
 - Submit the Lottery Form with names of all applicants
 - The City of Minneapolis will return a randomized list of IZ applicants

Step 2 – Selecting Applicants

Working from top to bottom of the randomized lottery form, select applicants to complete initial owner screening.

Sample of IZ Lottery Form

 Tenant Applicant List for New Units - Minneapolis Inclusionary Zoning				
Name of Applicant	Household size	Estimated household income	Eligible (City use only)	Position no. (City use only)

Step 3 – Determine Applicant Eligibility

- Pre-screen application based on property criteria to determine preliminary eligibility:
 - If applicant is eligible by meeting property criteria, move onto Step 4
 - If the applicant is not eligible based on property criteria, inform the household of ineligibility and move to next name on randomized lottery form

Step 4 – Review Household Questionnaire

- To protect the privacy of individuals and households, have households complete the **GDPA Disclosure Statement** prior to collecting personal information
- Have household completely and accurately **fill out IZ Household Application Questionnaire** and **Student Self Certification** form; **See Appendix A for more information about the Questionnaire**
- The head of household also should complete the **Head of Household Demographic Information form**; this allows the City to better understand who is benefiting from the IZ program
- **Schedule an interview** to review the household questionnaire with adult household members; **collect documents** needed to verify income and asset information.
Applicant must be made aware of:
 - Maximum income limits
 - The requirement to verify the income and assets of all household members
 - For assisted projects only, annual household income must not exceed the maximum income limit during tenancy

Initial Forms for IZ Lease Up

Government Data Practices Act Disclosure Statement (GDPA)

- This informs the prospective tenant that their household composition, income, or other information will be reported to the City of Minneapolis. It must be signed and dated by all household members aged 18 and older.

Household Application Questionnaire

- This collects information about household composition, income, and assets. All adult household members must complete and sign this form.

Student Self Certification form

- This verifies the student status of all adult household members. All adult household members must complete and sign this form.

- **Income and rent limits for IZ units:**

- Each rental IZ Unit must be occupied by a household earning no more than the applicable income limit adjusted for household size
- Units must be leased at a rent that the City has determined to be affordable to households as laid out in the Declaration of Affordable Housing Covenants (Declaration of Covenants) and the IZ Compliance Plan
- Current income and rent limits are on the Minneapolis IZ webpage
- More information can be found in the City's **Unified Housing Policy**

A property owner must complete the lease-up process within 120 days prior to the move-in date that is stated on the lease. Household income and assets must be verified within this time period.

Step 5 – Verify the Information on the Household Questionnaire

- At the scheduled meeting, **applicant completes and signs** required documentation based upon responses on the Household Questionnaire
 - Household details must be accurate and consistent on all forms/documents
- **Collect required forms/documents to verify household income.** Forms used to verify applicant income may include:
 - Third-party employment verification form (sent directly from third party to property owner/manager) or 4-6 most recent consecutive paystubs
 - Benefits statements for unearned income, such as Social Security, pensions, or Public Assistance
 - Other reported income (i.e., self-reported income or gig income)



- **Collect required forms/documents to verify household assets** (and income from assets). Form to verify household assets may include:
 - **Under \$5,000 Asset Certification form** for households with total value of assets less than \$5,000
 - If household assets total \$5,000 or more, individual account(s) and bank statement(s) must be collected and verified for each asset; imputed value of income from assets also must be calculated
 - Checking accounts require a 6-month average of account balances

If a household receives rent assistance (such as Section 8) with a public housing authority (PHA), the verification process is simplified. Submit the Verification of Section 8 Eligibility form to the PHA. The PHA will verify Section 8 status and household gross annual income. If completed successfully, no other income/asset verification is needed!

For additional guidance in determining tenant income, Minneapolis uses the HUD Handbook 4350.3, Occupancy Requirements of Subsidized Multifamily Housing Programs.

Income and Asset Verification sample forms can be located on Minnesota Housing Finance Agency's website (aka, MN Housing) under "Occupancy Forms."

