



Minneapolis Development Review  
Public Service Center Building  
250 South 4<sup>th</sup> Street., Room 300  
Minneapolis, MN 55415  
TEL 612.673.3000  
[www.minneapolismn.gov](http://www.minneapolismn.gov)

For questions regarding this form, contact 612-673-5175 or [inclusionaryzoning@minneapolismn.gov](mailto:inclusionaryzoning@minneapolismn.gov)

## INCLUSIONARY ZONING ACKNOWLEDGEMENT AND AFFORDABLE HOUSING COMPLIANCE PLAN

Chapter 535 of the Minneapolis Code of Ordinances requires that a certain share of all newly constructed buildings with residential dwelling units of twenty (20) or more units be developed and reserved for sale or lease in accordance with the affordability standards in the City’s Unified Housing Policy (the “Inclusionary Zoning Requirements”).

The Developer:

\_\_\_\_\_  
Print Developer’s Name

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Developer’s Contact Information

\_\_\_\_\_  
Developer’s Email

Is the owner of or is intending to purchase and is requesting a building permit for certain real property located in the City of Minneapolis, Minnesota at \_\_\_\_\_, legally described in “Exhibit A” attached hereto (the “Project Property”) and incorporated herein by this reference. The term “Developer” herein means the person or entity listed above and includes all successors and assigns of that person or entity.

Developer proposes to construct \_\_\_\_\_ residential rental and \_\_\_\_\_ residential For-Sale dwelling units on the Project Property (the “Development”) and is therefore subject to the Inclusionary Zoning Requirements.

Developer has the option of complying with the Inclusive Zoning Requirements by either building a certain number of qualifying units or satisfy the requirements through alternate means as described by the Inclusionary Zoning Requirements.

In connection with the Development, Developer has received approval of a land use application and is entitled to receive a building permit for the Development upon payment of the applicable fees and upon submission of this Inclusionary Zoning Acknowledgment indicating Developer's selected options for compliance with the Inclusionary Zoning Requirements and required attachments.

**No Net Loss:** If the Development has 100 or more units, does the Development require the demolition of any units that are 50 or more years old ("NOAH Units")?

Yes

No

If yes, how many NOAH Units are required to be demolished for the Development \_\_\_\_\_?

If NOAH Units are being demolished, the Inclusionary Zoning Requirements below must be adjusted to be at least equal to the number of NOAH Units demolished.

**Check one box in either 1, 2, 3 or 4.**

Developer explicitly acknowledges that if any option in 2 or 3 below is selected, Developer must provide the City with evidence acceptable to the City that a Declaration of Affordable Housing Covenants has been recorded against the Project Property prior to the City issuing a Certificate of Occupancy for the Development. The Declaration of Affordable Housing Covenants must meet the applicable provisions of the City’s Uniform Housing Policy in effect as of the date of Developer’s submission of a completed application for site plan approvals for the Development.

**1. EXEMPTIONS:** (Must attach evidence of eligibility)

- a.** The Development is housing to be owned and operated by or on behalf of a college or university.
- b.** At least 20% of the units in the Development will be affordable to and occupied by households with an income at or below 60% of Area Median Income for the Minneapolis/St. Paul Metropolitan Statistical area, adjusted for family size (AMI) and meet any of the following qualifications:
  - the units are subject to a housing assistance payments contract under Section 8 of the United States Housing Act of 1937, as amended;
  - the units are rent-restricted and income-restricted units of a qualified low-income housing project receiving tax credits under section 42(g) of the Internal Revenue Code; or
  - the units are subject to rent and income restrictions under the terms of financial assistance provided to the rental housing property by the federal government, the state of Minnesota, or a local unit of government, as evidenced by a document that will be recorded against the property.

**2. IF THE DEVELOPMENT IS RENTAL HOUSING:** Developer hereby elects the following option as its method of compliance with the Inclusionary Zoning Requirements.

- a.** At least 8% of units in the Development shall be affordable to and occupied by households with an income at or below 60% of Area Median Income (“AMI”) as described in the City’s Uniform Housing Policy and associated City regulations. (see scaling rules for developments of less than 100 units)  
**Number of Restricted Units \_\_\_\_\_**  
**(and/or, if Student Eligible Housing renting by the bedroom, Number of Restricted Bedrooms \_\_\_\_\_)** *(Attach Building Map identifying Restricted Units/Restricted Bedrooms which must match floor plans submitted to the City where the architect has marked the Restricted Units/Restricted Bedrooms)*
- b.** At least 4% of the units in the Development shall be affordable to and occupied by households with an income at or below 30% of AMI as described in the City’s Uniform Housing Policy and associated City regulations.

