

**CITY OF PLYMOUTH
AGENDA
Regular Housing and Redevelopment Authority
Council Chambers
3400 Plymouth Boulevard, Plymouth, MN
February 27, 2025, 7:00 PM**

- 1. CALL TO ORDER**
- 2. PUBLIC FORUM** — *Individuals may address the HRA about any item not contained on the regular agenda. A maximum of 15 minutes is allotted for the Forum. If the full 15 minutes are not needed for the Forum, the HRA will continue with the agenda. The HRA will take no official action on items discussed at the Forum, with the exception of referral to staff for future report.*
- 3. APPROVE AGENDA** — *HRA members may add items to the agenda for discussion purposes or staff direction only. The HRA will not normally take official action on items added to the agenda.*
- 4. CONSENT AGENDA** — *These items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless HRA member or citizen so requests, in which event the item will be removed from the Consent Agenda and placed elsewhere on the agenda.*
 - 4.1** [HRA Minutes - January 2025 Meeting](#)
[HRA 01-23-2025 minutes](#)
 - 4.2** [Accept Plymouth Towne Square monthly housing report and financials](#)
[PTS BALANCE SHEET 12.2024](#)
[PTS 12-MONTH P&L 12.2024](#)
[PTS COMPARATIVE P&L 12.2024](#)
[PTS VARIANCE 12.2024](#)
[PTS CASHFLOW 12.2024](#)
 - 4.3** [Accept Vicksburg Crossing monthly housing report and financials](#)
[VC - Balance Sheet - 12.2024](#)
[VC - 12-Month P&L - 12.2024](#)
[VC COMPARATIVE 12.2024](#)
[VC P&L VARIANCE 12.2024](#)
[VC - Cashflow - 12.2024](#)
- 5. PUBLIC HEARINGS**
- 6. NEW BUSINESS**
 - 6.1** [Overview of 4d\(1\) Affordable Housing Incentive program guidelines](#)
[MN Housing LIRC Program Guide_2023](#)
[LIRC 2025 Initial Application](#)
[DECLARATION OF RESTRICTIVE COVENANTS 4d](#)
[4d Application City of Plymouth](#)
[4d Housing Policy](#)

[4d Participation Agreement](#)
[Links to Metro area cities 4d program guides](#)
[4d Program timeline](#)

6.2 [Review bids for Elevator Modernization at Plymouth Towne Square](#)

7. UPDATES

7.1 [HRA Updates](#)
[HRA Updates February 2025](#)

8. ADJOURNMENT

To: Housing and Redevelopment Authority

Prepared by: Steven Schmidt, Housing Manager

Reviewed by: Grant Fernelius, Community and Economic Development Director

Item: **HRA Minutes - January 2025 Meeting**

- 1. Action Requested:**
Staff recommends approval of the January 23, 2025 HRA minutes.

- 2. Background:**
The January 23, 2025 minutes are attached.

- 3. Budget Impact:**
N/A

- 4. Attachments:**
[HRA 01-23-2025 minutes](#)

DRAFTED MINUTES
PLYMOUTH HOUSING AND REDEVELOPMENT AUTHORITY
JANUARY 23, 2025

MEMBERS PRESENT: Chair Michelle Soderberg, Commissioners Wayne Peterson, Ronald Kelner, Tony Kuechle, Bob Swanson, Kim Vohs (arrived at 7:04 p.m.), and James Williams

ABSENT: None

STAFF PRESENT: Mayor Wosje, HRA Executive Director Grant Fernelius, Housing and Economic Development Manager Steven Schmidt, and Permit Technician Emily Ammentorp

OTHERS PRESENT: None

1. CALL TO ORDER

Chair Soderberg called the Plymouth Housing and Redevelopment Authority meeting to order at 7:00 p.m.

Commissioner Swanson introduced himself.

Chair Soderberg appreciated the work of former Council Liaison Davis and acknowledged his recent passing.

2. PUBLIC FORUM

Chair Soderberg opened and closed the Public Forum as there was no one present to speak.

3. APPROVE AGENDA

MOTION by Commissioner Williams, seconded by Commissioner Kelner, to approve the Agenda. Vote. 6 Ayes. MOTION passed unanimously.

4. CONSENT AGENDA

4.1. Approved minutes from December 5, 2024.

4.2. Plymouth Towne Square. Accept Monthly Housing Reports.

4.3. Vicksburg Crossing. Accept Monthly Housing Reports.

MOTION by Commissioner Peterson, seconded by Commissioner Swanson to approve the Consent Agenda. Vote. 6 Ayes. MOTION passed unanimously.

5. PUBLIC HEARINGS

No public hearings.

6. NEW BUSINESS

6.1. Overview of 4d(1) low-income rental classification program

Housing and Economic Development Manager Schmidt provided an overview of the 4d program.

Commissioner Vohs arrived.

HRA Executive Director Fernelius stated Lakeview Commons was developed as an affordable project and is at a sunset period where it will need to determine whether it can continue as an affordable project or would need to convert to market rate. He explained staff would bring back a more formal program that could be reviewed and then requests could be made, should Lakeview or any other property wish to take advantage of the program.

Commissioner Peterson asked how this would net out for the landlord in the projection. He recognized a cost savings in taxes, but there would also be lower rents.

Housing and Economic Development Manager Schmidt replied the program is designed to preserve existing rent-restricted properties while providing a large tax base savings.

HRA Executive Director Fernelius stated in the case of Lakeview Commons, that property already works with the city to provide housing choice voucher assistance. Therefore, much of the subsidy provided to tenants is through that mechanism. He stated the 4d funding can be used to stabilize rents or could be invested into the property for maintenance/improvements.

Commissioner Peterson commented it would seem the landlord would not receive a big windfall, and it would be an equal balance.

HRA Executive Director Fernelius confirmed there cannot be a windfall through the program and whatever savings there are would need to go back into the property.

Commissioner Vohs stated he used this program in development, and it certainly does not provide a windfall but assists in keeping the units affordable and maintained. He asked for clarification on the \$100 per unit per year that was mentioned.

HRA Executive Director Fernelius commented this program requires an incentive from the city, which would be \$100 per unit, per year. He stated the money is intended to provide an incentive on the front end to sign up for the program.

Commissioner Williams noted a number of cities were mentioned that participate in this program and asked if input has been received from those cities to perhaps model the program in a similar fashion.

Housing and Economic Development Manager Schmidt replied he did reach out to multiple cities of

similar size to gain input on their implementation and experience, and he has reviewed their documents as well. He stated that all the cities expressed a lot of initial participation in the program which has waned since then. He stated that the Plymouth program draft was based on those programs.

Commissioner Williams referenced the statement that participation has waned in some cities but noted that Minneapolis continues to be active and asked if there is a reason behind that.

HRA Executive Director Fernelius stated he would suspect that part of that is a function of the older housing stock in Minneapolis that aligns more with this program. He advised he could follow up to gain more input. He stated staff would propose this as a pilot, and they can re-evaluate to determine if it has been successful.

Chair Soderberg asked if the \$50,000 would be HRA funds or general fund dollars.

HRA Executive Director Fernelius replied staff would recommend those funds come from the LAHA dollars the city receives.

Chair Soderberg commented the model used 100 percent of units which she did not believe seemed to be the norm, and asked if staff is aware of the more common percentage rate that may come forward.

Housing and Economic Development Manager Schmidt replied the model was based on Lakeview Commons.

Commissioner Kuechle referenced the term limit of five years and asked if the intention is to allow a property to stabilize and invest into the property. He also asked if the 4d and deed restriction would be removed after that period of time.

Housing and Economic Development Manager Schmidt stated the five-year period was to attract initial interest, but noted that there would be an option to renew.

Commissioner Williams asked if the intention would be to present a formal program to the HRA in February and move forward to the Council in March.

Housing and Economic Development Manager Schmidt confirmed that is the proposed timeline.

Commissioner Williams asked that the Commission be provided with links to the other programs staff reviewed.

Chair Soderberg commented she believes this is a great program that they should try in Plymouth. She recognized the concern when Lakeview was sold, and it would be a big loss if those units were lost. She stated that \$64,000 seems like a great investment to keep those units affordable.

Commissioner Kuechle agreed that this is a fantastic program, noting that he recently completed a 300-

unit project in Saint Paul where 50 percent of the units were affordable and 4d provided the rent stabilization in that project rather than using TIF funds.

6.2 Election of officers

MOTION by Chair Soderberg, seconded by Commissioner Peterson to elect James Williams as Chair. Vote. 7 Ayes. MOTION passed unanimously.

MOTION by Commissioner Peterson, seconded by Commissioner Williams, to elect Kim Vohs as Vice Chair. Vote. 7 Ayes. MOTION passed unanimously.

MOTION by Chair Soderberg, seconded by Commissioner Kelner, to elect Wayne Peterson as Secretary. Vote. 7 Ayes. MOTION passed unanimously.

7. UPDATES

HRA Executive Director Fernelius provided updates on staffing and items of interest to the HRA.

Commissioner Kelner asked and received confirmation that the item for the generator would be moved out of construction and progress to a more accurate area. He referenced the debt service reserve and stated perhaps that is moved to the investment account as there is no longer debt on the property.

HRA Executive Director Fernelius stated the Finance Director has asked to meet with Grace Management to discuss some of those items.

Commissioner Vohs stated Minnetonka has declared a certain portion of its city as blighted and eligible for grant funds and asked if staff had additional information on that.

HRA Executive Director Fernelius replied he did not have information on that topic.

Commissioner Williams noted the Plymouth and Vicksburg financial reports cut off at the end of November and asked when the end of the year financials would be available.

HRA Executive Director Fernelius replied there is always a lag and believed the reports would be available for the February meeting.

8. ADJOURNMENT

MOTION by Chair Soderberg, with no objection, to adjourn the meeting at 7:32 p.m.

To: Housing and Redevelopment Authority

Prepared by: Steven Schmidt, Housing Manager

Reviewed by: Grant Fernelius, Community and Economic Development Director

Item: **Accept Plymouth Towne Square monthly housing report and financials**

1. Action Requested:

Accept attached Plymouth Towne Square monthly housing report and financials.

2. Background:

The Plymouth HRA contracts with Grace Management, Inc. to manage the Plymouth Towne Square apartments. The attached report and financial statements cover the most recent reporting period (December and YTD).

3. Budget Impact:

N/A

4. Attachments:

[PTS BALANCE SHEET 12.2024](#)
[PTS 12-MONTH P&L 12.2024](#)
[PTS COMPARATIVE P&L 12.2024](#)
[PTS VARIANCE 12.2024](#)
[PTS CASHFLOW 12.2024](#)

Balance Sheet

PLYMOUTH TOWNE SQUARE

As Of December 31, 2024

	Ending Balance	Total
ASSETS		
CURRENT ASSETS		
US BANK OPER ACCT	264,703	
US BANK SEC DEP ACCT	75,273	
INVESTMENTS - WORKING CAPITAL FUND	961,878	
INVESTMENTS - NEW DEBT SERVICE	217,003	
ACCOUNTS REC-TENANTS	2,737	
ACCOUNTS REC-OTHER	392	
PREPAID PROPERTY INSURANCE	18,866	
PREPAID WORKERS COMP INSUR	175	
PREPAID OTHER	8,068	
TOTAL CURRENT ASSETS		1,549,096
FIXED ASSETS		
LAND	459,247	
SITE IMPROVEMENTS	219,207	
BUILDING	5,767,619	
BUILDING IMPROVEMENTS	1,195,121	
FURN, FIXT & EQUIP-GENERAL	510,812	
CONSTRUCTION IN PROGRESS	33,575	
FURNITURE & FIXTURES - HOUSEKEEPING	8,696	
COMPUTERS/OFFICE EQUIPMENT	13,060	
LEASE ASSET	12,470	
ACCUMULATED DEPRECIATION	(5,475,316)	
TOTAL FIXED ASSETS		2,744,490
NON-CURRENT ASSETS		
TOTAL ASSETS		4,293,586

Balance Sheet

PLYMOUTH TOWNE SQUARE

As Of December 31, 2024

	Ending Balance	Total
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE-TRADE	19,837	
PREPAID MONTHLY RENT	434	
ACCRUED PAYROLL	5,967	
ACCRUED COMPENSATED BALANCES	3,904	
ACCRUED REAL ESTATE TAXES	38,760	
LEASES PAYABLE -SHORT TERM	4,062	
ACCRUED OTHER	3,442	
TOTAL CURRENT LIABILITIES		76,405
LONG-TERM LIABILITIES		
SECURITY DEPOSITS	75,012	
LEASES PAYABLE -LONG TERM	4,503	
		79,515
TOTAL LIABILITIES		155,920
EQUITY		
RETAINED EARNINGS RSRVD FOR DS	948	
RETAINED EARNINGS	956,309	
NET INVESTMENT IN CAPITAL ASSETS	3,089,743	
TOTAL EQUITY		4,047,000
CURRENT YEAR INCOME/(LOSS)		90,667
TOTAL LIABILITIES & EQUITY		4,293,586