Step 6 – Determine Income Eligibility

- **Calculate household gross annual income** to determine income eligibility
 - Use the **Income and Asset Calculation Spreadsheet (Worksheet)**
 - Enter household and asset information from the verification documents received
 - **See Appendix B for instructions on how to complete this worksheet**
- **Compare** calculated gross annual income to the current income limit for the household size (posted on the Minneapolis IZ webpage)

Please visit the Minneapolis IZ Webpage and scroll down to the "*What is affordable under inclusionary zoning?*" section to find the maximum rent and income limits for the current year. The limits will be updated annually, typically on July 1st of each year.

Sample Income and Asset Calculation Spreadsheet

ANNUAL INCOME							
Family Mbr #	Source of Income	Name for Source of Income		\$	# of Hours	Weeks or Periods	Annual Amount
1	Employment	Target	annual	\$0.00			\$0.00
			hourly	\$17.00	32.00	52	\$28,288.00
			weekly	\$0.00		52	\$0.00
			monthly			12	\$0.00
			pay period			24	\$0.00
			pay period	\$0.00		26	\$0.00
2	Social Security	Social Security	annual				\$0.00
			hourly				\$0.00
			weekly			52	\$0.00
			monthly	\$1,100.00		12	\$13,200.00
			pay period			24	\$0.00
			pay period			26	\$0.00
TOTAL							\$41,488.00

IZ Income Requirements

Each rental IZ Unit must be occupied by a household earning no more than the applicable income limit adjusted for household size:

- All applicants shall be advised early in their initial visit to the property that there are maximum income limits that apply to IZ Units.
- Inform applicants that the anticipated income of all persons expecting to occupy the IZ Unit must be verified prior to occupancy
- For assisted projects receiving TIF, household income will be reviewed annually; see Annual Compliance Process below

Step 7 – Determine Rent Eligibility

- **Calculate gross rent** for the IZ Unit to ensure compliance with IZ requirements
- The maximum gross rent depends on the unit size and the specific income tier of the IZ property
- The property owner agrees to specific requirements as established in the IZ Declaration and the IZ Compliance Plan

IZ Units must be leased at a rent that the City has determined to be affordable to households earning the target income inclusive of utility allowance, monthly charges for required services, and other non-optional charges.



Determine **gross rent** for the IZ unit by adding the contract rent amount, the utility allowance amount, and any non-optional charges:

- Contract rent amount (as stated in lease)
- **Utility Allowance (UA) Schedule form** is on the City's IZ webpage
 - Includes all tenant-paid utilities per owner lease
 - Use the amounts listed on the UA, not the actual cost of the utilities
- Include all non-optional charges such as wi-fi and cable TV
- Compare gross rent amount to the current rent limit for size of unit
- If gross rent is above the limit set by the City, adjust as needed

Contract Rent	\$1,100.00
Utility Allowance	\$50.00
Non-Optional Charges (if any)	\$0.00
Gross Rent	\$1,150.00
Unit/Program Max Rent	\$1,398.00
Bedroom Size of Unit	1
IZ Unit Designation	8%

The Utility Allowance

As noted above, the **Utility Allowance (UA)** is an essential aspect of the gross rent calculation. The City establishes maximum monthly allowances for utilities; this is the UA which can be found on the Minneapolis IZ webpage. (Please note that telephone and cable TV allowances are not offered). Owners should check the Minneapolis IZ webpage for the most up-to-date Utility Allowance Schedule. **(See Appendix C for more information.)**

Gross Rent = Contract Rent + Utility Allowance + All Non-Optional Charges

Step 8 – Complete Tenant Income Certification

The Tenant Income Certification form (TIC) is the final document that must be completed. The TIC includes all household, income, property, and unit information needed to successfully rent an IZ Unit. From the verification forms obtained from each income source for each household member, the property owner/manager should enter the gross amount of income and income from assets the household anticipates receiving in the 12 months following the effective date of the TIC, which also is the effective date of the lease. After all verifications of income and/or

assets have been received and calculated, each household member aged 18 or older must sign and date the TIC.

Detailed instructions for how to complete the TIC are in the TIC document.