**Number of Restricted Units** \_\_\_\_\_ (Attach Building Map identifying Restricted Units which must match floor plans submitted to the City where the architect has marked the Restricted Units)

- c. At least 20% of the units in the Development shall be affordable to and occupied as described in the City’s Uniform Housing Policy and Inclusionary Zoning Policy for Revenue Loss Offset Assistance and associated City regulations. (subject to scaling rules for developments of less than 100 units)

**Number of Restricted Units** \_\_\_\_\_ (Attach: City Council approval of Revenue Loss Offset assistance) **NOTE: The process of requesting assistance and obtaining City Council approval is estimated to take approximately 4-5 months from the time you submit your application for Revenue Loss Offset assistance. Please allow sufficient time prior to requesting a building permit.**

**d.** The Development is between **20-49 units** and subject to the phase-in rules. The number of restricted units is zero until 6 months after the first 500 units in 20-49 unit projects have been approved and permitted.

**Fractional Unit Election:** If the Inclusionary Zoning Requirements result in a number that includes a fraction of a unit, the Developer has elected which of the following (select one):

- Pay in-lieu fee for the fraction of the unit \$ \_\_\_\_\_; or
- Round up (not down) to the next whole unit as applicable below.

Developer explicitly acknowledges that if the Development’s Inclusionary Zoning Requirements result in a fractional unit calculation and Developer has elected to pay an in-lieu fee for the fraction of the unit, such fractional unit payment is due prior to receipt of a building permit for the Development from the City.

**3. IF THE DEVELOPMENT IS FOR SALE HOUSING:**

- a. At least 4% of the units in the Development shall be occupied by households with an income at or below 80% of AMI and priced to be affordable to households earning 70% of AMI as described in the City’s Uniform Housing Policy and associated City regulations. **Number of Restricted Units** \_\_\_\_\_ (Attach Building Map identifying Restricted Units which must match floor plans submitted to the City where the architect has marked the Restricted Units))

**Description of 20 year affordability strategy and list of required documentation before Certificates of Occupancy will be issued for the Development:**

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**b.** The Development is subject to the phase-in rules permitted under the City’s Inclusionary Zoning Ordinance. The number of restricted units is zero until 6 months

after the first 500 for-sale units have been approved and permitted.

**Fractional Unit Election:** If the Inclusionary Zoning Requirements result in a number that includes a fraction of a unit, the Developer has elected which of the following (select one):

- Pay in-lieu fee for the fraction of the unit \$ \_\_\_\_\_; or
- Round up (not down) to the next whole unit as applicable below.

Developer explicitly acknowledges that if the Development’s Inclusionary Zoning Requirements result in a fractional unit calculation and Developer has elected to pay an in-lieu fee for the fraction of the unit, such fractional unit payment is due prior to receipt of a building permit for the Development from the City.

**4. ALTERNATIVE COMPLIANCE OPTIONS:**

- a.** Cash in-lieu Payment consistent with the City’s Uniform Housing Policy in the amount of \$ \_\_\_\_\_.  
 \_\_\_\_\_ net residential area  
 \_\_\_\_\_ number of stories in development  
 \_\_\_\_\_ applicable fee [\$15 per net residential area square feet (up to 7 stories)/\$22 per net residential area square feet (8 stories or more)]

“Net residential area” means the sum of the gross horizontal area in the Development measured from the interior faces of the interior walls of the space occupied by dwellings. Net residential area shall not include space devoted to accessory off-street parking or loading facilities, including aisles, ramps and maneuvering space, common hallways or stairwells, elevators, mechanical rooms, storage space outside of the dwelling units or common areas including but not limited to lobbies, amenity spaces or recreation rooms.

The Development has \_\_\_\_\_ square feet of net residential area (*attach architect’s certification as “Exhibit B”*), which number may be verified and adjusted to match current construction plans by City staff at any time a building permit for the Development is required, for the Project Property. Fees required by the Inclusionary Zoning Requirements shall be adjusted for any increases in net residential area for the Project Property.