Twelve Month Profit and Loss

PLYMOUTH TOWNE SQUARE

For Year 2024

	Period End Jan 31, 2024	Period End Feb 29, 2024	Period End Mar 31, 2024	Period End Apr 30, 2024	Period End May 31, 2024	Period End Jun 30, 2024	Period End Jul 31, 2024	Period End Aug 31, 2024	Period End Sep 30, 2024	Period End Oct 31, 2024	Period End Nov 30, 2024	Period End Dec 31, 2024	Period End Total
INCOME													
APARTMENT RENTAL REVENUE	62,074	63,318	62,865	64,309	66,478	66,828	67,489	67,725	67,201	66,774	66,774	66,202	788,037
HRA INDIVIDUAL	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	216,000
GARAGE RENT	3,990	3,960	3,900	3,870	3,885	3,824	3,920	3,840	3,780	3,900	3,707	3,720	46,296
GUEST ROOM REVENUE	0	0	0	130	520	260	195	390	0	0	0	0	1,495
HOUSEKEEPING REVENUE	0	0	0	0	100	0	0	0	0	0	0	0	100
LAUNDRY REVENUE	1,175	316	1,151	902	927	724	427	1,395	1,544	1,088	966	910	11,524
APPLICATION FEE REVENUE	0	0	105	0	105	35	0	0	0	0	0	0	245
INVESTMENT INCOME	424	423	423	422	423	4,088	423	423	423	39,448	423	423	47,763
CONTRIBUTED CAPITAL REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	33,575
MISCELLANEOUS REVENUE	95	237	14	40	490	0	0	15	313	49	30	951	2,234
TOTAL INCOME	85,757	86,254	86,457	87,674	90,927	93,759	90,454	91,787	91,261	129,259	89,899	90,206	1,113,694
EXPENSES													
ADMINISTRATION													
MANAGER SALARIES/WAGES	4,967	6,063	5,695	5,511	5,695	5,511	5,695	5,695	5,511	5,695	5,511	5,872	67,422
PAYROLL TAXES	381	814	1,163	772	766	765	762	1,131	718	707	715	1,215	9,910
HEALTH INSURANCE	1,353	1,017	689	1,001	1,043	1,175	1,175	850	1,175	1,026	1,158	903	12,564
WORKERS COMP INSURANCE	118	118	177	118	118	118	118	177	118	118	118	110	1,528
MAINTENANCE SALARIES/WAGES	4,478	5,295	4,922	4,811	4,920	4,738	4,788	5,009	4,743	4,964	4,833	5,063	58,563
EMPLOYEE COSTS	90	90	90	90	90	90	90	90	0	0	0	0	720
DATA PROCESSING	31	31	31	32	31	31	31	33	78	50	50	50	479
BANK FEES	109	355	343	377	335	121	103	135	142	111	110	103	2,343
DUES, SUBS & MEMBERSHIPS	60	0	0	0	0	0	0	0	0	0	0	0	60
LICENSE & PERMITS	0	0	0	0	330	0	818	200	0	0	60	0	1,408
POSTAGE/OVERNIGHT EXPRESS	0	0	0	0	0	73	0	0	0	0	0	0	73
PRINTING	0	0	0	0	0	0	0	0	0	0	185	0	185
MANAGEMENT FEES	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	5,234	62,808
PROFESSIONAL FEES	0	0	0	0	23	0	46	46	1,172	0	0	0	1,287
TELEPHONE EXPENSE	392	426	426	605	886	1,056	880	203	426	423	427	434	6,584
EQUIPMENT LEASE/REPAIR	675	360	408	1,042	730	533	1,987	1,177	1,883	681	656	454	10,587
OFFICE SUPPLIES	75	254	51	0	85	0	76	161	9	5	64	0	779
TOTAL ADMIN EXPENSES	17,964	20,057	19,231	19,594	20,286	19,445	21,804	20,140	21,209	19,015	19,121	19,436	237,302
LIFE ENRICHMENT													
RESIDENT PROGRAM/ACTIVITIES	895	518	136	108	78	523	196	332	89	95	1,744	2,858	7,571
TOTAL LIFE ENRICHMENT EXPENSES	895	518	136	108	78	523	196	332	89	95	1,744	2,858	7,571

Twelve Month Profit and Loss

PLYMOUTH TOWNE SQUARE

For Year 2024

	Period End Jan 31, 2024	Period End Feb 29, 2024	Period End Mar 31, 2024	Period End Apr 30, 2024	Period End May 31, 2024	Period End Jun 30, 2024	Period End Jul 31, 2024	Period End Aug 31, 2024	Period End Sep 30, 2024	Period End Oct 31, 2024	Period End Nov 30, 2024	Period End Dec 31, 2024	Period End Total
HOUSEKEEPING													
CONTRACT LABOR	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	17,640
CLEANING SUPPLIES	390	0	125	500	58	0	5	0	782	278	11	0	2,149
TOTAL HOUSEKEEPING EXPENSES	1,860	1,470	1,595	1,970	1,528	1,470	1,475	1,470	2,252	1,748	1,481	1,470	19,789
BUILDING & GROUNDS													
CONTRACT LABOR	735	193	346	525	193	193	1,155	193	564	389	193	193	4,869
CABLE TV EXPENSE	127	126	126	119	119	119	119	119	119	119	119	119	1,455
UTILITIES - ELECTRICITY	1,800	238	1,854	1,327	1,835	1,623	1,847	2,170	2,329	2,135	1,914	1,465	20,538
UTILITIES - GAS	1,299	3,510	3,091	2,333	2,279	2,343	775	761	945	1,654	1,711	5,158	25,859
UTILITIES - WATER/SEWER	1,891	1,891	1,891	2,643	2,037	2,469	2,454	1,874	2,164	2,454	2,309	2,364	26,441
WATER SOFTENING SERVICE	376	406	172	0	635	480	332	355	662	399	340	735	4,893
DOORS, KEYS & WINDOWS	0	0	82	0	0	0	0	0	0	658	0	0	740
FIRE SYSTEM SERVICE	3,387	212	212	1,388	3,092	339	2,078	4,264	2,184	559	559	559	18,832
LAWN SERVICE/LANDSCAP/SNOW RMVL	1,545	1,275	1,375	2,125	1,503	2,872	3,015	4,772	1,525	1,450	2,470	5,810	29,737
PEST CONTROL	141	0	0	141	0	141	0	0	0	141	0	141	705
TRASH REMOVAL	1,917	2,333	2,332	2,366	2,331	2,326	2,542	2,326	2,399	2,399	2,757	2,327	28,356
UNIT TURNOVER REPAIRS	4,669	1,035	0	5,583	6,836	5,865	2,400	1,931	3,448	0	12,034	0	43,800
ELEVATOR-REPAIRS & MAINT	738	1,739	738	738	738	738	738	738	738	782	782	782	9,990
REPAIRS & MAINTENANCE	3,881	4,534	1,242	701	13,292	2,361	3,413	5,961	4,582	2,274	1,984	1,470	45,694
BUILDING & GROUNDS SUPPLIES	1,251	1,674	258	1,155	1,834	3,373	1,146	481	1,836	304	430	382	14,124
HVAC - REPAIRS & MAINTENANCE	2,030	299	299	299	843	299	299	299	1,569	614	299	299	7,444
TOTAL BUILDING & GROUNDS	25,786	19,465	14,017	21,444	37,568	25,540	22,313	26,243	25,064	16,333	27,901	21,803	283,477
OTHER OPERATING EXPENSES													
PROPERTY & LIABILITY INSURANCE	3,755	3,755	3,755	3,755	4,270	4,012	4,012	3,998	3,998	3,998	3,998	3,998	47,307
PAYMENT IN LIEU OF PROPERTY TAX	3,230	3,230	3,230	3,230	3,230	3,230	3,230	3,230	3,230	3,230	3,230	3,230	38,760
TOTAL OTHER OPERATING EXPENSES	6,985	6,985	6,985	6,985	7,500	7,242	7,242	7,228	7,228	7,228	7,228	7,228	86,067
TOTAL OPERATING EXPENSES	53,490	48,494	41,964	50,101	66,959	54,221	53,030	55,413	55,843	44,419	57,475	52,796	634,205
NET OPERATING INCOME / (LOSS)	32,267	37,759	44,493	37,573	23,968	39,538	37,423	36,375	35,419	84,839	32,424	37,410	479,488
DEPREC, INTEREST & OTHER													
DEPRECIATION EXPENSE	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	210,000
RESERVE/REPLACE CAPITAL EXPENSE	0	15,995	1,364	9,846	9,146	18,825	20,690	0	5,159	60,777	0	36,365	178,166
INTEREST EXPENSE	0	0	159	0	0	164	0	0	167	0	0	166	656
TOTAL DEPREC, INTEREST & OTHER	17,500	33,495	19,023	27,346	26,646	36,489	38,190	17,500	22,826	78,277	17,500	54,030	388,822
NET INCOME / (LOSS)	14,767	4,264	25,470	10,227	(2,678)	3,049	(766)	18,875	12,592	6,563	14,924	(16,620)	90,667

Comparative Profit and Loss

PLYMOUTH TOWNE SQUARE

Through December 31, 2024

MTD Actual	Budget	Last Year	Description	YTD Actual	Budget	Last Year
INCOME						
66,202	65,313	61,552	APARTMENT RENTAL REVENUE	788,037	783,756	771,312
18,000	18,000	44,587	HRA INDIVIDUAL	216,000	216,000	260,000
3,720	3,840	3,960	GARAGE RENT	46,296	46,080	48,005
0	0	0	GUEST ROOM REVENUE	1,495	650	1,165
0	0	0	HOUSEKEEPING REVENUE	100	0	0
910	1,025	1,301	LAUNDRY REVENUE	11,524	12,300	11,325
0	35	0	APPLICATION FEE REVENUE	245	350	315
0	0	0	TRANSFER FEE REVENUE	0	500	0
423	413	30,342	INVESTMENT INCOME	47,763	5,000	42,500
0	0	33,575	CONTRIBUTED CAPITAL REVENUE	0	0	33,575
951	100	(241)	MISCELLANEOUS REVENUE	2,234	1,200	3,051
90,206	88,726	175,076	TOTAL INCOME	1,113,694	1,065,836	1,171,249
EXPENSES						
ADMINISTRATION						
5,872	5,569	5,010	MANAGER SALARIES/WAGES	67,422	66,872	64,011
1,215	838	1,115	PAYROLL TAXES	9,910	10,060	9,580
903	1,000	670	HEALTH INSURANCE	12,564	11,660	15,650
110	180	99	WORKERS COMP INSURANCE	1,528	2,160	1,744
5,063	4,903	4,831	MAINTENANCE SALARIES/WAGES	58,563	58,880	58,547
0	90	80	EMPLOYEE COSTS	720	1,170	1,000
0	0	0	SEMINAR/TRAINING	0	200	35
50	0	27	DATA PROCESSING	479	0	213
103	115	83	BANK FEES	2,343	1,380	1,306
0	0	0	DUES, SUBS & MEMBERSHIPS	60	60	60
0	0	0	LICENSE & PERMITS	1,408	1,059	1,099
0	15	0	MILEAGE REIMBURSEMENT	0	180	0
0	0	0	POSTAGE/OVERNIGHT EXPRESS	73	150	0
0	15	0	PRINTING	185	180	143
5,234	5,234	5,234	MANAGEMENT FEES	62,808	62,808	62,808
0	231	0	PROFESSIONAL FEES	1,287	2,750	1,526
434	425	489	TELEPHONE EXPENSE	6,584	5,100	5,052
454	750	(3,997)	EQUIPMENT LEASE/REPAIR	10,587	9,000	3,835
0	115	0	OFFICE SUPPLIES	779	1,380	893
19,436	19,480	13,641	TOTAL ADMIN EXPENSES	237,302	235,049	227,502
LIFE ENRICHMENT						
2,858	1,800	1,647	RESIDENT PROGRAM/ACTIVITIES	7,571	5,485	4,673
2,858	1,800	1,647	TOTAL LIFE ENRICHMENT EXPENSES	7,571	5,485	4,673

Comparative Profit and Loss

PLYMOUTH TOWNE SQUARE

Through December 31, 2024

MTD Actual	Budget	Last Year	Description	YTD Actual	Budget	Last Year
			MARKETING			
0	10	0	ADVERTISING	0	120	0
0	10	0	TOTAL MARKETING EXPENSES	0	120	0
			HOUSEKEEPING			
1,470	1,560	1,470	CONTRACT LABOR	17,640	18,720	17,790
0	185	549	CLEANING SUPPLIES	2,149	2,220	1,377
1,470	1,745	2,019	TOTAL HOUSEKEEPING EXPENSES	19,789	20,940	19,167
			BUILDING & GROUNDS			
193	550	385	CONTRACT LABOR	4,869	6,600	4,104
119	120	104	CABLE TV EXPENSE	1,455	1,400	1,266
1,465	1,800	1,950	UTILITIES - ELECTRICITY	20,538	25,300	26,156
5,158	4,850	2,067	UTILITIES - GAS	25,859	38,850	29,715
2,364	1,950	1,833	UTILITIES - WATER/SEWER	26,441	26,950	24,935
735	470	547	WATER SOFTENING SERVICE	4,893	5,640	4,788
0	255	0	DOORS, KEYS & WINDOWS	740	3,060	9
559	600	212	FIRE SYSTEM SERVICE	18,832	13,500	7,577
5,810	3,700	1,725	LAWN SERVICE/LANDSCAP/SNOW RMVL	29,737	39,500	35,912
141	165	0	PEST CONTROL	705	790	4,185
2,327	2,115	1,699	TRASH REMOVAL	28,356	25,380	24,058
0	3,225	5,946	UNIT TURNOVER REPAIRS	43,800	38,700	39,344
782	1,100	738	ELEVATOR-REPAIRS & MAINT	9,990	13,200	12,281
1,470	3,475	4,174	REPAIRS & MAINTENANCE	45,694	43,800	45,219
382	1,650	81	BUILDING & GROUNDS SUPPLIES	14,124	19,800	7,715
299	1,350	299	HVAC - REPAIRS & MAINTENANCE	7,444	16,200	9,615
0	1,000	0	MISCELLANEOUS B & G EXPENSES	0	12,000	0
21,803	28,375	21,759	TOTAL BUILDING & GROUNDS	283,477	330,670	276,879
			OTHER OPERATING EXPENSES			
3,998	5,918	3,755	PROPERTY & LIABILITY INSURANCE	47,307	69,997	46,177
3,230	3,230	4,653	PAYMENT IN LIEU OF PROPERTY TAX	38,760	38,760	38,566
7,228	9,148	8,408	TOTAL OTHER OPERATING EXPENSES	86,067	108,757	84,743
52,796	60,558	47,474	TOTAL OPERATING EXPENSES	634,205	701,021	612,964
37,410	28,168	127,603	NET OPERATING INCOME / (LOSS)	479,488	364,815	558,285
			DEPREC, INTEREST & OTHER			
17,500	17,500	32,118	DEPRECIATION EXPENSE	210,000	210,000	211,693
36,365	0	(30,575)	RESERVE/REPLACE CAPITAL EXPENSE	178,166	197,431	10,462
166	0	2,640	INTEREST EXPENSE	656	0	3,131
54,030	17,500	4,182	TOTAL DEPREC, INTEREST & OTHER	388,822	407,431	225,285
(16,620)	10,668	123,420	NET INCOME / (LOSS)	90,667	(42,616)	333,001