Step 9 – Submission through Egnyte

Submit applicant “Tenant File” to AHC through Egnyte, a secure filing system and portal.

Secure IZ folders > Project Folders > XYZ Apartments > PY 2024 > Tenant Files > #321 Jones

- Contact AHC for login information if access is not already available
- In the Tenant File folder, create a folder using the unit # and tenant last name (see above)
- Individually upload all required documents to the unit/tenant folder
- Email AHC that file is ready for review
- Within five business days, AHC will either approve or note needed changes/corrections to file documents
 - If approved, notify resident(s) about approval – Congratulations!
 - If incomplete or inaccurate, complete changes/make corrections and resubmit to AHC for rereview
- Additional information about the Tenant File Review (TFR) process:
 - Before move in, all household documentation must be reviewed and approved by AHC to determine eligibility for IZ program
 - AHC will issue a Tenant File Review (TFR) after review of the submitted Tenant File
 - If corrections are needed or if documents are missing from the file, AHC will note this on the TFR; property owner must fix and resubmit
 - Once the corrections and/or missing documents are uploaded to Egnyte, email AHC for a second review of the file
 - After the file is approved, a final TFR approving the household/unit will be placed in the Egnyte “TFR” folder for your records.

See Appendix D for additional information on the required parts of a Tenant File.

Annual Compliance Process

The Annual Compliance Report (for both unassisted and assisted projects) ensures that the project follows the Declaration of Covenants and the Inclusionary Zoning Compliance Plan. The Annual Compliance forms are available on the City’s IZ webpage.



Unassisted IZ Projects

For IZ projects that do not receive TIF assistance, an **Annual Compliance form** must be completed and submitted to the City (via AHC and the Egnyte portal). This form verifies household income eligibility (based on initial move in criteria) and updated gross rent limits. There is no annual recertification requirement to verify household income upon lease renewal for unassisted IZ Units.

Assisted IZ Projects

For Assisted IZ projects that receive TIF assistance, rental property owners must verify that the household remains income eligible for the IZ program. For these units, household income cannot exceed 140 percent of the income limit set for that IZ Unit (based on size of household). Property owners/managers must **recertify household eligibility** based on current income and limits. Property owners/managers must prepare the **Annual Compliance form** and submit to the City (via AHC and the Egnyte portal), **on or before March 31** of each year for approval.

All households occupying units included in the Inclusionary Zoning Program must be reviewed for initial eligibility before move-in. Inclusionary Zoning units require verification of student status and verification of rent eligibility within established limits.

90-120 days ahead of the annual recertification (or recert), property owners/managers should begin the recertification process. The existing IZ household needs to complete a new Household Questionnaire as well as verify all information. Allowing adequate time better ensures the annual recertification will be completed successfully.

As you begin the recertification process, keep in mind the following:

- Notify households that their annual recert is approaching
- Remind households that they must comply with the recertification process to remain eligible for the IZ Unit
- Make sure household still is income-qualified
 - Household income may not exceed 140% of income limit (based on household size) at recertification
- Utilize most current Utility Allowance schedule
- Ensure gross rent is no more than the limit set by the City each year
- Verify that household gross annual income is no more than 140 percent of the limit set by the City each year

Student Participation in IZ Programs

For the city-wide IZ program, the student eligibility requirements from the Minneapolis-St. Paul Housing Inclusionary Zoning Compliance Manual Finance Board Section 42 Housing Tax Credit Program Compliance Manual will apply. Under these requirements, most households composed entirely of full-time students are not eligible for city-wide IZ Units with five limited exceptions for households where all members are full-time students. If one of the following exceptions applies to one or more household members, then the household may be eligible for an IZ Unit:

Married
<ul style="list-style-type: none">•Or Entitled to file a joint tax return•A married couple that has not filed, but is entitled to file, still satisfies exception
Single Parent
<ul style="list-style-type: none">•With dependent child(ren)•Parent is not a dependent
Receipt of assistance under Title IV of the SS Act
<ul style="list-style-type: none">•At least one member of household participates in the Minnesota Family Investment Program (MFIP)•Or Temporary Assistance to Needy Families (TANF, formerly AFDC)
Workforce Innovation and Opportunity Act (WIOA)
<ul style="list-style-type: none">•One member must participate in WIOA•Or other similar federal, state, or local program
Previously in Foster Care
<ul style="list-style-type: none">•One member was under the care and placement responsibility of the state foster care system

Student Eligible Program at the U of MN – Twin Cities (Minneapolis Campus)

In addition to the city-wide IZ program that limits student participation, Minneapolis has a Student Eligible IZ Housing Program. For this program, student IZ units are designated by the city in projects located within a boundary around the University of Minnesota – Minneapolis Campus.