- b.** Off-Site Units (collect Security Deposit equal to cash-in-lieu payment calculated above)

Security Deposit \$ \_\_\_\_\_

Deposit Forfeit Date: \_\_\_\_\_  
(no later than 48 months from the date of this form)

If this Option 4(b) is selected, Developer will provide the Security Deposit

indicated above in the form of a check or letter of credit to the City's Development Services Department prior to being issued a building permit for the Development. Developer acknowledges that such Security Deposit will forfeit to the City and the Developer will have no further obligation with respect to the Off-Site alternative compliance on the Deposit Forfeit Date unless the Off-Site alternative compliance is approved by the City Council consistent with the City's Unified Housing Policy and closing has occurred on the construction financing for the Off-Site Units prior to the Deposit Forfeit Date. The Security Deposit shall be refunded or returned to Developer within \_\_\_\_\_ days of Developer providing evidence to the City demonstrating that the City Council has approved the Off-Site alternative and that closing has occurred on the construction financing prior to the Deposit Forfeit Date.

- c. Donation of Land (attach fully executed Land Donation Agreement OR Security Deposit equal to cash-in-lieu payment required) (*Available only after June 1, 2020*).

Security Deposit \$ \_\_\_\_\_

*OR a fully executed Land Donation Agreement in form acceptable to the City and any supplemental cash payment required. \_\_\_\_\_ (initial here)*

If this Option 4(c) is selected, Developer explicitly acknowledges that unless the land has been transferred to the City at the time the Developer is requesting a building permit, Developer will, prior to receipt of a building permit for the Development, make a payment to the City in the form of a check or letter of credit in an amount equal to the full payment that would have been due if Developer had elected option 4(a). Developer acknowledges that such Security Deposit will forfeit to the City and the Developer will have no further obligation with respect to the Donation of Land alternative compliance on the date a Certificate of Occupancy is issued unless CPED has accepted the donation of land and such land has been conveyed to the City along with any supplemental cash payment by such date. The Security Deposit shall be refunded or returned to Developer concurrent with the transfer of the land less any supplemental cash payment.

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## Park Dedication Fee Exemptions

“Affordable Housing Units” as defined in Section 598.360 of the Minneapolis Code of Ordinances are exempt from the City’s parkland dedication requests. “Affordable Housing Units” is defined as:

- a. Residential dwelling units financed in whole or in part by a local, state, or federal government entity for the purpose of creating housing affordable to and occupied by households earning sixty (60) percent or less of AMI; or
- b. Residential dwelling units in a project financed in whole in part by a local, state, or federal government entity for the purpose of creating affordable housing where one hundred (100) percent of the housing project meets the requirements for income averaging under Section 42(g)(1)(c) of the Internal Revenue Code resulting in an average rent for all units in the project that does not exceed sixty (60) percent of AMI; or
- c. Residential dwelling units in a project that are affordable to and occupied by households earning sixty (60) percent or less of AMI as a result of compliance with Minneapolis Code of Ordinances, Article XIV, Inclusionary Housing.

**Developer hereby certifies that the Development has \_\_\_\_\_ units meeting the foregoing definition of “Affordable Housing Units.”**

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**INCLUSIONARY ZONING ACKNOWLEDGEMENT AND  
AFFORDABLE HOUSING COMPLIANCE PLAN**

**Certification**

The undersigned hereby certifies that he or she understands the information being requested by this form and the importance of such to the validity of any Development building permit and that post-permit issuance revisions to the construction plans that change the number of dwelling units to be constructed on the Project Property, the net residential area or that materially affects the design/unit comparability standards in the City's Unified Housing Policy will require the submission of an updated form. The information provided to the City of Minneapolis in this form is true and accurate and the undersigned has the authority to bind any corporate entity identified as Developer herein. The undersigned further understands and agrees that the provision of any false or inaccurate information shall render the building permit and all other City approvals null and void.

\_\_\_\_\_  
Developer's Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title (if applicable)

\_\_\_\_\_  
Date

This form may not be submitted to Minneapolis Development Review without a signature from the Minneapolis Department of Community Planning and Economic Development's Manager of Residential Finance.

Approved By: \_\_\_\_\_

Amy Geisler  
Manager, CPED Residential Finance

Date: \_\_\_\_\_

*For internal use only:*

*Deposit fees to:* \_\_\_\_\_

*Building Permit:* \_\_\_\_\_



EXHIBIT A

LEGAL DESCRIPTION OF PROJECT PROPERTY

EXHIBIT B – Required for Projects Paying the In-Lieu Fee

ARCHITECT’S CERTIFICATION OF NET RESIDENTIAL AREA

Date: \_\_\_\_\_  
Project Name: \_\_\_\_\_  
Project Address: \_\_\_\_\_  
Developer: \_\_\_\_\_

To the City of Minneapolis Department of Community Planning and Economic Development:

I hereby certify that:

1. I have been retained by the Developer identified above to provide services related to the design and preparation of construction documents and specifications for the construction project identified above and to make periodic visits to the site during construction and perform such other required services to familiarize myself with the general progress, quality and conformance of the work.
2. I understand that the City of Minneapolis has defined “Net Residential Area” as the sum of the gross horizontal area in the Development measured from the interior faces of the interior walls of the space occupied by dwellings. Net residential area shall not include space devoted to accessory off-street parking or loading facilities, including aisles, ramps and maneuvering space, common hallways or stairwells, elevators, mechanical rooms, storage space outside of the dwelling units or common areas including but not limited to lobbies, amenity spaces or recreation rooms.
3. The Development has \_\_\_\_\_ square feet of Net Residential Area, which number may be verified by City staff at any time a building permit for the Project is required.
4. I understand that fees required by the City’s Inclusionary Zoning Requirements are calculated based on Net Residential Area.
5. I will resubmit this Certification at any time the Net Residential Area increases more than \_\_\_\_\_ %.

\_\_\_\_\_  
Signature of Minnesota licensed  
Architect/Engineer

\_\_\_\_\_  
Name of Architect/Engineer (Print)

\_\_\_\_\_  
Professional Minnesota License Number

\_\_\_\_\_  
Business Street Address, City, State, Zip Code

EXHIBIT C – Required for On-Site Compliance Option

**PROJECT UNIT GRID - Fill out for all market rate and fixed affordable units**

Unit Type	# of Units	Unit Sq. Ft.	Fixed Affordable Unit (Y/N)
Studio			
Studio			
Studio			
Studio			
Studio			
<b>Total</b>			
1BR			
1BR			
1BR			
1BR			
1BR			
<b>Total</b>			
2BR			
2BR			
2BR			
2BR			
2BR			
<b>Total</b>			
3BR			
3BR			
3BR			
3BR			
3BR			
<b>Total</b>			
4BR			
4BR			
4BR			
4BR			
4BR			
<b>Total</b>			
<b>Building Total</b>			

If more lines are needed please attach an additional project unit grid.

## POSSIBLE ADDITIONAL ATTACHMENTS

- REQUIRED ATTACHMENTS FOR PROJECTS SELECTING ON-SITE COMPLIANCE:
  - EXHIBIT C - PROJECT UNIT GRID
  - EXHIBIT D - DRAFT DECLARATION OF RESTRICTIVE COVENTANTS (follows this page)
  - BUILDING MAP IDENTIFYING RESTRICTED IZ UNITS
  
- OTHER POSSIBLE ATTACHMENTS:
  - ANY CPED DIRECTOR OR CITY COUNCIL APPROVALS RELATED TO INCLUSIONARY ZONING COMPLIANCE
  - EXECUTED LAND DONATION AGREEMENT
  - LETTER OF CREDIT

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

**By**

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**in favor of the**

**CITY OF MINNEAPOLIS**

**Dated as of: \_\_\_\_\_, 20\_\_**

**Relating to the:  
\_\_\_\_\_ Project**

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

***Approved as to substance by:***

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***Manager, Residential Finance  
Housing Policy and Development***

**THIS INCLUSIONARY ZONING DECLARATION OF AFFORDABLE HOUSING COVENANTS**, is made on or as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, a \_\_\_\_\_ (“Developer”), having its offices at \_\_\_\_\_, in favor of the **City of Minneapolis**, a Minnesota municipal corporation (“City”).

**WITNESSETH:**

**WHEREAS**, in accordance with Chapter 535 of the Minneapolis Code of Ordinances and the affordability standards in the City’s Unified Housing Policy, Developer is obligated to cause this Declaration to be recorded against the property described in Exhibit A attached hereto (the “Property”), imposing the affordability covenants set forth below; and

**NOW, THEREFORE**, in consideration of the premises and covenants hereinafter set forth, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Developer agrees as follows:

**SECTION 1. Definitions.**

In this Declaration, unless a different meaning clearly appears from the context:

**AFFORDABILITY PERIOD** – A period commencing on the Completion Date and continuing for 20 years.

**ANNUAL INCOME** – “Annual Income,” as defined at 24 CFR 5.609, which is the definition used for the “Section 8” program.

**APARTMENT UNITS** – \_\_\_\_\_ (\_\_\_\_\_) rental housing units and related improvements on the Property according to building permits issued by the City.

**CERTIFYING ENTITY** – means the City or its designated agent that is under contract with the City to provide income verification and compliance monitoring for rental IZ Units for a specified fee schedule to be charged directly to the owner of rental IZ Units.