Profit and Loss Variance

PLYMOUTH TOWNE SQUARE

Through December 31, 2024

	MTD Actual	Budget	Var.	YTD Actual	Budget	Var.	Year Budget
INCOME							
APARTMENT RENTAL REVENUE	66,202	65,313	889	788,037	783,756	4,281	783,756
HRA INDIVIDUAL	18,000	18,000	0	216,000	216,000	0	216,000
GARAGE RENT	3,720	3,840	(120)	46,296	46,080	216	46,080
GUEST ROOM REVENUE	0	0	0	1,495	650	845	650
HOUSEKEEPING REVENUE	0	0	0	100	0	100	0
LAUNDRY REVENUE	910	1,025	(115)	11,524	12,300	(776)	12,300
APPLICATION FEE REVENUE	0	35	(35)	245	350	(105)	350
TRANSFER FEE REVENUE	0	0	0	0	500	(500)	500
INVESTMENT INCOME	423	413	10	47,763	5,000	42,763	5,000
MISCELLANEOUS REVENUE	951	100	851	2,234	1,200	1,034	1,200
TOTAL INCOME	90,206	88,726	1,480	1,113,694	1,065,836	47,858	1,065,836
EXPENSES							
ADMINISTRATION							
MANAGER SALARIES/WAGES	5,872	5,569	(303)	67,422	66,872	(550)	66,872
PAYROLL TAXES	1,215	838	(377)	9,910	10,060	150	10,060
HEALTH INSURANCE	903	1,000	97	12,564	11,660	(904)	11,660
WORKERS COMP INSURANCE	110	180	70	1,528	2,160	632	2,160
MAINTENANCE SALARIES/WAGES	5,063	4,903	(160)	58,563	58,880	317	58,880
EMPLOYEE COSTS	0	90	90	720	1,170	450	1,170
SEMINAR/TRAINING	0	0	0	0	200	200	200
DATA PROCESSING	50	0	(50)	479	0	(479)	0
BANK FEES	103	115	12	2,343	1,380	(963)	1,380
DUES, SUBS & MEMBERSHIPS	0	0	0	60	60	0	60
LICENSE & PERMITS	0	0	0	1,408	1,059	(349)	1,059
MILEAGE REIMBURSEMENT	0	15	15	0	180	180	180
POSTAGE/OVERNIGHT EXPRESS	0	0	0	73	150	77	150
PRINTING	0	15	15	185	180	(5)	180
MANAGEMENT FEES	5,234	5,234	0	62,808	62,808	0	62,808
PROFESSIONAL FEES	0	231	231	1,287	2,750	1,463	2,750
TELEPHONE EXPENSE	434	425	(9)	6,584	5,100	(1,484)	5,100
EQUIPMENT LEASE/REPAIR	454	750	296	10,587	9,000	(1,587)	9,000
OFFICE SUPPLIES	0	115	115	779	1,380	601	1,380
TOTAL ADMIN EXPENSES	19,436	19,480	44	237,302	235,049	(2,253)	235,049
LIFE ENRICHMENT							
RESIDENT PROGRAM/ACTIVITIES	2,858	1,800	(1,058)	7,571	5,485	(2,086)	5,485
TOTAL LIFE ENRICHMENT EXPE	2,858	1,800	(1,058)	7,571	5,485	(2,086)	5,485

Profit and Loss Variance

PLYMOUTH TOWNE SQUARE

Through December 31, 2024

	MTD Actual	Budget	Var.	YTD Actual	Budget	Var.	Year Budget
MARKETING							
ADVERTISING	0	10	10	0	120	120	120
TOTAL MARKETING EXPENSES	0	10	10	0	120	120	120
HOUSEKEEPING							
CONTRACT LABOR	1,470	1,560	90	17,640	18,720	1,080	18,720
CLEANING SUPPLIES	0	185	185	2,149	2,220	71	2,220
TOTAL HOUSEKEEPING EXPENSE	1,470	1,745	275	19,789	20,940	1,151	20,940
BUILDING & GROUNDS							
CONTRACT LABOR	193	550	358	4,869	6,600	1,731	6,600
CABLE TV EXPENSE	119	120	1	1,455	1,400	(55)	1,400
UTILITIES - ELECTRICITY	1,465	1,800	335	20,538	25,300	4,763	25,300
UTILITIES - GAS	5,158	4,850	(308)	25,859	38,850	12,991	38,850
UTILITIES - WATER/SEWER	2,364	1,950	(414)	26,441	26,950	509	26,950
WATER SOFTENING SERVICE	735	470	(265)	4,893	5,640	747	5,640
DOORS, KEYS & WINDOWS	0	255	255	740	3,060	2,320	3,060
FIRE SYSTEM SERVICE	559	600	41	18,832	13,500	(5,332)	13,500
LAWN SERVICE/LANDSCAP/SNOW RM	5,810	3,700	(2,110)	29,737	39,500	9,763	39,500
PEST CONTROL	141	165	24	705	790	85	790
TRASH REMOVAL	2,327	2,115	(212)	28,356	25,380	(2,976)	25,380
UNIT TURNOVER REPAIRS	0	3,225	3,225	43,800	38,700	(5,100)	38,700
ELEVATOR-REPAIRS & MAINT	782	1,100	318	9,990	13,200	3,210	13,200
REPAIRS & MAINTENANCE	1,470	3,475	2,005	45,694	43,800	(1,894)	43,800
BUILDING & GROUNDS SUPPLIES	382	1,650	1,268	14,124	19,800	5,676	19,800
HVAC - REPAIRS & MAINTENANCE	299	1,350	1,051	7,444	16,200	8,756	16,200
MISCELLANEOUS B & G EXPENSES	0	1,000	1,000	0	12,000	12,000	12,000
TOTAL BUILDING & GROUNDS	21,803	28,375	6,572	283,477	330,670	47,193	330,670
OTHER OPERATING EXPENSES							
PROPERTY & LIABILITY INSURANCE	3,998	5,918	1,920	47,307	69,997	22,690	69,997
PAYMENT IN LIEU OF PROPERTY TAX	3,230	3,230	0	38,760	38,760	0	38,760
TOTAL OTHER OPERATING EXPENSES	7,228	9,148	1,920	86,067	108,757	22,690	108,757
TOTAL OPERATING EXPENSES	52,796	60,558	7,762	634,205	701,021	66,816	701,021
NET OPERATING INCOME / (LOSS)	37,410	28,168	9,242	479,488	364,815	114,673	364,815
DEPREC, INTEREST & OTHER							
DEPRECIATION EXPENSE	17,500	17,500	0	210,000	210,000	0	210,000
RESERVE/REPLACE CAPITAL EXPENSE	36,365	0	(36,365)	178,166	197,431	19,265	197,431
INTEREST EXPENSE	166	0	(166)	656	0	(656)	0
TOTAL DEPREC, INTEREST & OT	54,030	17,500	(36,530)	388,822	407,431	18,609	407,431
NET INCOME / (LOSS)	(16,620)	10,668	(27,288)	90,667	(42,616)	133,283	(42,616)

Twelve Month Profit and Loss

PLYMOUTH TOWNE SQUARE

For Year 2024

	Period End Jan 31, 2024	Period End Feb 29, 2024	Period End Mar 31, 2024	Period End Apr 30, 2024	Period End May 31, 2024	Period End Jun 30, 2024	Period End Jul 31, 2024	Period End Aug 31, 2024	Period End Sep 30, 2024	Period End Oct 31, 2024	Period End Nov 30, 2024	Period End Dec 31, 2024	Period End Year To Date
CASHFLOW RECONCILIATION:													
NET INCOME / (LOSS)	14,767	4,264	25,470	10,227	(2,678)	3,049	(766)	18,875	12,592	6,563	14,924	(16,620)	90,667
ADJUSTMENTS TO NET CASHFLOW:													
DEPRECIATION & AMORTIZATION	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	210,000
(INCR) / DECR IN A/R	3,876	1,486	(1,969)	1,650	1,073	7,996	1,271	(1,684)	(2,332)	3,427	(587)	(1,451)	12,757
(INCR) / DECR IN ESCROW	0	0	0	0	0	0	0	0	0	0	0	0	0
(INCR) / DECR IN PREPAID EXP	1,826	(1,866)	9,502	2,860	(24,822)	4,891	4,075	(15,767)	4,596	837	4,937	4,561	(4,368)
(INCR)/DECR IN OTHER ASSETS	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(30,403)	(18,000)	(18,000)	(18,000)	(25,947)	(18,000)	(18,000)	(236,351)
(INCR) / DECR IN OTHER ASSETS	0	0	0	0	0	0	0	0	0	0	0	0	0
INCR /(DECR) IN ACCTS PAYABLE	(4,960)	8,023	(9,349)	(1,516)	33,959	(12,663)	15,633	(28,323)	528	(5,397)	(3,672)	10,974	3,237
INCR /(DECR) IN ACCRD LIAB	5,289	5,661	(25,837)	392	(5,813)	3,424	4,921	(874)	4,205	3,810	15,299	(6,922)	3,555
TOTAL ADJUSTMENTS	5,531	12,803	(28,153)	2,887	3,897	(9,255)	25,400	(47,147)	6,497	(5,770)	15,477	6,662	(11,170)
NET OPERATING CASHFLOW:	20,298	17,067	(2,683)	13,114	1,219	(6,206)	24,634	(28,273)	19,089	793	30,401	(9,958)	79,497
LESS CAPITAL EXPENDITURES:													
LAND	0	0	0	0	0	0	0	0	0	0	0	0	0
SITE IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
BUILDING	0	0	0	0	0	0	0	0	0	0	0	0	0
BUILDING IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
FURN, FIXT & EQUIP-GENERAL	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSTRUCTION IN PROGRESS	0	0	0	0	0	0	0	0	0	0	0	0	0
FURNITURE & FIXTURES - HOUSEKEEPING	0	0	0	0	0	0	0	0	0	0	0	0	0
COMPUTERS/OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
APARTMENT IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
VEHICLES	0	0	0	0	0	0	0	0	0	0	0	0	0
SIGNAGE	0	0	0	0	0	0	0	0	0	0	0	0	0
SMALL EQUIPMENT/FURNISHINGS	0	0	0	0	0	0	0	0	0	0	0	0	0
LEASE ASSET	0	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL PYMTS ON LT DEBT	0	0	0	0	0	0	0	0	0	0	0	0	0
CONTRIBUTED CAPITAL	0	0	0	0	0	0	0	0	0	0	0	0	0
RETAINED EARNINGS RSRVD FOR DS	0	0	0	0	0	0	0	0	0	0	0	0	0
RETAINED EARNINGS	0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCR / (DECR) IN CASH:	20,298	17,067	(2,683)	13,114	1,219	(6,206)	24,634	(28,273)	19,089	793	30,401	(9,958)	79,497

To: Housing and Redevelopment Authority

Prepared by: Steven Schmidt, Housing Manager

Reviewed by: Grant Fernelius, Community and Economic Development Director

Item: **Accept Vicksburg Crossing monthly housing report and financials**

1. Action Requested:

Accept attached Vicksburg Crossing monthly housing report and financials.

2. Background:

The Plymouth HRA contracts with Grace Management, Inc. to manage the Vicksburg Crossing apartments. The attached report and financial statements cover the most recent reporting period (December 2024 and YTD).

3. Budget Impact:

N/A

4. Attachments:

[VC - Balance Sheet - 12.2024](#)

[VC - 12-Month P&L - 12.2024](#)

[VC COMPARATIVE 12.2024](#)

[VC P&L VARIANCE 12.2024](#)

[VC - Cashflow - 12.2024](#)

Balance Sheet

VICKSBURG CROSSING

As Of December 31, 2024

	Ending Balance	Total
ASSETS		
CURRENT ASSETS		
US BANK OPER ACCT	319,468	
US BANK SEC DEP ACCT	75,997	
INVESTMENTS - WORKING CAPITAL FUND	1,344,927	
INVESTMENTS - DEBT SERVICE	600,390	
ACCOUNTS REC-TENANTS	2,431	
INTEREST RECEIVABLE	(6,501)	
ACCOUNTS REC-OTHER	147	
PREPAID PROPERTY INSURANCE	17,038	
PREPAID WORKERS COMP INSUR	178	
PREPAID OTHER	6,471	
TOTAL CURRENT ASSETS		2,360,546
FIXED ASSETS		
LAND	874,593	
SITE IMPROVEMENTS	269,965	
BUILDING	9,904,487	
FURNITURE, FIXTURES & EQUIP-GENERAL	747,135	
COMPUTERS/OFFICE EQUIPMENT	8,680	
LEASE ASSET	6,669	
ACCUMULATED DEPRECIATION	(6,175,998)	
TOTAL FIXED ASSETS		5,635,531
NON-CURRENT ASSETS		
TOTAL ASSETS		7,996,077

Balance Sheet

VICKSBURG CROSSING

As Of December 31, 2024

	Ending Balance	Total
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE-TRADE	20,858	
PREPAID MONTHLY RENT	4,933	
ACCRUED PAYROLL	6,422	
ACCRUED COMPENSATED BALANCES	6,446	
ACCRUED INTEREST	56,038	
ACCRUED REAL ESTATE TAXES	64,650	
LEASES PAYABLE -SHORT TERM	1,291	
BOND PAYABLE-2021A ST	485,000	
ACCRUED OTHER	6,459	
TOTAL CURRENT LIABILITIES		652,097
LONG-TERM LIABILITIES		
SECURITY DEPOSITS	74,715	
BOND PREMIUM-2021A	265,573	
BOND PAYABLE-2021A	5,545,000	
LEASES PAYABLE -LONG TERM	4,007	
		5,889,295
TOTAL LIABILITIES		6,541,392
EQUITY		
NET INVESTMENTS IN CAPITAL ASSETS	(1,164,950)	
RESTRICTED FOR DEBT SERVICE	555,943	
UNRESTRICTED	1,636,314	
TOTAL EQUITY		1,027,306
CURRENT YEAR INCOME/(LOSS)		427,380
TOTAL LIABILITIES & EQUITY		7,996,077