For this program, all student IZ tenants must have Pell Grant eligibility approved by the City of Minneapolis. Pell Grant eligibility must be verified or re-verified within 120 days before the lease start date. Income and asset verification is not necessary for student eligible units.

Each project owner must initially and annually certify to the City of Minneapolis that it has complied with the income, rent, and student status requirements for the Student Eligible IZ Housing Program.

Determining Rent and Utility Allowance for Student Eligible Housing

Calculation of rent limits and utility allowances for student bedroom units uses 60% of the rent limit and utility allowance for a 0-bedroom/efficiency unit.

For units being counted and leased on a per bedroom basis in student-eligible housing projects, the rent limit will be set to 60% of the maximum rent for an efficiency unit at the 60% AMI limit. For efficiency and 1-bedroom units, the rent limit used will be 100% of the full rent limit and utility allowance amount per bedroom size.

The City of Minneapolis Inclusionary Zoning Compliance Manual has additional information about the student eligible housing process.

AHC provides a more in-depth Inclusionary Zoning training for property owners/managers interested in additional support. Contact AHC for information and pricing.

Frequently Asked Questions

- Is there an instance where the Utility Allowance form is not necessary?
 - *No. Even if it is zero, you must still fill out and submit the form.*
- If the household has no students, do they still have to complete the Student Self Certification form?
 - *Yes. The Student Self Certification form must be completed by all households applying for an IZ Unit regardless of student status.*
- Does the City of Minneapolis accept electronic signatures?
 - *Yes. For the IZ program, electronic signatures are accepted.*
- Must I accept Section 8 Housing Choice Vouchers?
 - *Yes. As with all rental units in Minneapolis including market rate, all otherwise qualified voucher holders must be considered for IZ Units and cannot be disqualified based solely on their voucher status.*
- Do unassisted IZ Units/households need to be recertified each year for income and rent limits?
 - *No. Unassisted units do not need to go through recertification; however, the Annual Compliance form must be completed and submitted to the City (via AHC and the Egnyte portal) each year.*
- At recertification for Assisted IZ Units, may a household be above the 60% AMI limit?
 - *Yes. The household may have income up to 140% of the published income limit based on household size.*
- How long does billing take for AHC?
 - *AHC bills every six months (January and July). Payment is due upon receipt. Please contact AHC for current pricing associated with training and compliance for the Minneapolis IZ Program.*
- What should I do if I am having trouble leasing IZ units in my building?
 - *Many people need the IZ program to help make rents more affordable; continue marketing on HousingLink in addition to using more traditional advertising/marketing strategies*
 - *Consider lowering rent qualifications (e.g., 3x rent amount to 2x rent amount) and/or reduce rents*
 - *Make the process as smooth as possible for potential renters by knowing the verification requirements and clearly answering questions about the IZ process*
 - *Reach out to AHC when you have questions or for additional support*



Appendix A: Instructions for Household Questionnaire

Management completes top portion above the Household Composition. The adult members of the household complete and sign the rest of the form. Be sure to collect all required documentation to verify income and assets as needed.

Page 1

- **Certification Effective Date box** – check “Move-in” and “Initial Cert” and write the same date for both.
- **Household certifying for the following programs(s)** – check “Other” and write in IZ.
- Complete “Date and Time Rec’d” and the “Rent Amount” in the right-most box.
- **Household Composition** – Enter amounts for all adult household members.
- **Household Income** – Enter amounts for all adult household members and unearned income of minors.