**CITY** – The City of Minneapolis.

**COMPLETION DATE** – The date when construction of the Apartment Units upon the Property is completed and City has issued a certificate of occupancy for the Project.

**COMPLIANCE MANUAL** – The City of Minneapolis Inclusionary Zoning Compliance Manual for Owners and Managers of Affordable Rental Housing Units in effect as of the date of this Declaration as modified from time to time to the extent such modifications are noticed in writing to Developer.

**ELIGIBLE STUDENTS** – Students who are eligible for the federal Pell grant.

**ELIGIBILITY CERTIFICATION** – A Certification of Tenant Eligibility substantially in the form attached as Exhibit C hereto or in such other form as may be approved by City, in which the prospective Qualifying Tenant certifies as to Annual Income. *[for Pell grant eligibility, as applicable]*

**HUD** – The United States Department of Housing and Urban Development.

**IZ PAGE** – The City’s web page for inclusionary zoning information at [minneapolismn.gov/cped/inclusionaryzoning](http://minneapolismn.gov/cped/inclusionaryzoning).

**IZ UNITS**– \_\_\_\_\_ ( ) rental housing units in the Project, specifically \_\_\_\_\_ ( ) SRO Units, \_\_\_\_\_ ( ) zero-bedroom units, \_\_\_\_\_ ( ) one-bedroom units, \_\_\_\_\_ ( ) two-bedroom units and \_\_\_\_\_ ( ) three-bedroom units. [*and/or \_\_\_\_\_ bedrooms in the Project.*] (if *Student Eligible Housing rented by the bedroom*)

**MEDIAN FAMILY INCOME** – The "Median Family Income" as most recently established by HUD for the Minneapolis/St. Paul standard metropolitan statistical area, adjusted for family size.

**OTHER DOCUMENTS** – Any agreement or deed containing covenants, conditions, or restrictions for the benefit of City, including any Development Contract or other agreement between City and Developer.

**OVER-INCOME HOUSEHOLD** – A household that was a Qualifying Tenant at the time tenancy commenced, but whose income over time exceeds one hundred and forty percent (140%) of the maximum income allowed for a Qualifying Tenant or, if the Project is Student Eligible Housing, and the tenant is no longer an Eligible Student.

**PROJECT** – The Property and the Apartment Units.

**PROPERTY** – The real property located in Hennepin County, Minnesota, and legally described on Exhibit A attached hereto and made a part hereof.

**QUALIFYING TENANTS** – Those persons and households who shall be certified from time to time by Developer to have combined adjusted Annual Income that does not exceed 60% of the Median Family Income for the applicable calendar year [or, with respect to Student Eligible Housing, those persons and households who are Eligible Students]. For purposes of this definition, the occupants of an IZ Unit shall not be deemed to be Qualifying Tenants if all the occupants of such residential unit at any time are “students,” as defined in Section 151(c)(4) of the Internal Revenue Code of 1986, as amended (the “Code”), not entitled to an exemption under the Code, unless all occupants of such IZ Unit are Eligible Students in Student Eligible Housing.

**SHORT-TERM RENTALS** – Apartment Units rented in periods of less than one month.

**SRO** - means single room occupancy sleeping room with shared bathroom or kitchen facilities.

**STUDENT ELIGIBLE HOUSING** – A Project that (i) provides on-site IZ Units where at least 8% of the total units/bedrooms in the Project are IZ Units, (ii) has not received financial assistance from the City and (iii) is located in the University Overlay District as designated by the City of Minneapolis’ zoning code.

**UTILITY PAYMENTS** – Actual utility payments or a Utility Allowance paid by a tenant of an IZ Unit, excluding telephone.

**UTILITY ALLOWANCE** – A utility allowance consistent with the City’s annual published utility allowance schedule, provided that for Student Eligible Housing rented by the bedroom the appropriate utility allowance shall be 60% of the utility allowance for a zero bedroom unit.

**SECTION 2. Representations.**

Developer represents to and for the benefit of City, that Developer has duly authorized, executed and delivered this Declaration pursuant to proper authorization therefor; that this Declaration constitutes a valid and binding obligation of Developer, enforceable in accordance with its terms, except only as such enforceability may be limited by bankruptcy, moratorium, reorganization or other laws, or principles of equity affecting creditors' rights and that the execution and delivery of this Declaration does not constitute a breach, violation or default under any law, regulation, order, judgment or ruling binding upon such party, or a default under any indenture, mortgage, agreement or other instrument to which Developer is subject or by which it or the Property is bound.