Twelve Month Profit and Loss

VICKSBURG CROSSING

For Year 2024

	Period End Jan 31, 2024	Period End Feb 29, 2024	Period End Mar 31, 2024	Period End Apr 30, 2024	Period End May 31, 2024	Period End Jun 30, 2024	Period End Jul 31, 2024	Period End Aug 31, 2024	Period End Sep 30, 2024	Period End Oct 31, 2024	Period End Nov 30, 2024	Period End Dec 31, 2024	Period End Total
INCOME													
APARTMENT RENTAL REVENUE	106,223	106,993	108,208	108,238	108,311	107,256	108,722	108,772	105,567	105,752	107,324	107,879	1,289,245
APARTMENT RENTAL REVENUE - COUNTY	2,287	2,287	2,287	2,287	2,294	2,294	2,053	2,053	2,053	2,052	2,071	2,071	26,089
HRA SUBSIDY - TAX LEVY	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
GARAGE RENT	4,080	4,080	4,080	4,140	4,140	3,900	4,080	4,080	4,060	4,080	4,072	4,080	48,872
GUEST ROOM REVENUE	320	0	0	420	600	630	430	720	250	260	240	0	3,870
APPLICATION FEE REVENUE	35	35	0	0	0	35	0	105	140	35	0	0	385
TRANSFER FEE REVENUE	0	0	0	0	0	0	0	0	500	500	0	0	1,000
INVESTMENT INCOME	425	423	423	423	423	70	423	423	423	53,272	423	419	57,567
CONTRIBUTED CAPITAL REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS REVENUE	509	330	330	610	369	868	350	340	560	618	340	340	5,565
TOTAL INCOME	117,629	117,898	119,078	119,868	119,887	118,803	119,808	120,243	117,303	170,319	118,220	118,539	1,477,593
EXPENSES													
ADMINISTRATION													
MANAGER SALARIES	5,482	6,691	6,285	6,082	6,285	6,082	6,285	6,285	6,082	6,285	6,082	6,455	74,384
PAYROLL TAXES	392	853	1,216	811	807	794	810	1,162	753	744	749	1,278	10,369
HEALTH INSURANCE	1,255	1,065	887	1,064	1,156	1,094	1,122	946	1,122	1,122	1,122	909	12,866
WORKERS COMP INSURANCE	121	121	181	121	121	121	121	181	121	121	121	105	1,555
MAINTENANCE SALARIES/WAGES	4,284	5,222	4,858	4,725	4,620	4,733	4,901	4,834	4,683	4,870	4,771	5,920	58,419
EMPLOYEE COSTS	85	85	85	85	85	85	85	85	0	0	0	0	680
DATA PROCESSING	31	31	31	32	31	31	31	33	40	34	34	35	395
BANK FEES	116	328	305	304	310	148	101	92	85	95	88	80	2,052
DUES, SUBS & MEMBERSHIPS	0	0	0	0	0	0	60	0	0	0	0	0	60
LICENSE & PERMITS	200	0	676	0	0	0	0	120	0	0	797	0	1,793
POSTAGE/OVERNIGHT EXPRESS	0	2	0	14	0	0	0	0	0	0	0	0	15
PRINTING	0	0	0	0	0	803	0	0	0	0	134	0	937
MANAGEMENT FEES	4,991	4,991	4,991	4,991	4,991	4,991	4,991	4,991	4,991	4,991	4,991	4,991	59,892
PROFESSIONAL FEES	0	0	0	50	0	0	25	50	1,172	0	0	21	1,318
TELEPHONE EXPENSE	559	493	649	540	545	729	446	535	549	537	540	537	6,660
EQUIPMENT LEASE/REPAIR	530	128	1,658	926	443	128	128	173	398	473	233	513	5,731
OFFICE SUPPLIES	0	89	178	186	0	0	74	103	79	0	110	62	881
TOTAL ADMIN EXPENSES	18,046	20,099	22,001	19,931	19,394	19,740	19,180	19,590	20,075	19,272	19,773	20,905	238,006
LIFE ENRICHMENT													
RESIDENT PROGRAM/ACTIVITIES	79	225	651	54	484	230	351	701	355	574	822	1,405	5,930
TOTAL LIFE ENRICHMENT EXPENSES	79	225	651	54	484	230	351	701	355	574	822	1,405	5,930

Twelve Month Profit and Loss

VICKSBURG CROSSING

For Year 2024

	Period End Jan 31, 2024	Period End Feb 29, 2024	Period End Mar 31, 2024	Period End Apr 30, 2024	Period End May 31, 2024	Period End Jun 30, 2024	Period End Jul 31, 2024	Period End Aug 31, 2024	Period End Sep 30, 2024	Period End Oct 31, 2024	Period End Nov 30, 2024	Period End Dec 31, 2024	Period End Total
MARKETING													
ADVERTISING - INTERNET	0	0	0	0	0	0	0	0	0	0	1,200	0	1,200
TOTAL MARKETING EXPENSES	0	0	0	0	0	0	0	0	0	0	1,200	0	1,200
HOUSEKEEPING													
CONTRACT LABOR	1,517	1,517	1,517	1,517	1,517	1,696	1,517	1,517	2,012	1,737	1,517	1,517	19,098
CLEANING SUPPLIES	164	93	54	245	153	0	0	168	39	95	0	125	1,135
TOTAL HOUSEKEEPING EXPENSES	1,681	1,610	1,571	1,762	1,670	1,696	1,517	1,685	2,051	1,832	1,517	1,642	20,233
BUILDING & GROUNDS													
CONTRACT LABOR	131	1,203	193	197	193	193	1,549	193	193	349	193	761	5,345
CABLE TV EXPENSE	315	315	315	315	332	303	291	303	303	303	303	303	3,702
UTILITIES - ELECTRICITY	2,806	2,924	3,024	333	1,716	1,613	2,075	2,299	2,275	1,964	1,595	1,873	24,497
UTILITIES - GAS	4,093	3,303	3,414	212	894	667	602	582	662	981	1,869	5,079	22,357
UTILITIES - WATER/SEWER	1,809	1,727	1,768	1,822	1,795	2,171	2,024	1,622	1,823	2,136	1,980	1,610	22,287
WATER SOFTENING SERVICE	321	296	0	360	0	317	0	291	218	249	0	266	2,316
DOORS, KEYS & WINDOWS	33	0	52	2,106	379	120	0	0	0	0	0	0	2,690
FIRE SYSTEM SERVICE	845	57	1,199	2,129	129	895	129	2,616	1,175	129	129	129	8,731
LAWN SERVICE/LANDSCAP/SNOW RMVL	2,320	1,710	930	2,350	3,606	1,450	4,150	2,095	1,450	1,450	1,070	2,850	25,431
PEST CONTROL	0	0	0	153	0	153	0	0	0	153	0	153	612
TRASH REMOVAL	2,749	2,651	3,033	2,733	2,389	2,619	2,619	2,617	2,617	3,022	2,621	2,632	32,301
UNIT TURNOVER REPAIRS	7,543	0	285	325	4,982	375	0	0	16,959	4,594	450	8,551	44,064
ELEVATOR-REPAIRS & MAINT	607	628	628	628	628	628	628	628	628	628	628	628	7,515
REPAIRS & MAINTENANCE	3,006	3,113	436	(114)	10,957	7,175	814	3,648	2,330	1,402	703	2,881	36,350
BUILDING & GROUNDS SUPPLIES	1,019	59	601	208	518	91	76	0	0	388	212	251	3,423
HVAC - REPAIRS & MAINTENANCE	4,934	273	273	399	273	273	273	273	1,875	295	295	950	10,387
TOTAL BUILDING & GROUNDS	32,530	18,258	16,149	13,326	28,791	19,042	15,229	17,167	32,508	18,043	12,049	28,918	252,009
OTHER OPERATING EXPENSES													
PROPERTY & LIABILITY INSURANCE	3,283	3,283	3,283	3,283	3,683	3,483	3,483	3,448	3,448	3,448	3,448	3,448	41,022
PAYMENT IN LIEU OF PROPERTY TAX	5,388	5,388	5,388	5,388	5,388	5,388	5,388	5,388	5,388	5,388	5,388	5,382	64,650
TOTAL OTHER OPERATING EXPENSES	8,671	8,671	8,671	8,671	9,071	8,871	8,871	8,836	8,836	8,836	8,836	8,830	105,672
TOTAL OPERATING EXPENSES	61,007	48,863	49,043	43,744	59,410	49,579	45,148	47,979	63,824	48,557	44,197	61,700	623,051
NET OPERATING INCOME / (LOSS)	56,623	69,035	70,035	76,124	60,477	69,224	74,660	72,264	53,479	121,761	74,022	56,839	854,542
DEPREC, INTEREST & OTHER													
DEPRECIATION EXPENSE	24,876	24,876	24,876	24,876	24,876	24,876	24,876	24,876	24,876	24,876	24,876	24,876	298,512
AMORTIZATION EXPENSE	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(27,900)
RESERVE/REPLACE CAPITAL EXPENSE	9,890	0	0	16,434	0	0	0	0	0	1,419	661	0	28,403
INTEREST EXPENSE	10,620	10,620	10,797	10,620	10,620	10,798	10,620	10,620	10,798	10,620	10,620	10,794	128,148
TOTAL DEPREC, INTEREST & OTHER	43,061	33,171	33,348	49,605	33,171	33,349	33,171	33,171	33,349	34,590	33,831	33,345	427,163
NET INCOME / (LOSS)	13,562	35,864	36,687	26,519	27,306	35,875	41,489	39,093	20,130	87,172	40,191	23,493	427,380

Comparative Profit and Loss

VICKSBURG CROSSING

Through December 31, 2024

MTD Actual	Budget	Last Year	Description	YTD Actual	Budget	Last Year
INCOME						
107,879	105,526	107,038	APARTMENT RENTAL REVENUE	1,289,245	1,250,797	1,261,404
2,071	2,944	2,267	APARTMENT RENTAL REVENUE - COUNTY	26,089	35,328	34,542
3,750	3,750	8,750	HRA SUBSIDY - TAX LEVY	45,000	45,000	50,000
4,080	4,080	4,080	GARAGE RENT	48,872	48,960	48,950
0	280	180	GUEST ROOM REVENUE	3,870	2,100	3,460
0	70	70	APPLICATION FEE REVENUE	385	560	525
0	0	0	TRANSFER FEE REVENUE	1,000	1,000	1,000
419	413	55,156	INVESTMENT INCOME	57,567	5,000	68,723
340	290	310	MISCELLANEOUS REVENUE	5,565	3,480	2,529
118,539	117,353	177,851	TOTAL INCOME	1,477,593	1,392,225	1,471,133
EXPENSES						
ADMINISTRATION						
6,455	6,150	4,787	MANAGER SALARIES	74,384	73,800	69,935
1,278	907	1,156	PAYROLL TAXES	10,369	10,888	9,598
909	1,100	(1,228)	HEALTH INSURANCE	12,866	12,872	11,203
105	185	97	WORKERS COMP INSURANCE	1,555	2,220	1,835
5,920	5,195	4,956	MAINTENANCE SALARIES/WAGES	58,419	62,296	56,198
0	85	80	EMPLOYEE COSTS	680	1,110	1,000
0	0	0	SEMINAR/TRAINING	0	150	35
35	0	27	DATA PROCESSING	395	0	213
80	110	115	BANK FEES	2,052	1,320	1,131
0	0	0	DUES, SUBS & MEMBERSHIPS	60	65	60
0	0	0	LICENSE & PERMITS	1,793	906	876
0	10	0	MILEAGE REIMBURSEMENT	0	120	0
0	10	0	POSTAGE/OVERNIGHT EXPRESS	15	120	44
0	20	0	PRINTING	937	225	624
4,991	4,991	4,799	MANAGEMENT FEES	59,892	59,892	57,588
21	205	3,075	PROFESSIONAL FEES	1,318	2,460	4,711
537	550	635	TELEPHONE EXPENSE	6,660	6,600	6,422
513	337	(1,081)	EQUIPMENT LEASE/REPAIR	5,731	4,000	4,223
62	122	103	OFFICE SUPPLIES	881	1,464	1,420
20,905	19,977	17,521	TOTAL ADMIN EXPENSES	238,006	240,508	227,116
LIFE ENRICHMENT						
1,405	1,700	1,547	RESIDENT PROGRAM/ACTIVITIES	5,930	6,575	6,635
1,405	1,700	1,547	TOTAL LIFE ENRICHMENT EXPENSES	5,930	6,575	6,635