Page 2

- **Household Assets** – Enter amounts for all household members (including children).
- Complete the rest of page 2.
- If applicant puts “yes” for any asset or income, applicant will complete the bottom of page 2 by entering in all sources of income and/or asset.
- If total household assets are less than \$5,000, head of household should complete *Under \$5,000 Asset Certification form*.
- If total household assets are \$5,000 or more, each asset must be verified and imputed value of income from assets must be calculated (**see Appendix B: Instructions for Income and Asset Calculation Spreadsheet**).

Page 3

- Household should skip page 3 since the deductions and allowances only apply to HUD Section 8/236 programs.

Page 4

- In the top box, household certifies whether they have/have not sold or given away any assets for less than Fair Market Value during the last 24-months.
 - If they have, household enters in the asset, date sold/disposed, and amount received from the sale.
- Household completes all YES or NO questions in the additional information box.
- ALL adult household members sign and date the Questionnaire.

Appendix B: Income and Asset Calculation Spreadsheet

Following is a brief explanation of how to complete the Income and Asset Calculation Spreadsheet (Worksheet). Please contact AHC if you need additional assistance.

CERTIFICATION/RECERTIFICATION MPLS Inclusionary Zoning Calculation Worksheet							
Property:	Sample Apartments		3/1/2023	Move-in (MI)	Voucher Holder Only:		
Unit Number:	101-A			Annual Certification (AR)	Tenant Rent:		
Effective Date:	3/1/2023			Interim Certification (IR)	\$0		
Move-In Date:	3/1/2023		3/1/2023	Initial Certification (IC)	HAP Portion:		
Lease End Date:	2/28/2024			Unit Transfer (UT)	\$0		
Unit Transfer:	Old Unit:		Must be Completed				
	New Unit:		Contract Rent		\$1,200.00		
			Utility Allowance		\$75.00		
			Non-Optional Charges (if any)		\$0.00		
			Gross Rent		\$1,275.00		
			Unit/Program Max Rent		\$1,325.00		
			Bedroom Size of Unit		1		
			IZ Unit Designation		8%		

1. Enter Property name, Unit Number, Effective Date, Move-In Date, and Lease End Date (Effective Date and Move-In Date will be the same as initial occupancy. The Effective Date will change annually based on lease-renewal date).
2. In the middle top box, enter the Move In (MI) date of the household. Enter dates in the following boxes, as needed:
 - a. Annual Certification (AR) if annually recertifying the household (assisted IZ projects only).
 - b. Initial Certification (IC) if initially qualifying the household.
 - c. Unit Transfer (UT) if the household is transferring to another IZ unit within the same property.
3. In the top right box, enter in voucher amount information if household receives a housing choice voucher.
4. In the bottom middle box, enter in all information. A Non-Optional charge would be anything that the property requires the renter to purchase, such as renters' insurance and/or internet service.

1. *Journal of Management Studies*, 1996, 33, 1, 1-14.

[illegible]

10. **Value** – the balance of the account. For a checking account, use a 6-month average. For a Savings account, the value is the current balance.
11. **Penalty** – amount incurred due to early withdrawal from some type of fund (if any).
12. **Cash Value** – enter in the value for the type of asset minus any penalties associated with account.
13. **Interest Rate** – if any, that the account earns.

For assets over \$5,000 - use greater of the actual or imputed income from assets as calculated below.

Actual Amount	\$73.50								
Imputed Amount	\$6.52								
Total Household Income Prior to any Deductions:									
Total Annual Income		\$42,688.00				Form Completed By:			
Total Income from Asset		\$73.50				Date:			
Total Annual Gross Income		\$42,761.50							

14. List all assets reported on the *Household Questionnaire*. Utilize account balances and interest rates from either 3rd party verifications, bank statements, or the under \$5,000 Asset Certification form.
15. The worksheet will calculate imputed interest income based upon 0.06% of total cash value for the household. The greater of the actual amount or imputed amount will be added to the annual income for the total annual gross income amount. (The imputed rate changes occasionally; as of January 2025 the rate will be 0.45%.)
16. Enter the name of the person who completed this worksheet and the date.