**SECTION 3. Restrictions on Use.**

- A. Developer agrees to develop, operate and manage the Project, including the IZ Units, according to the terms of this Declaration for the duration of the Affordability Period.
- B. During the Affordability Period, this Declaration shall constitute covenants running with the land and be binding on the successors and assigns of Developer and on all parties having or acquiring any rights, title, or interest in the Project.
- C. Rental of the Project shall be in accordance with the following:
  - (a) All of the IZ Units shall be occupied by Qualifying Tenants and shall bear rents not greater than the current maximum Housing Tax Credit rents published by the Minnesota Housing Finance Agency (MHFA) for the 60% income limits by number of bedrooms in the unit for Hennepin County adjusted by Section 3(C)(d) charges paid by the Qualifying Tenant or, if Student Eligible Housing rented by the bedroom, not greater than 60% of the current maximum rents published by MHFA for an efficiency unit at the 60% income limit for Hennepin County.
  - (b) The IZ Units are identified by unit number on the initial rent schedule on the attached hereto as Exhibit B. In no event will City require the IZ Unit gross rents to be set lower than the rents listed on Exhibit B.
  - (c) Developer may not refuse to lease an Apartment Unit in the Project to a prospective tenant because the prospective tenant is a Section 8 certificate or voucher holder, or a participant in any other tenant-based assistance program. Notwithstanding Section C(a) above, Developer may charge more than such rent limits for a household using rental assistance as permitted by the assistance program as long as the household using the rental assistance is not paying more than 30 percent of the household's monthly adjusted income.
  - (d) City may review and approve rents and other charges or allowances annually for consistency with this Declaration. The limitations on rents imposed by this Section 3 includes rent, services and Utility Payments or monthly allowances for services and other non-optional charges. Developer must provide tenants with not less than 30 days prior written notice of increases in rents.



- (e) The determination of whether an individual or household is a Qualifying Tenant shall be made at the time the tenancy commences and on an ongoing basis thereafter, determined annually, in accordance with the Compliance Manual. If, during the tenancy, a Qualifying Tenant's income exceeds one hundred forty percent (140%) of the maximum income allowed for a Qualifying Tenant at the point of an annual Eligibility Certification or if the Project is Student Eligible Housing and the tenant is no longer an Eligible Student, Developer must evict such Over-Income Household upon ninety (90) days written notice.
- (f)
  - (1) All leases of IZ Units shall contain clauses, among others, wherein each individual tenant: (i) certifies the accuracy of the statements made in its application and Eligibility Certification (as defined in Section 4 hereof); and (ii) agrees that the household income at the time the lease is executed shall be deemed a substantial and material obligation of the tenant's tenancy, that the tenant will comply promptly with all requests for income and information relevant to determining low or moderate income status from Developer or City, and that the tenant's failure or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenant's tenancy; and (iii) is put on notice that subletting of such IZ Unit is strictly prohibited, except as approved by the City consistent with the City's Compliance Manual.
  - (2) The form of lease to be utilized by Developer in renting any IZ Units in the Project to any person who is intended to be a Qualifying Tenant shall provide for termination of the lease and consent by such person to eviction upon 30 days' notice for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by such person with respect to the Eligibility Certification defined below or upon ninety (90) days notice for being an Over-Income Household.
- (g) Developer shall retain all records related to compliance with this Declaration for a minimum of six (6) years after termination of the Affordability Period. Developer shall permit any duly authorized representative of City to inspect the books and records of Developer related to compliance with this Declaration. Developer also agrees to provide City, upon request, copies of any leases for the IZ Units and access to the Project and IZ Units for on-site inspections. Developer agrees to submit any other information, documents or certificates requested by City which City deems reasonably necessary to substantiate continuing compliance with the provisions specified in this Declaration.
- (h) Developer must contract directly with the Certifying Entity and, upon annual invoicing, pay the Certifying Entity for income eligibility verification services for new tenants and for annual recertifications as well as any additional monitoring deemed necessary by the City to determine Project compliance with this Declaration. Certifying Entity fees will be consistent with the fee schedule published by the City on the City's IZ Page and updated annually.
- (i) Tenants of the IZ Units must not be charged fees that are not customarily charged in rental housing, such as laundry room access fees.

- (j) Developer shall comply with the Compliance Manual and provide evidence of compliance to City upon request.
- (k) For the duration of the Affordability Period, Developer shall not rent IZ Units in such a way as to permit master leasing of Short-Term Rentals. Developer shall not be in default of this provision if a tenant of an individual IZ Unit leases such IZ Unit as a Short-Term rental so long as the lease for such IZ Unit prohibits such activity and Developer is using reasonable means to enforce such provision. Developer covenants not to locate the IZ Units on floors of the Development that have Apartment Units master leased as Short-Term Rentals.