Comparative Profit and Loss

VICKSBURG CROSSING

Through December 31, 2024

MTD Actual	Budget	Last Year	Description	YTD Actual	Budget	Last Year
MARKETING						
0	0	0	ADVERTISING	0	500	0
0	0	0	ADVERTISING - INTERNET	1,200	0	0
0	0	0	TOTAL MARKETING EXPENSES	1,200	500	0
HOUSEKEEPING						
1,517	1,800	1,361	CONTRACT LABOR	19,098	21,600	19,326
125	155	0	CLEANING SUPPLIES	1,135	1,860	861
1,642	1,955	1,361	TOTAL HOUSEKEEPING EXPENSES	20,233	23,460	20,188
BUILDING & GROUNDS						
761	900	442	CONTRACT LABOR	5,345	10,800	4,148
303	270	283	CABLE TV EXPENSE	3,702	3,240	3,386
1,873	1,900	2,258	UTILITIES - ELECTRICITY	24,497	28,500	28,167
5,079	4,500	3,869	UTILITIES - GAS	22,357	32,900	25,881
1,610	1,600	1,976	UTILITIES - WATER/SEWER	22,287	20,300	20,895
266	152	219	WATER SOFTENING SERVICE	2,316	1,824	1,356
0	70	11	DOORS, KEYS & WINDOWS	2,690	840	616
129	190	57	FIRE SYSTEM SERVICE	8,731	6,600	1,998
2,850	4,000	1,500	LAWN SERVICE/LANDSCAP/SNOW RMVL	25,431	27,300	25,780
153	0	153	PEST CONTROL	612	880	867
2,632	2,190	2,166	TRASH REMOVAL	32,301	26,280	26,315
8,551	4,250	0	UNIT TURNOVER REPAIRS	44,064	51,000	47,178
0	0	0	EQUIPMENT LEASE/REPAIR	0	0	50
628	690	607	ELEVATOR-REPAIRS & MAINT	7,515	8,280	7,272
2,881	2,450	2,479	REPAIRS & MAINTENANCE	36,350	28,450	39,267
251	1,500	621	BUILDING & GROUNDS SUPPLIES	3,423	18,000	4,597
950	850	273	HVAC - REPAIRS & MAINTENANCE	10,387	10,300	7,757
0	1,000	0	MISCELLANEOUS B & G EXPENSES	0	12,000	0
28,918	26,512	16,915	TOTAL BUILDING & GROUNDS	252,009	287,494	245,528
OTHER OPERATING EXPENSES						
3,448	5,501	3,283	PROPERTY & LIABILITY INSURANCE	41,022	64,846	40,486
5,382	5,382	5,805	PAYMENT IN LIEU OF PROPERTY TAX	64,650	64,650	64,798
8,830	10,883	9,088	TOTAL OTHER OPERATING EXPENSES	105,672	129,496	105,284
61,700	61,027	46,430	TOTAL OPERATING EXPENSES	623,051	688,033	604,750
56,839	56,326	131,421	NET OPERATING INCOME / (LOSS)	854,542	704,192	866,383
DEPREC, INTEREST & OTHER						
24,876	24,878	60,775	DEPRECIATION EXPENSE	298,512	298,514	351,945
(2,325)	2,209	(904)	AMORTIZATION EXPENSE	(27,900)	26,486	(26,479)
0	0	(161,056)	RESERVE/REPLACE CAPITAL EXPENSE	28,403	105,000	16,716
10,794	10,620	6,648	INTEREST EXPENSE	128,148	127,440	136,238
33,345	37,707	(94,537)	TOTAL DEPREC, INTEREST & OTHER	427,163	557,440	478,420
23,493	18,619	225,957	NET INCOME / (LOSS)	427,380	146,752	387,963

Profit and Loss Variance

VICKSBURG CROSSING

Through December 31, 2024

	MTD Actual	Budget	Var.	YTD Actual	Budget	Var.	Year Budget
INCOME							
APARTMENT RENTAL REVENUE	107,879	105,526	2,353	1,289,245	1,250,797	38,448	1,250,797
APARTMENT RENTAL REVENUE - COL	2,071	2,944	(873)	26,089	35,328	(9,239)	35,328
HRA SUBSIDY - TAX LEVY	3,750	3,750	0	45,000	45,000	0	45,000
GARAGE RENT	4,080	4,080	0	48,872	48,960	(88)	48,960
GUEST ROOM REVENUE	0	280	(280)	3,870	2,100	1,770	2,100
APPLICATION FEE REVENUE	0	70	(70)	385	560	(175)	560
TRANSFER FEE REVENUE	0	0	0	1,000	1,000	0	1,000
INVESTMENT INCOME	419	413	6	57,567	5,000	52,567	5,000
MISCELLANEOUS REVENUE	340	290	50	5,565	3,480	2,085	3,480
TOTAL INCOME	118,539	117,353	1,186	1,477,593	1,392,225	85,368	1,392,225
EXPENSES							
ADMINISTRATION							
MANAGER SALARIES	6,455	6,150	(305)	74,384	73,800	(584)	73,800
PAYROLL TAXES	1,278	907	(371)	10,369	10,888	519	10,888
HEALTH INSURANCE	909	1,100	191	12,866	12,872	6	12,872
WORKERS COMP INSURANCE	105	185	80	1,555	2,220	665	2,220
MAINTENANCE SALARIES/WAGES	5,920	5,195	(725)	58,419	62,296	3,877	62,296
EMPLOYEE COSTS	0	85	85	680	1,110	430	1,110
SEMINAR/TRAINING	0	0	0	0	150	150	150
DATA PROCESSING	35	0	(35)	395	0	(395)	0
BANK FEES	80	110	30	2,052	1,320	(732)	1,320
DUES, SUBS & MEMBERSHIPS	0	0	0	60	65	5	65
LICENSE & PERMITS	0	0	0	1,793	906	(887)	906
MILEAGE REIMBURSEMENT	0	10	10	0	120	120	120
POSTAGE/OVERNIGHT EXPRESS	0	10	10	15	120	105	120
PRINTING	0	20	20	937	225	(712)	225
MANAGEMENT FEES	4,991	4,991	0	59,892	59,892	0	59,892
PROFESSIONAL FEES	21	205	185	1,318	2,460	1,142	2,460
TELEPHONE EXPENSE	537	550	13	6,660	6,600	(60)	6,600
EQUIPMENT LEASE/REPAIR	513	337	(176)	5,731	4,000	(1,731)	4,000
OFFICE SUPPLIES	62	122	60	881	1,464	583	1,464
TOTAL ADMIN EXPENSES	20,905	19,977	(928)	238,006	240,508	2,502	240,508
LIFE ENRICHMENT							
RESIDENT PROGRAM/ACTIVITIES	1,405	1,700	295	5,930	6,575	645	6,575
TOTAL LIFE ENRICHMENT EXPE	1,405	1,700	295	5,930	6,575	645	6,575

Profit and Loss Variance

VICKSBURG CROSSING

Through December 31, 2024

	MTD Actual	Budget	Var.	YTD Actual	Budget	Var.	Year Budget
MARKETING							
ADVERTISING	0	0	0	0	500	500	500
ADVERTISING - INTERNET	0	0	0	1,200	0	(1,200)	0
TOTAL MARKETING EXPENSES	0	0	0	1,200	500	(700)	500
HOUSEKEEPING							
CONTRACT LABOR	1,517	1,800	283	19,098	21,600	2,502	21,600
CLEANING SUPPLIES	125	155	30	1,135	1,860	725	1,860
TOTAL HOUSEKEEPING EXPENSE	1,642	1,955	313	20,233	23,460	3,227	23,460
BUILDING & GROUNDS							
CONTRACT LABOR	761	900	139	5,345	10,800	5,455	10,800
CABLE TV EXPENSE	303	270	(33)	3,702	3,240	(462)	3,240
UTILITIES - ELECTRICITY	1,873	1,900	27	24,497	28,500	4,003	28,500
UTILITIES - GAS	5,079	4,500	(579)	22,357	32,900	10,543	32,900
UTILITIES - WATER/SEWER	1,610	1,600	(10)	22,287	20,300	(1,987)	20,300
WATER SOFTENING SERVICE	266	152	(114)	2,316	1,824	(492)	1,824
DOORS, KEYS & WINDOWS	0	70	70	2,690	840	(1,850)	840
FIRE SYSTEM SERVICE	129	190	61	8,731	6,600	(2,131)	6,600
LAWN SERVICE/LANDSCAP/SNOW RM	2,850	4,000	1,150	25,431	27,300	1,869	27,300
PEST CONTROL	153	0	(153)	612	880	268	880
TRASH REMOVAL	2,632	2,190	(442)	32,301	26,280	(6,021)	26,280
UNIT TURNOVER REPAIRS	8,551	4,250	(4,301)	44,064	51,000	6,936	51,000
ELEVATOR-REPAIRS & MAINT	628	690	62	7,515	8,280	765	8,280
REPAIRS & MAINTENANCE	2,881	2,450	(431)	36,350	28,450	(7,900)	28,450
BUILDING & GROUNDS SUPPLIES	251	1,500	1,249	3,423	18,000	14,577	18,000
HVAC - REPAIRS & MAINTENANCE	950	850	(100)	10,387	10,300	(87)	10,300
MISCELLANEOUS B & G EXPENSES	0	1,000	1,000	0	12,000	12,000	12,000
TOTAL BUILDING & GROUNDS	28,918	26,512	(2,406)	252,009	287,494	35,485	287,494
OTHER OPERATING EXPENSES							
PROPERTY & LIABILITY INSURANCE	3,448	5,501	2,053	41,022	64,846	23,824	64,846
PAYMENT IN LIEU OF PROPERTY TAX	5,382	5,382	0	64,650	64,650	0	64,650
TOTAL OTHER OPERATING EXPENSES	8,830	10,883	2,053	105,672	129,496	23,824	129,496
TOTAL OPERATING EXPENSES	61,700	61,027	(673)	623,051	688,033	64,982	688,033
NET OPERATING INCOME / (LOSS)	56,839	56,326	513	854,542	704,192	150,350	704,192
DEPREC, INTEREST & OTHER							
DEPRECIATION EXPENSE	24,876	24,878	2	298,512	298,514	2	298,514
AMORTIZATION EXPENSE	(2,325)	2,209	4,534	(27,900)	26,486	54,386	26,486
RESERVE/REPLACE CAPITAL EXPENSE	0	0	0	28,403	105,000	76,597	105,000
INTEREST EXPENSE	10,794	10,620	(174)	128,148	127,440	(708)	127,440
TOTAL DEPREC, INTEREST & OT	33,345	37,707	4,362	427,163	557,440	130,277	557,440
NET INCOME / (LOSS)	23,493	18,619	4,874	427,380	146,752	280,628	146,752

Twelve Month Profit and Loss

VICKSBURG CROSSING

For Year 2024

	Period End Jan 31, 2024	Period End Feb 29, 2024	Period End Mar 31, 2024	Period End Apr 30, 2024	Period End May 31, 2024	Period End Jun 30, 2024	Period End Jul 31, 2024	Period End Aug 31, 2024	Period End Sep 30, 2024	Period End Oct 31, 2024	Period End Nov 30, 2024	Period End Dec 31, 2024	Period End Year To Date
CASHFLOW RECONCILIATION:													
NET INCOME / (LOSS)	13,562	35,864	36,687	26,519	27,306	35,875	41,489	39,093	20,130	87,172	40,191	23,493	427,380
ADJUSTMENTS TO NET CASHFLOW:													
DEPRECIATION & AMORTIZATION	24,876	24,876	24,876	24,876	24,876	24,876	24,876	24,876	24,876	24,876	24,876	24,876	298,512
(INCR) / DECR IN A/R	3,053	(2,817)	1,992	(487)	919	21,734	491	320	(594)	(4,094)	2,563	(5,388)	17,692
(INCR) / DECR IN ESCROW	0	0	0	0	0	0	0	0	0	0	0	0	0
(INCR) / DECR IN PREPAID EXP	3,395	(2,539)	5,906	1,611	(16,874)	4,599	5,066	(18,622)	4,464	3,207	2,730	4,173	(2,883)
(INCR)/DECR IN OTHER ASSETS	(3,750)	533,495	(3,750)	(3,750)	(3,750)	(26,666)	(3,750)	56,445	(3,750)	(56,221)	(3,750)	(703,750)	(222,947)
(INCR) / DECR IN OTHER ASSETS	0	0	0	0	0	0	0	0	0	0	0	0	0
INCR / (DECR) IN ACCTS PAYABLE	533	(4,164)	(14,505)	36,106	(3,462)	(21,103)	3,751	(2,608)	14,933	(16,765)	(1,776)	14,088	5,028
INCR / (DECR) IN ACCRD LIAB	17,706	(518,275)	(37,447)	12,252	9,726	17,202	17,937	(47,537)	17,531	14,327	22,848	493,533	19,804
TOTAL ADJUSTMENTS	45,813	30,576	(22,927)	70,609	11,434	20,642	48,371	12,874	57,460	(34,669)	47,492	(172,467)	115,206
NET OPERATING CASHFLOW:	59,375	66,441	13,759	97,127	38,740	56,517	89,860	51,968	77,589	52,502	87,682	(148,974)	542,586
LESS CAPITAL EXPENDITURES:													
LAND	0	0	0	0	0	0	0	0	0	0	0	0	0
SITE IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
BUILDING	0	0	0	0	0	0	0	0	0	0	0	0	0
BUILDING IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
FURNITURE, FIXTURES & EQUIP-GENERAL	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSTRUCTION IN PROGRESS	0	0	0	0	0	0	0	0	0	0	0	0	0
FURNITURE & FIXTURES - HOUSEKEEPING	0	0	0	0	0	0	0	0	0	0	0	0	0
COMPUTERS/OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
APARTMENT IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
VEHICLES	0	0	0	0	0	0	0	0	0	0	0	0	0
SMALL EQUIPMENT/FURNISHINGS	0	0	0	0	0	0	0	0	0	0	0	0	0
LEASE ASSET	0	0	0	0	0	0	0	0	0	0	0	0	0
PRINCIPAL PYMTS ON LT DEBT	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(2,325)	(487,325)	(512,900)
CONTRIBUTED CAPITAL	0	0	0	0	0	0	0	0	0	0	0	0	0
PARTNER DISTRIBUTIONS - CPF	0	0	0	0	0	0	0	0	0	0	0	0	0
PARTNER DISTRIBUTIONS - NON-CPF	0	0	0	0	0	0	0	0	0	0	0	0	0
NET INVESTMENTS IN CAPITAL ASSETS	0	0	0	0	0	0	0	0	0	0	0	0	0
RESTRICTED FOR DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
UNRESTRICTED	0	0	0	0	0	0	0	0	0	0	0	0	0
RETAINED EARNINGS-RSRVD FOR DS	0	0	0	0	0	0	0	0	0	0	0	0	0
RETAINED EARNINGS	0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCR / (DECR) IN CASH:	57,050	64,116	11,434	94,802	36,415	54,192	87,535	49,643	75,264	50,177	85,357	(636,299)	29,686

To: Housing and Redevelopment Authority

Prepared by: Steven Schmidt, Housing Manager

Reviewed by: Grant Fernelius, Community and Economic Development Director

Item: **Overview of 4d(1) Affordable Housing Incentive program guidelines**

1. Action Requested:

Review 4d(1) program guide and materials and recommend to City Council for adoption of a local 4d(1) Affordable Housing Incentive program

2. Background:

At the October 2024 HRA meeting the HRA Commission expressed interest in expanding programming specifically targeting Naturally Occurring Affordable Housing (NOAH). One of the options discussed was the addition of a 4d(1) program.