Appendix C: Instructions for Determining Utility Allowance

The current Utility Allowance (UA) Schedule is posted on the Minneapolis IZ webpage. Identify the number of bedrooms for the unit, then complete the UA. See sample below:

1. **Date** - date of initial lease up or recertification
2. **Heating** - Determine the heat source for the unit. Circle/highlight the amount that corresponds to the unit size and the type of heat
3. **Cooking** - Determine the utility source for cooking. Circle/highlight the amount that corresponds to the unit size and type of cooking source
4. **Complete other utilities from list as needed** - Please note that Sewer and Trash collection, Tenant-Supplied appliances, and Other Monthly Charges are not common for the resident to pay
5. **Complete the Actual Family Allowances section of the form** by entering in the Name of Family, Address of Unit, Number of Bedrooms, and the per month cost for all the utilities circled/highlighted according to the bedroom size

Utility Allowance Schedule

See Public Reporting and Instructions on back.

U.S. Department of Housing and Urban
Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(exp. 04/30/2026)

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA: City of Minneapolis- Community Planning and Economic Development Department, MN		Unit Type: High-Rise/Apartment (Energy Efficient)					Date (mm/dd/yyyy) 08/01/2024
Utility of Service HOME Fund Program	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	\$23.00	\$27.00	\$31.00	\$36.00	\$41.00	\$46.00
	Bottle Gas						
	Electric	\$27.00	\$32.00	\$44.00	\$56.00	\$68.00	\$80.00
	Electric Heat Pump	\$24.00	\$29.00	\$34.00	\$38.00	\$42.00	\$47.00
	Fuel Oil						
Cooking	Natural Gas	\$2.00	\$3.00	\$4.00	\$5.00	\$6.00	\$8.00
	Bottle Gas						
	Electric	\$6.00	\$7.00	\$10.00	\$14.00	\$17.00	\$20.00
Other Electric		\$23.00	\$27.00	\$38.00	\$49.00	\$59.00	\$70.00
Air Conditioning		\$6.00	\$7.00	\$10.00	\$13.00	\$16.00	\$18.00
Water Heating	Natural Gas	\$6.00	\$7.00	\$10.00	\$13.00	\$17.00	\$20.00
	Bottle Gas						
	Electric	\$17.00	\$20.00	\$25.00	\$30.00	\$36.00	\$41.00
	Fuel Oil						
Water		\$25.00	\$29.00	\$36.00	\$43.00	\$50.00	\$57.00
Sewer		N/A	N/A	N/A	N/A	N/A	N/A
Other specify: Electric Charge \$7.47		\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
Other specify: Natural Gas Charge \$10.15		\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Range/Microwave		\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Refrigerator		\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Actual Family Allowances - May be used by the family to compute allowance while searching for a unit.					Utility/Service/Appliance	Allowance	
Head of Household Name Matthew Mathers					Heating	\$27.00	
					Cooking	\$7.00	
					Other Electric	\$27.00	
					Air Conditioning	\$7.00	
Unit Address 1234 Union Street #201 Minneapolis, MN 55401					Water Heating	\$7.00	
					Water	\$29.00	
					Sewer		
					Trash Collection		
Number of Bedrooms 1					Other		
					Range/Microwave		
					Refrigerator		
					Total	\$104.00	



Appendix D: Tenant File Review (TFR) Checklist

When submitting a Tenant File to AHC for review, the following documentation must be included (in this order):

1. Household Questionnaire
2. Government Data Practices Act (GDPA) Disclosure Statement
3. Head of Household Demographic Information form
4. Student Self Certification form
5. Utility Allowance Schedule
6. Documentation/Verification of Income
7. Documentation/Verification of Assets
8. Income and Asset Calculation Spreadsheet
9. Tenant Income Certification (TIC)
10. Owner's Lease and IZ Lease Addendum
11. Verification of Rent Assistance (if applicable)

Every Tenant File tells a story, and the story needs to be consistent and accurate throughout to ensure IZ compliance.

**Tenant File documents for the Student Eligible IZ Housing Program are different.
Please contact AHC for more information.**