**SECTION 4. Certification of Tenant Eligibility.**

As a condition to initial and continuing occupancy, each person who is intended to be a Qualifying Tenant shall be required annually to sign and deliver to Developer an Eligibility Certification, confirmed by the Developer consistent with the requirements of the City's Compliance Manual. In addition, such person shall be required to provide whatever other information, documents or certifications are deemed necessary by City or Certifying Entity to substantiate the Eligibility Certification along with requests for voluntary information, on an ongoing annual basis, and Developer must verify that such tenant continues to be a Qualifying Tenant as defined herein. Eligibility Certifications will be maintained on file by Developer with respect to each Qualifying Tenant who resides in an IZ Unit or resided therein during the immediately preceding calendar year.

Developer agrees to comply with the Minnesota Government Data Practices Act and all other applicable state and federal laws relating to data privacy or confidentiality. A form for collecting tenant information that meets these requirements is available from City upon request. Developer shall immediately report to City any requests from third parties for information relating to this Declaration. City agrees to promptly respond to inquiries from Developer concerning data requests. Developer agrees to hold City, its officers, department heads and employees harmless from any claims resulting from Developer's unlawful disclosure or use of data protected under state and federal laws unless such disclosure was done at the direction of City.

**SECTION 5. Fair Housing Policy**

Developer shall use affirmative fair housing marketing practices in soliciting renters, determining eligibility, and concluding all transactions as addressed in Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the fair housing protections provided by the Minnesota Human Rights Act, which adds creed, marital status, status with regard to public housing, and sexual orientation, and any applicable City Civil Rights ordinances. In part, regarding rental housing issues, Title VIII, the Human Rights Act, and applicable City Civil Rights ordinances make it unlawful to: (i) discriminate in the selection/acceptance of applicants in the rental of housing units; (ii) discriminate in terms, conditions or privileges of the rental of a dwelling unit; (iii) engage in any conduct relating to the provision of housing that otherwise makes unavailable or denies the rental of a dwelling unit; (iv) make or publish (or have anyone else make or publish) advertisements that indicate preferences or limitations based on race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, or sexual orientation; (v) tell a person that because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, or sexual orientation, a dwelling unit is not available when it is; and (vi) deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation.

Developer will be required to affirmatively market the availability of all Apartment Units. IZ Unit availability opportunities are required to be advertised on [HousingLink](#) concurrent with other public or private advertising for a minimum of 10 consecutive days.

**SECTION 6. Annual Report.**

- (1) Annual Report. Developer covenants and agrees that during the terms of this Declaration, it will prepare and submit to City, on or before March 31 of each year, a certificate substantially in the form of Exhibit D hereto, executed by Developer and: (a) identifying the tenancies and dates of occupancy or vacancy for all Qualifying Tenants in the IZ Units, or held vacant and available for occupancy by Qualifying Tenants, at all times during the year preceding the date of such certificate; and (b) describing all transfers or other changes in ownership of the Project or any interest therein; and (c) that Developer was not otherwise in default under this Declaration during such year.
- (2) Notice of Non-Compliance. Developer will immediately notify City if, at any time during the term of this Declaration, the IZ Units in the Project are not occupied or available for occupancy as required by the terms of this Declaration.

**SECTION 7. Restrictions on Sale of the Project.**

Developer covenants and agrees that Developer will cause or require as a condition precedent to any conveyance, transfer, assignment, or any other disposition of the Apartment Units prior to the termination of this Declaration (a “Transfer”) that the transferee of the Apartment Units pursuant to the Transfer assume in writing, in a form reasonably acceptable to the City, all duties and obligations of Developer under this Declaration, including this Section, in the event of a subsequent Transfer by the transferee prior to termination of this Declaration provided herein (the “Assumption Agreement”). Developer will deliver the Assumption Agreement to the City prior to the Transfer. Further, Developer covenants and agrees that it will not Transfer the Apartment Units to any transferee that (i) owns any rental housing properties in the City of Minneapolis with a Tier 3 rental license; (ii) has a history of rental license revocations with the City or (iii) has any current outstanding housing orders with the City.

Any Transfer in violation of this Declaration shall be null and void at the election of the City.