The 4d(1) Low Income Rental Classification program offers financial assistance to private owners of multi-family properties that agree to keep a minimum of 20% of the units affordable to households earning at or below 60% AMI. Eligible units will receive a reduced tax rate of 0.25%. (Market rate tax classification is 1.25%)

At the January 2025 HRA meeting staff provided a presentation and overview of the 4d(1) Low Income Rental Classification program. The HRA commission discussed the program options and directed staff to prepare a program guide and necessary documents for implementation of the program.

The program guide highlights include:

- Five-year eligibility for 4d property tax rate of 0.25%. (Market rate tax classification is 1.25%)
- \$100 per unit incentive to help property owners cover the cost of administrative and reporting requirements associated with the 4d(1) program, (\$5,000 per property maximum and \$50,000 city wide maximum)
- First year application fee paid by the city (\$10 per unit)
- Existing tenants in units that have program-compliant rents do not need to be income qualified.
- Income qualification for tenants is determined upon initial occupancy. Increased income of tenants in affordable units will not violate program requirements.
- Property owners must record a declaration on their property agreeing to keep at least 20% of the units program-compliant, up to 100% of the units in the building

may be enrolled.

- If a building is sold, declarations remain with the property.

Property owners must certify that the Property Tax Savings is used on one or more of Eligible Uses:

- Property maintenance
- Property security
- Improvements to the property
- Rent stabilization
- Increases to the property's replacement reserve account

Staff recommends the HRA Commission review the program specifics and provide a recommendation to City Council for adoption of the 4d(1) Affordable Housing Incentive program.

3. Budget Impact:

Funding for this program was not included in the 2025 HRA budget. If approved, staff would include a request in the 2026 HRA budget. Implementation of this program would not take place until 2026.

4. Attachments:

[MN Housing LIRC Program Guide_2023](#)

[LIRC 2025 Initial Application](#)

[DECLARATION OF RESTRICTIVE COVENANTS 4d](#)

[4d Application City of Plymouth](#)

[4d Housing Policy](#)

[4d Participation Agreement](#)

[Links to Metro area cities 4d program guides](#)

[4d Program timeline](#)



Low Income Rental Classification (LIRC) Program Guide

November 16, 2023



The Minnesota Housing Finance Agency does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, gender identity, or sexual orientation in the provision of services.

An equal opportunity employer.

This information will be made available in alternative format upon request.

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Chapter 1 – Low Income Rental Classification (LIRC) Program

1.01 Statute

Properties in Minnesota are assigned a property use classification based on the primary use of the property by their local assessor ([visit the Minnesota Department of Revenue website for a full list of property use classifications](#)). The property use classification determines the tax class rate that applies to the property, and the tax class rate is determined by Minnesota law. The tax class rate is a component of calculating property taxes.

[Minnesota Statutes 273.13, subdivision 25](#) and [273.128](#) provide that qualifying low-income rental properties are eligible for property use classification that has a lower tax class rate thereby reducing the property tax obligation for a given property. This property use classification is commonly referred to as “4d(1).”

These statutes define the eligible property type, eligibility criteria, and eligible uses of the savings resulting from the class rate reduction.

1.02 Purpose of LIRC Program

The LIRC Program is a tool to aid in the preservation and sustainability of affordable rental housing in the State of Minnesota.

1.03 Contact

If you have questions regarding the LIRC Program, please call the following Minnesota Housing phone numbers or refer to the agency’s website at www.mnhousing.gov:

Toll Free:	800.657.3647
Direct:	651.297.4065
TTY:	651.297.2361
Minnesota Relay Service:	800.627.3529

1.04 Definitions

Appendix A, which is attached and incorporated into this Program Guide, includes definitions of capitalized terms used in this Program Guide.

1.05 Legal Addendum

Any property enrolled in the LIRC Program agrees to comply with the additional requirements and obligations as described in Appendix B, which is attached and incorporated into this Program Guide.

Chapter 2 – LIRC Program Requirements

2.01 Eligibility

Applicants may qualify for the LIRC Program if at least 20% of the units in the property meet one or more of the following requirements at the time the Application is submitted to Minnesota Housing:

- The units are subject to a project-based housing assistance payments (HAP) contract under Section 8 of the United States Housing Act of 1937.
- 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.
- The units are financed by the Rural Housing Service (RHS) of the United States Department of Agriculture and receive payments under the rental assistance program pursuant to Section 521(a) of the Housing Act of 1949, as amended.
- 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 recorded against the property. The rent and income restrictions must meet both of the following:
 - The restrictions must require assisted units to be occupied by residents whose household income at the time of initial occupancy does not exceed 60% of the greater of area or state median income, adjusted for family size, as determined by the United States Department of Housing and Urban Development; and
 - The restriction must require the rents for assisted units to not exceed 30% of 60% of the greater of area or state median income, adjusted for family size, as determined by the United States Department of Housing and Urban Development.

If you are unsure of your property’s eligibility, please contact Minnesota Housing for clarification and guidance.

2.02 Eligible Uses of Property Tax Savings

Enrolling in the LIRC Program reduces the property’s tax class rate thereby reducing the property tax amount that would otherwise be due. Minnesota Statute 273.128, subdivision 1(b) requires that the Property Tax Savings be used on one or more of the Eligible Uses:

- Property maintenance
- Property security
- Improvements to the property
- Rent stabilization
- Increases to the property’s replacement reserve account

For the purposes of the LIRC Program only, rent stabilization is the cost of reduced rent revenue as a result of holding rent increases on some or all of the rental units below the inflation rate as published by the United States Bureau of Labor Statistics All Urban Consumers Price Index

(Current Series) from the prior year. The All Urban Consumer Price Index Data can be accessed by visiting the [Federal Reserve Bank of Minneapolis](#). For example, if the All Urban Consumer Price Index was 5% in 2024, a rent increase in 2025 would need to be less than 5% to be considered rent stabilization in the LIRC Program.

When applying for the LIRC Program, the Applicant must certify that they will use all the Property Tax Savings for that assessment year for one or more Eligible Use(s). Beginning with Renewal Applications submitted in calendar year 2026, the Applicant must certify that the Property Tax Savings for the prior assessment year were used for one or more Eligible Use(s) and provide a written narrative of how the Property Tax Savings were used for the Eligible Use(s) to demonstrate compliance.

2.03 Initial Application Local Government Resolution Requirement

This section only applies to the Initial Application for a property enrolling in the LIRC Program. Renewal Applications are exempt from this Section 2.03.

If the property is located in a city or town in which the net tax capacity of all 4d(1) properties exceed 2% of the total net tax capacity of the city or town in the prior assessment year, the Applicant must receive a resolution from the city or town where the property is located approving the Applicant’s ability to submit an Initial Application to Minnesota Housing. The Applicant must receive the resolution from the city or town before submitting the Initial Application to Minnesota Housing.

The Minnesota Department of Revenue will annually publishes a list of the cities and towns where the net tax capacity of all 4d(1) property exceeds 2% of the total net tax capacity in the city or town. A link to the list will be provided annually on Minnesota Housing’s [LIRC Program web page](#). If the property is located in a city or town that does not exceed the threshold, the Applicant is not required to secure a resolution from the city or town to submit the Initial Application to Minnesota Housing.

The resolution from the city or town must include:

- The property ownership name
- The mailing address of the property
- All parcel identification numbers associated with the LIRC Program approval
- Approval to submit a Low Income Rental Classification Initial Application to Minnesota Housing

The resolution cannot include any conditions of approval. For Initial Applications that require the resolution, a copy of the resolution must be included with the Initial Application to Minnesota Housing or the Application will be deemed incomplete.

Property owners are strongly encouraged to contact the city or town as early as possible because the Minnesota Housing application deadline cannot be extended.

Chapter 3 – Property Tax Savings and Compliance

3.01 Property Tax Savings Calculation Methodology

Minnesota Statute 273.128, subdivision 1(b) requires that the Property Tax Savings be used on one or more of the Eligible Uses listed in Section 2.02. For the sole purpose of the LIRC Program, the Property Tax Savings is, for a given property:

$$\begin{array}{r} \text{The property taxes that would have been due under the Former 4d Tax Class Rate in a given} \\ \text{year} \\ \text{Minus} \\ \text{The property taxes due as a result of enrolling in the LIRC Program in a given year} \\ \text{Equals} \\ \text{Property Tax Savings} \end{array}$$

The Former 4d Tax Class Rate means the tax class rates defined in [Minnesota Statutes 2022, section 273.13, subdivision 25, paragraphs \(e\) and paragraph \(f\)](#). The Former 4d Tax Class Rate included two tax class tiers depending on the per unit estimated market value (EMV) of the property. The EMV is established by the local city or county assessor. The first \$100,000 of each unit's EMV utilized a .75% tax class rate and the portion of the per unit value over \$100,000 utilized a .25% tax class rate.

Starting with assessment year 2024, the 4d(1) tax class rate is a flat .25% with no tiers, which results in lower property taxes than would have otherwise been due under the Former 4d Tax Class Rate. The property taxes due as a result of receiving 4d(1) are provided on the property tax statement provided by your county.

Please note that comparing the difference in property taxes due from one year to the next year is not equal to the Property Tax Savings because of variations in local property tax rates, referendum levies (school levies), and other factors.

Minnesota Housing cannot calculate the Property Tax Savings for Applicants. For additional information on understanding property tax calculations, visit the [Minnesota Department of Revenue](#) website or contact your local city or county assessor's office.

3.02 Compliance

Beginning with Renewal Applications submitted in calendar year 2026, all Applicants must:

- Certify that all Property Tax Savings in the prior assessment year were used for one or more Eligible Use(s); and
- Provide a narrative describing how the Property Tax Savings were used on one or more Eligible Use(s).

The Applicant shall retain documentation demonstrating the use of the Property Tax Savings in accordance with Section 3.03. Minnesota Housing may request documentation at its sole

discretion. Properties that fail to provide the requested documentation may be subject to removal and/or temporary disbarment from the LIRC Program.

3.03 Document Retention

Property owners are responsible for maintaining records that document the use of the Property Tax Savings for a minimum of six years from the end of each applicable LIRC Period. Minnesota Housing reserves the right to review all records during this six-year period, and records must be made available to Minnesota Housing upon request. Failure to provide the documentation may result in disqualification from the LIRC Program for up to five years as solely determined by Minnesota Housing.

The records documenting the use of Property Tax Savings for Eligible Uses may include, but are not limited to, receipts, proof of payment, rental rates, and reserve account balances.

Chapter 4 – Initial and Renewal LIRC Program Application

The Application, including all supporting documents, and the non-refundable fee payable to Minnesota Housing must be mailed and postmarked no later than March 31. Late Applications (postmarked after March 31) will be returned to the sender, will not be eligible for the tax rate reduction for taxes payable in the following year and will not receive a refund.

If a property is no longer eligible for the LIRC Program, please immediately notify Minnesota Housing to have the property removed from the LIRC Program.

Use the checklist below for an Initial Application and a Renewal Application, as applicable.

Initial Application	Renewal Application	Requirement
<input type="checkbox"/>	<input type="checkbox"/>	<p>Application</p> <ul style="list-style-type: none"> • Read the application instructions for properly completing the Application. • Incomplete information may result in a delayed or denied Application. • For Initial Applications, be sure to write the expiration date for the Proof of Qualifications on the Application. • For Renewal Applications, update any contact information that has changed from the prior year Application.
<input type="checkbox"/>	n/a	<p>Proof of Qualifications that must be submitted with the Application:</p> <ul style="list-style-type: none"> • Units subject to project-based housing assistance payments (HAP) contract, <ul style="list-style-type: none"> ○ Project-based Section 8 (HAP) contract. • Rent-restricted and income-restricted units under Section 42(g), <ul style="list-style-type: none"> ○ The Section 42 Land Use Restrictive Agreement (LURA); or ○ If the LURA has not yet been recorded, verification of the “Placed in Service” date for Section 42(g) properties is required, and the LURA must be provided when it is recorded. • Rural Housing Service Rental Assistance Program units <ul style="list-style-type: none"> ○ The United States Department of Agriculture Rural Development subsidy contract. • Units are subject to 60% or less of AMI rent and income restrictions <ul style="list-style-type: none"> ○ The recorded document restricting income and rents under the terms of the financing provided by the federal government, the state of Minnesota, or a local unit of government.

Initial Application	Renewal Application	Requirement
n/a	<input type="checkbox"/>	Change to Proof of Qualifications <ul style="list-style-type: none"> For Renewal Applications only, identify any changes to previously submitted Supporting Documentation. This includes any rental assistance contracts that expired in the prior year and have since been renewed.
<input type="checkbox"/>	n/a	See Section 2.03 of this Guide to determine if a resolution from the local city or town is required to submit the Initial Application
<input type="checkbox"/>	<input type="checkbox"/>	Application fee (See application form for calculation) The application fee is non-refundable. If you choose to apply and do not qualify for the LIRC Program, you will not be refunded.
<input type="checkbox"/>	<input type="checkbox"/>	Mail the signed Application, payment or proof of payment, Proof of Qualifications, and application fee to: Minnesota Housing Attn: LIRC Program 400 Wabasha Street North, Suite 400 St. Paul, MN 55102-1109

Chapter 5 – Review and Approval

5.01 Application Submission

Initial Applications and Renewal Applications may be submitted to Minnesota Housing from January 2 through March 31 of each year. Minnesota Housing reviews Applications as they are submitted.

Applicants certify in the Initial Application or Renewal Application that the property is in compliance with all applicable requirements of the low-income program that qualifies the property for the LIRC Program (See Section 2.01). Noncompliance with the requirements of the low-income housing program that qualifies the property for the LIRC Program may result in the denial and withdrawal of 4d(1) or a loss of some or all LIRC Program benefits. In making the certification, Minnesota Housing relies on the Initial Application or Renewal Application and any other supporting information. Minnesota Housing may request any supporting information that the agency deems necessary from the Applicant.

Minnesota Housing will perform annual quality control reviews. If findings occur during the annual quality review process, the Applicant and the local assessor's offices will be notified that properties no longer qualify for the LIRC Program or that the percentage of qualifying units has been changed. Failure to resolve the finding in a timely manner may result in disqualification from the LIRC Program for up to five years as solely determined by Minnesota Housing.

5.02 Approval

Minnesota Housing will notify Applicants that submit Initial Applications in writing whether their Application has been approved or denied. If approved:

- The Applicant will receive a LIRC Account Number.
- The local assessor will be notified that the property qualifies for the LIRC Program by June 1.

Minnesota Housing will certify to the appropriate county or city assessor the specific properties and the number of units in the building that qualify under the LIRC Program.

Applicants who have been approved for the LIRC Program will receive the 4d(1) tax class rate reduction for taxes payable the following year. For example, a property that receives a LIRC Program approval in calendar year 2024 will receive the 4d(1) property use classification for property taxes payable in calendar year 2025.

5.03 Initial Application Denials and Appeals

New Applicants who have applied for the LIRC Program and who have been determined to be ineligible will receive a letter indicating the reasons for denial. The letter will also explain the appeals process.

If applicable, Initial Applications that do not provide the resolution required in Section 2.03 will be denied and are not subject to appeal. Resolutions cannot be accepted after the Application due date.

5.04 Renewal Application Denials

Current participants who have reapplied for the LIRC Program and have been determined to be no longer eligible will be withdrawn from the 4(d)1 property use classification status. A letter will be sent explaining why the property was withdrawn from the LIRC Program.

Appendix A – Definitions

Term	Definition
4d(1)	The Property Use Classification for properties that meet the requirements of the LIRC Program.
Applicant(s)	The property owner or their authorized representative that submits an Application.
Application(s)	Initial Applications and/or Renewal Applications, as the context requires
Eligible Use(s)	The categories of expenses for which Property Tax Savings must be used, as set forth in Section 2.02.
Initial Application	The first Application submitted by an Applicant to the LIRC Program.
LIRC Account Number	The account number assigned by Minnesota Housing for each LIRC application approval.
LIRC Period	The calendar year for which the LIRC application approval applies. For example, a LIRC application submitted in calendar year 2023 for taxes payable in 2024 will have a LIRC Period of January 1, 2024 to December 31, 2024.
LIRC Program	The Low Income Rental Classification program established pursuant to Minnesota Statutes 273.128.
Minnesota Housing	the Minnesota Housing Finance Agency
Program Guide	The Low Income Rental Classification Program Guide
Proof of Qualifications	The documentation required to be submitted with the Initial Application to demonstrate that the property meets one or more of the eligibility criteria in Minnesota Statute 273.128, subdivision 1.
Property Tax Savings	See Section 3.01
Property Use Classification	The tax class assigned by the applicable city or county assessor (visit the Minnesota Department of Revenue website for a full list of property use classifications).
Renewal Application	All subsequent Applications after the Initial Application submitted by the Applicant to remain enrolled in the LIRC Program.

Appendix B – Legal Addendum

1.01 Conflict and Control

In the event of any conflict between the terms of this Addendum and the document to which it is attached, the terms of this Addendum will govern and control.

1.02 Fraud

Fraud is any intentionally deceptive action, statement or omission made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the communication channels described in section 1.07.

1.03 Misuse of Funds

A contracting party that receives funding from Minnesota Housing promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the recipient to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the recipient must use Minnesota Housing funds as agreed, and the recipient must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a recipient; or (2) a recipient cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the contract.

Any recipient (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the communication channels described in section 1.07.

1.04 Conflict of Interest

A conflict of interest – actual, potential or perceived – occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A potential or perceived conflict of interest exists even if no unethical, improper or illegal act results from it.

An individual conflict of interest is any situation in which one’s judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through

indirect gain to a Partner, Family Member, Relative, Friend, Business or other Outside Interest with which they are involved. Such terms are defined below.

***Actual Conflict of Interest:** An Actual Conflict of Interest occurs when a person’s decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.

***Potential Conflict of Interest:** A Potential Conflict of Interest may exist if a person has a relationship, affiliation or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations or interests.

***Partner:** A person’s romantic and domestic partners and outside business partners.

***Family Member:** A person’s current and former spouse; children, parents, and siblings; current and former children-in-law, parents-in-law, and siblings-in-law; current and former stepchildren and stepparents; grandchildren and grandparents; and members of the person’s household.

***Relative:** Uncle or aunt; first or second cousin; godparent; godchild; other person related by blood, marriage or legal action with whom the individual has a close personal relationship.

***Friend:** A person with whom the individual has an ongoing personal social relationship. “Friend” does not generally include a person with whom the relationship is primarily professional or primarily based on the person being a current or former colleague. “Friend” does not include mere acquaintances (i.e., interactions are coincidental or relatively superficial). Social media friendships, connections, or links, by themselves, do not constitute friendship.

***Business:** Any company, corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit-making activities.

***Outside Interest:** An Outside Interest may occur when an individual, their Family Member or their Partner has a connection to an organization via employment (current or prospective), has a financial interest or is an active participant.

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:

- Revising the contracting party’s responsibilities to mitigate the conflict
- Allowing the contracting party to create firewalls that mitigate the conflict
- Asking the contracting party to submit an organizational conflict of interest mitigation plan

- Terminating the contracting party’s participation

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all actual, potential or perceived conflicts of interest through one of the communication channels described in section 1.07.

A contracting party should review its contract and request for proposals (RFP) material, if applicable, for further requirements.

1.05 Assistance to Employees and Affiliated Parties

Any party entering into a contract with Minnesota Housing for the purpose of receiving an award or benefit in the form of a loan, grant, combination of loan and grant or other funding is restricted in issuing a loan, grant, combination of loan and grant or other funding to a recipient (“Affiliated Assistance”) who is also: (1) a director, officer, agent, consultant, employee or Family Member of an employee of the contracting party; (2) an elected or appointed official of the State of Minnesota; or (3) an employee of Minnesota Housing, unless each of the following provisions are met:

- The recipient meets all eligibility criteria for the program;
- The assistance does not result in a violation of the contracting party’s internal conflict of interest policy, if applicable;
- The assistance does not result in a conflict of interest as outlined in section 1.04;
- The assistance is awarded utilizing the same costs, terms and conditions as compared to a similarly situated unaffiliated recipient and the recipient receives no special consideration or access as compared to a similarly situated unaffiliated recipient; and
- The assistance is processed, underwritten and/or approved by staff/managers who are independent of the recipient and independent of any Family Member of the recipient. Family Member is defined in section 1.04.

A contracting party need not disclose Affiliated Assistance to Minnesota Housing. However, the contracting party must document and certify, prior to the award, that the Affiliated Assistance meets each of the provisions outlined above. This documentation must be included in the Affiliated Assistance file and must be made available to Minnesota Housing upon request. Affiliated Assistance that does not meet each of the provisions outlined above will be considered a violation of Minnesota Housing conflict of interest standards and must be reported by the contracting party through one of the communication channels outlined in section 1.07.

1.06 Suspension

By entering into any contract with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the contract) has not been suspended from doing business with Minnesota Housing. Please refer to Minnesota Housing’s website for a list of [suspended individuals and organizations](#). (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing, then select Suspensions from the menu).

1.07 Disclosure and Reporting

Minnesota Housing promotes a “speak-up, see something, say something” culture whereby internal staff must immediately report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation through one of the communication channels listed below. External business partners (e.g., administrators, grantees or borrowers) and the general public are strongly encouraged to report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation using these same communication channels.

- Minnesota Housing’s Chief Risk Officer at 651.296.7608 or 800.657.3769 or by email at MHFA.ReportWrongdoing@state.mn.us;
- Any member Minnesota Housing’s [Servant Leadership Team](#), as denoted on Minnesota Housing’s current organizational chart (Go to mnhousing.gov, scroll to the bottom of the screen and select About Us, select Servant Leadership Team); or
- [Report Wrongdoing or Concerns \(mnhousing.gov\)](#) (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing).

1.08 Electronic Signatures

Minnesota Housing will use and accept e-signatures on eligible program documents subject to all requirements set forth by state and federal law and consistent with Minnesota Housing policies and procedures. The use of e-signatures for eligible program documents is voluntary. Questions regarding which documents Minnesota Housing permits to be e-signed should be directed to Minnesota Housing staff.

1.09 Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing’s fair housing policy incorporates the requirements of Title VI of the Civil Rights Act of 1968; the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988; and the Minnesota Human Rights Act. Housing

providers and other entities involved in real-estate related transactions are expected to comply with the applicable statutes, regulations and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements. Housing providers and other entities involved in real-estate related transactions must comply with all non-discrimination requirements related to the provision of credit, as well as access to services.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- Discriminate in the selection/acceptance of applicants in the rental of housing units;
- Discriminate in the making or purchasing of loans for purchasing, constructing or improving a dwelling, or in the terms and conditions of real-estate related transactions;
- Discriminate in the brokering or appraisal of residential property;
- Discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Discriminate in the extension of personal or commercial credit or in the requirements for obtaining credit;
- Engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- Make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- Represent a dwelling is not available when it is in fact available;
- Refuse to grant a reasonable accommodation or a reasonable modification to a person with a disability;
- 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; or
- Engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for covered multifamily dwellings and requires those in the business of buying and selling dwellings to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

1.10 Minnesota Government Data Practices

Minnesota Housing, and any party entering into a contract with Minnesota Housing, must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by Minnesota Housing under the contract, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by the contracting party under the contract. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data referred to in this section by either the contracting party or Minnesota Housing. If the contracting party receives a request to release the data referred to in this section, the contracting party must notify Minnesota Housing. Minnesota Housing will give the contracting party instructions concerning the release of the data to the requesting party before the data is released. The contracting party's response to the request shall comply with applicable law.



Low Income Rental Classification 2025 Initial Application

Effective Date: 11/20/2024

This application must be postmarked **by March 31, 2025**, or it will not be approved for the Low Income Rental Classification (LIRC) Program for taxes payable in 2026.

A. Property and Owner Information

Property and Owner Information Requested	Response
Minnesota D# (if applicable)	
Ownership entity name or name of property owner (first, middle, last)	
Owner’s mailing address (street address or PO box)	
City, State, Zip Code	
Name of eligible property (project)	
Primary address of eligible property (street address)	
City, State, Zip Code	
Contact name (first, last)	
Phone	
Email	

B. County PINS

List the county parcel ID numbers (PINS/PIDS) and parcel addresses that identify the primary address above. If there are more than three PINS/PIDS, list any additional PINS/PIDS and addresses on a separate sheet and attach it to this application.

PINS/PIDS	Address	City	State	Zip Code
			MN	
			MN	
			MN	

C. Qualification Type and Qualified Units

I certify that this property is eligible for the LIRC Program under the following categories. Check all categories that apply and enter the number of units qualified for each category on the right.

Category	# of Units
<input type="checkbox"/> The units are subject to a project-based housing assistance payments (HAP) contract under Section 8 of the United States Housing Act of 1937, as amended.	1.
<input type="checkbox"/> 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.	2.
<input type="checkbox"/> The units are financed by the Rural Housing Service (RHS) of the United States Department of Agriculture and receive payments under the rental assistance program pursuant to Section 521(a) of the Housing Act of 1949, as amended.	3.
<input type="checkbox"/> The units are subject to 60% or less of AMI rent and income restrictions , as specified in statute, 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 recorded against the property.	4.
Total Qualified Units (sum of lines 1-4)	5.
Total of all rental units in property	6.
Qualifying percentage (divide line 5 by line 6)	7. %

D. Proof of Qualification

To receive 4d(1) you must submit the applicable supporting documentation that corresponds to each qualification type indicated in C above.

Qualification Type	Expiration Date
<input type="checkbox"/> The Section 8 HAP contract.	
<input type="checkbox"/> The Section 42(g) Land Use Restriction Agreement (LURA); or, if the LURA is not yet recorded, confirmation of an allocation of tax credits for the property and a verification of the "Placed in Service" date.	
<input type="checkbox"/> The United States Department of Agriculture Rural Development subsidy contract.	
<input type="checkbox"/> The recorded document restricting income and rents under the terms of the financial assistance provided by the federal government, the state of Minnesota, or a local unit of government.	

E. Resolution Requirement

Any 2025 LIRC Initial Applications submitted to Minnesota Housing for properties in Blackduck, Fort Snelling, Lexington, Meadowlands, and Onamia must include a signed resolution from the city or town where the property is located approving the Applicant’s ability to submit an Initial Application to Minnesota Housing. These are the cities and towns where the net tax capacity of the 4d(1) properties exceeds 2% of the total net tax capacity in the city or town as identified by the Minnesota Department of Revenue.

F. Eligible Uses of Property Tax Savings Certification and Compliance

[Minnesota Statute 273.128, subdivision 1\(b\)](#) requires that the Property Tax Savings be used for one or more of the following Eligible Uses:

- Property maintenance
- Property security
- Improvements to the property
- Rent stabilization
- Increases to the property’s replacement reserve account

See Section 2.02 and Chapter 3 of the Program Guide for additional information.

By selecting this box, I certify that the Property Tax Savings will only be used for one or more of the Eligible Uses; I acknowledge that Minnesota Housing, at its sole discretion, may request documentation demonstrating that the savings were used on the Eligible Use(s); and, I understand that failure to provide the requested documentation may result in removal and/or temporary disbarment for the LIRC Program.

G. Application Fee Calculation

1. Qualified Units (Section C, line 5): _____
2. Total annual, non-refundable fee (multiply line 1 by 10; maximum of \$150): \$_____

H. Applicant Certification and Signature

Some of the information you provide on your application may be private by state law. This information is being collected to determine your eligibility for the LIRC Program and to ensure it is applied in compliance with applicable state laws. You do not have to provide this information. If you do not provide this information Minnesota Housing may not be able to fully process your application. By signing this form, you consent to Minnesota Housing sharing this information and the supporting documentation with

county or city assessors, the Minnesota Department of Revenue, and with such entities as may be needed to verify LIRC eligibility, including the United States Department of Housing and Urban Development, United States Department of Agriculture, and other government entities. Minnesota Housing may also provide this information to the state or legislative auditor or share this information upon court order.