**SECTION 8. Covenants: Binding Upon Successors in Interest.**

It is intended and agreed that the covenants provided in this Declaration shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, be binding on Developer, the successors and assigns of Developer, and all parties having or acquiring any right, title, or interest in all or any part of the Project. This Declaration shall be enforceable against all such parties to the fullest extent permitted by law and equity for the benefit and in favor of City, its successors and assigns. It is expressly agreed and acknowledged that: Developer may not amend this Declaration without the express written consent of the City; the covenants provided in this Declaration are in addition to the provisions of any Other Documents; this Declaration shall not be deemed to limit or merge into any Other Documents or vice versa; this Declaration shall survive the expiration or termination of any of Other Documents; and the satisfaction or release of any Other Documents shall not be deemed to a satisfaction or release of this Declaration.

**SECTION 9. Remedies for Default.**

In the event of any default, failure, violation, or any other action or inaction by Developer specified in this Declaration, City, at its option, may institute such actions or proceedings at law or in equity as it may deem desirable for effectuating the provisions of this Declaration, including without limitation third-party enforcement of Certifying Entity fees, withholding, conditioning, suspending or revoking any permits, license, approval or other entitlement for the Property, including without limitations, certificates of occupancy as well as actions for specific performance, extension of the Affordability Period, damages, and injunctive relief, and including also any remedy allowed under the terms of any Other Documents. Developer hereby further acknowledges that City cannot be adequately compensated by monetary damages in the event of any default hereunder. In any action or proceeding to enforce its rights under this Declaration, City shall be entitled to the recovery from Developer of reasonable attorneys' fees.

**SECTION 10. Hold Harmless**

Developer will indemnify and hold harmless (without limit as to amount) the City and its elected officials, officers, employees and agents in their official capacity (hereinafter collectively referred to as "Indemnitees"), and any of them, from because of or by reason of any and all claims, demands, suits, actions, judgments and executions for damages of any and every kind and by whomever and whenever made or obtained, allegedly cause by, arising out of or relating in any manner to the Project, the IZ Units, or Developer's performance or non-performance under this Declaration, and shall protect and defend Indemnitees, and any of them with respect thereto, except to the extent caused by the gross negligence or willful misconduct of the City. The provisions of this section shall survive expiration or other termination of the Declaration or any release of part or all of the Property from the burdens of this Declaration and the provisions of this section shall remain in full force and effect.

**SECTION 11. Recordation**

This Declaration shall be properly recorded against the Property at the expense of Developer in the official real estate records of Hennepin County, Minnesota. In the event Developer fails to properly and timely record, the City may record this Declaration against the Property on Developer's behalf and Developer shall pay or reimburse the City all fees and expenses incurred by the City to facilitate such recording on Developer's behalf.

**SECTION 12. Notices and Demands.**

A notice, demand, or other communication under this Declaration by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

A. in the case of Developer, is addressed to or delivered personally to Developer at:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

B. in the case of City, is addressed to or delivered personally to City at:

City of Minneapolis  
Department of Community Planning and Economic Development  
505 Fourth Avenue South  
Minneapolis, Minnesota 55415  
ATTENTION: Director

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

**SECTION 13. Indemnification.**

Developer hereby indemnifies and agrees to defend and hold harmless City from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses), causes of action, suits, allegations, claims, demands and judgments of any nature arising from the consequences of a legal or administrative proceeding or action brought against them, or any of them, on account of any failure by Developer to comply with the terms of this Declaration, or on account of any representation or warranty of Developer contained herein being untrue.

**SECTION 14. Agent of the City.**

City shall have the right to appoint an agent to carry out any of its duties and obligations hereunder, and shall inform Developer of any such agency appointment by written notice.

**SECTION 15. Severability.**

The invalidity of any clause, part or provision of this Declaration shall not affect the validity of the remaining portions thereof.

**SECTION 16. Governing Law.**

This Declaration shall be governed by the laws of the State of Minnesota and, where applicable, the laws of the United States of America.

*(Signature pages follow.)*



**EXHIBIT A  
TO INCLUSIONARY ZONING  
DECLARATION OF AFFORDABLE HOUSING COVENANTS**

**LEGAL DESCRIPTION**

**EXHIBIT B  
TO INCLUSIONARY ZONING  
DECLARATION OF AFFORDABLE HOUSING COVENANTS**

**INITIAL RENT SCHEDULE**

<b>Unit #</b>	<b>Unit Size or/Individual Bedroom with number of Affordable Bedrooms specified</b>	<b>Maximum Rent</b>



**EXHIBIT C  
TO INCLUSIONARY ZONING  
DECLARATION OF AFFORDABLE HOUSING COVENANTS**

**CERTIFICATION OF TENANT ELIGIBILITY**

**(TO BE REPLACED)**