I certify that all information provided is true and correct, that I am duly authorized to sign this certification and submit this application, that the property meets the requirement(s) to receive the 4d(1) Property Use Classification and is in compliance with all applicable requirements of the low-income housing program that qualifies the property for the LIRC Program. I understand that any false information or low-income housing program non-compliance could result in the denial and withdrawal of 4d(1) or a loss of some or all LIRC Program benefits.

Applicant Signature

Date

General Information

Program Guide: For additional program information, please review the [LIRC Program Guide](#) on Minnesota Housing's website.

Application: This application form is for new applicants who have not previously applied for LIRC status.

What is the application deadline for 2025? Applications, remittances and supporting documentation must be mailed and postmarked no later than March 31, 2025.

How will I know if my application was accepted? We will notify applicants of their application status once it is processed.

When will LIRC take effect? Approved and certified properties will see the tax rate reduction on their tax bill payable in 2026.

What is the owner's responsibility? Reapply annually; continue to comply with the requirements of the LIRC Program and maintain compliance with the applicable low-income housing program that qualifies the property for 4d(1).

What if the ownership or mailing address changes? Property owners should notify Minnesota Housing of any ownership or mailing address changes.

Application Instructions

General: Completely fill out the application. Incomplete information may result in delaying or rejecting the application.

Property and Owner Information and PINS: Complete all fields. The 'Ownership Entity Name' should match the property tax statement. Enter the PINS/PIDS and parcel address as shown on your property tax statement. The accuracy of this information is important for reporting to the assessor offices.

Qualification Type: Check the box(es) that apply to the property. Enter the number of qualifying units subject to the rent and income restrictions that are indicated in the contract or restrictive covenant.

Units:

- Enter the sum of qualifying units in the Qualification Type section.
- Enter the total number of units in the property.
- Calculate the qualifying percentage by dividing the number of qualified units by the total number of units; round the percentage to the nearest whole number.

Application Fee: Calculate the non-refundable application fee of \$10 per qualified unit; maximum of \$150.

Proof of Qualification: Enter the expiration date of the applicable Project-based HAP contract, Section 42(g) restrictions, Rural Housing contract, or recorded document. Submit a copy of the applicable Proof(s) of Qualification as part of this application.

Resolution Requirement: Submit a resolution approved and signed by appropriate governing authority as a part of this qualification. Sample resolutions can be found on the [website](#).

Owner Certification and Signature: Sign and date this application. Note, the application must be signed by someone with the authority to make these certifications on behalf of the property owner.

Mailing Instructions:

- Complete and sign the application form.
- Include a check for the non-refundable application fee amount, payable to Minnesota Housing.
- Attach a copy of the documentation, which proves your qualification for 4(d)1.
- If applicable, attach a copy of the resolution provided by the city or town where the property is located approving the ability to submit the LIRC Program Initial Application. See Section 2.03 of the Program Guide for additional information.
- Make a copy of the application for your records.
- Mail to: Minnesota Housing, Attn: LIRC, 400 Wabasha Street North, Suite 400, St. Paul, MN 55102-1109.

For More Information

800.657.3647 | 651.297.4065 | TTY: 651.297.2361 | Minnesota Relay Service: 800.627.3529 | www.mnhousing.gov

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS, is made on or as of the _____ day of _____ 20__ by _____, a _____ (hereinafter called "Owner"), having its offices at _____, in favor of the City of St. Louis Park, a Minnesota municipal corporation (the "City").

WITNESSETH:

WHEREAS, Owner and the City have entered into an Affordable 4D Participation Agreement dated _____, 20__ (the "Participation Agreement"), pursuant to which the City is offering certain financial incentives in exchange for Owner limiting rents and incomes on certain rental housing units located at _____; and

WHEREAS, but for the making and recording of this Declaration, the City would be unwilling to qualify the property for preferable tax classification or provide the other financial incentives described in the Participation Agreement;

NOW, THEREFORE, in consideration of said the foregoing recitals and mutual obligations of the parties hereto, which are an integral part hereof and incorporated herein, each of them does hereby covenant and agree with the other as follows:

SECTION 1. Definitions

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

AFFORDABILITY PERIOD – A five-year period commencing on the Date of this Declaration and expiring on _____, 20__.

AFFORDABLE UNITS– _____ Units in the Project as identified on Exhibit B attached hereto.

ANNUAL INCOME – means adjusted gross income as defined in S.62 of the United States Internal Revenue Code, of all members of a household (this is the "Adjusted Gross Income" amount reported on IRS form 1040).

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

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

LOW-INCOME FAMILIES – Individuals or families whose Annual Income does not exceed 60 percent of the Median Family Income.

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.

PROJECT – A rental housing project located at _____ in St. Louis Park, Minnesota.

SECTION 2. Representations

Owner represents to and for the benefit of the City that Owner has duly authorized, executed and delivered this Declaration pursuant to proper authorization therefor; that this Declaration constitutes a valid and binding obligation of the Owner, 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 Owner, or a default under any indenture, mortgage, agreement or other instrument to which Owner is subject or by which it or its property is bound.

SECTION 3. Restrictions on Use

- A. Owner agrees to develop, operate and manage the Project 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 Owner 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 Affordable Units shall be occupied by households with incomes that are 60 percent or less of the Median Family Income and shall bear rents not greater than 30 percent of the adjusted income of a family whose gross income equals 60 percent of the Median Family Income. The requirements of this Section 3(C)(a) shall be satisfied despite a temporary non-compliance with Section 3(C)(a), if the non-compliance is caused because either (i) a current tenant as of the date of this Declaration is in one of the Affordable Units or (ii) the incomes of tenants that were income qualified upon occupancy increase and if actions satisfactory to the City are being taken to ensure that all vacancies of Affordable Units are filled in accordance with this Section 3(C)(a) until the non-compliance is corrected.
 - (b) The initial rent schedule for the Affordable Units is attached hereto as Exhibit B. In no event will the City require the Affordable Unit gross rents to be set lower than the rents listed on Exhibit B.

- (c) Owner shall comply with St. Louis Park Code of Ordinances Chapter 8 Businesses and Licenses, Article II. Licenses, Division 3, Subdivision VIII, Rental Housing.
- (d) The City may, upon request, review and approve rents not more frequently than annually for consistency with this Agreement.
- (e) Except for tenants already in the Affordable Units, Owner shall secure an income certification from the proposed tenant(s) of each Affordable Unit prior to such tenant(s)' initial occupancy. Such income certificate shall contain a statement of the total Annual Income for the previous year of each person who proposes to live in the Affordable Unit during that year. Owner shall retain all records related to compliance with this Declaration for a minimum of six (6) years after termination of the Affordability Period and permit any duly authorized representative of the City to inspect such records upon reasonable notice to the Owner. There will be no cost associated with inspection of records.
- (f) On or before March 31 of each year of the Affordability Period the Owner shall make annual reports to the City in the form attached hereto as Attachment I.
- (g) Owner shall use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions and provide evidence of compliance to the City upon request.

SECTION 4. Restrictions on Sale of the Project

Owner agrees not to sell, transfer, convey or assign the Affordable Units (except leases in the ordinary course of business) without first obtaining the express written assumption by the purchaser, transferee, grantee, or assignee of the obligations imposed on Owner by this Declaration; provided, however, that this Declaration shall remain enforceable against a purchaser, transferee, grantee, or assignee even in the absence of a written assumption. Any sale in violation of this Declaration shall be null and void at the election of the City.

SECTION 5. Covenants: Binding Upon Successors in Interest

It is intended and agreed that the covenants provided in this Agreement 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 Owner, the successors and assigns of Owner, and all parties having or acquiring any right, title, or interest in all or any part of the Land. 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 the City, its successors and assigns. It is expressly agreed and acknowledged that: 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 the Other Documents; and the satisfaction or release of any Other Documents shall not be deemed to a satisfaction or release of this Declaration.

SECTION 6. Remedies for Default

In the event of any default, failure, violation, or any other action or inaction by Owner specified in this Declaration, the 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 actions for specific performance, damages, and injunctive relief, and including also any remedy allowed under the terms of any Other Documents. In any successful action or proceeding to enforce its rights under this Declaration, the City shall be entitled to the recovery from Owner of reasonable attorneys' fees.

SECTION 7. 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 Owner, is addressed to or delivered personally to Owner at:

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

City of St. Louis Park
Department of Community Development
5005 Minnetonka Boulevard
St. Louis Park, Minnesota 55416

ATTENTION: Katie Kline, Housing Specialist

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 8. Counterparts

This Agreement may be executed in any number of counterparts, all of which shall constitute a single agreement, any one of which bearing signatures of all parties shall be deemed an original.

[SECTION 9. Election to Extend Declaration upon Completion of Affordability Period

If Owner has complied with the terms of this Declaration for the five (5) year Affordability Period, then, upon request from Owner, the City will execute an amendment to this Declaration agreeing to extend the Declaration for up to five (5) years with the option to reduce the number of Affordable Units down to a minimum of ____ Affordable Units. If, at the expiration of the Affordability Period, the Owner elects not to extend the Declaration as provided in the previous sentence, then this Declaration will automatically terminate and the City will, at Owner's request, promptly provide a release of this Declaration in recordable form.]

(Signature pages follow.)

EXHIBIT A
TO AFFORDABLE HOUSING DECLARATION OF RESTRICTIVE COVENANTS
LEGAL DESCRIPTION

EXHIBIT B
TO AFFORDABLE HOUSING DECLARATION OF RESTRICTIVE COVENANTS

INITIAL RENT SCHEDULE

Unit #	Bedroom Size	Maximum Rent

Attachment I
to
Affordable Housing Declaration
of Restrictive Covenants

Annual Certification

Project Address									
# of Affordable Units									
# of Total Units									
Owner									
Property Manager									
Monitoring Year									

<u>UNIT INFORMATION</u>		<u>TENANT NAME</u>	<u>MOVE IN ELIGIBILITY</u>			<u>RENTS</u>			
<u>Unit #</u>	<u># BR's</u>	<u>Tenant Name</u>	<u>Move In Date</u>	<u>Income at Move-in</u>	<u>Household Meets Lowest Income Restriction at % AMI</u>	<u>Section 8 Voucher (Y/N)</u>	<u>Rent</u>	<u>Unit Rent Restricted at 60% AMI</u>	<u>Comments</u>
							\$ -		
							\$ -		
							\$ -		
							\$ -		
							\$ -		
							\$ -		
							\$ -		
							\$ -		
							\$ -		



Plymouth 4d affordable housing incentive program application

Completing this application does not automatically qualify your property for 4d (LIRC) status in Minnesota. The application must be filled out completely; incomplete information may result in delaying or rejecting the application. Minnesota Housing will certify official LIRC status if approved.

Note: You must include a rent roll for your property in order to complete your application. The rent roll should show the current rents for the designated affordable units.

Applications must be submitted to the city by _____ (date)_____.

Owner information

Ownership entity name or name of property owner (first, middle, last)*:

Owner's mailing address: _____

City: _____ State: _____ ZIP code: _____

*Ownership entity name should match the property tax statement.

Eligible property information

Name of eligible property: _____

Primary street address: _____

City: Plymouth State: Minnesota ZIP code: _____

Primary contact for the property (first, middle, last): _____

Daytime phone: _____ Alternative phone: _____

Email: _____

County parcel ID numbers (PINs)

List the county parcel ID numbers (PINs) and parcel addresses that identify the primary address above. If there are more than two PINs, list any additional PINs and addresses on a separate sheet and attach it to this application. The PINs must be classified as "apartment" to be eligible for 4d/LIRC tax status. The PINS and parcel address should be entered as shown on your property tax statement.

PINS number: _____

Address: _____

City: Plymouth State: Minnesota ZIP code: _____

PINS number: _____

Address: _____

City: Plymouth State: Minnesota ZIP code: _____

Look up your PIN: <https://www.hennepin.us/residents/property/property-information-search>

Qualification type

I certify that this property is eligible for LIRC under the following category.
Enter the number of units qualified on the right.

Category	Number of units
The units are subject to 60% or less of AMI rent and income restrictions, as specified in statute, 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 recorded against the property.	1. _____

Units

Qualified units – units indicated in line 1 above 2. _____
 Total of all rental units in the property: 3. _____
 Qualifying percentage (divide line 2 by line 3, round to the nearest whole number): 4. _____
 Total annual, non-refundable fee (multiply line 2 by \$10, maximum of \$150): 5. _____

Qualifications for 4d (LIRC) status

Selected applicants will qualify for 4d status in Minnesota by:

1. Signing a participation agreement with the City of Plymouth
2. Recording a 5-year affordability declaration against the property effective late March _____ and expiring late March _____.
3. Complying with state requirements for the LIRC program, including using any Property Tax Savings for certified Eligible Uses.

I agree to:

- Sign a participation agreement and record a declaration against my property in accordance with the program guidelines.
- Authorize the City of Plymouth to submit the recorded declaration to Minnesota Housing with your LIRC application.
- Include a rent roll for my property with my application. The rent roll should show the current rents for the designated affordable units.

Certification

I certify that all the information provided is true and correct, that I am duly authorized to sign, that the property meets the requirement(s) to receive LIRC tax reduction and is in compliance with all applicable requirements of the low-income housing program that qualifies the property for LIRC.

Signature: _____ Date: _____



Submittal instructions

Before submitting the application, make or save a copy for your records.

Applications can be submitted by:

1. Email to: Housing@PlymouthMN.gov
2. Mail to:

City of Plymouth
Attn: Housing Division
3400 Plymouth Blvd
Plymouth, MN 55447

City staff will contact the owner upon receipt of the application to review the application and process the participation agreement, declaration, and Minnesota Housing Low Income Rental Classification (LIRC) application.

Additional information

For more information about the Plymouth 4d Affordable Housing Incentive Program, visit the city's website at www.PlymouthMN.gov

Information about Minnesota's Low Income Rental Classification (LIRC) program can be found at <http://www.mnhousing.gov>.

Plymouth 4d affordable housing incentive program guide

Healthy, stable, and affordable housing is necessary for the well-being, prosperity and security of Plymouth residents. Due to changing housing, economic and demographic trends, Plymouth is in need of more affordable housing. Already burdened low- and moderate-income tenants are increasingly paying more than 30 percent of their income on rent and utilities. At the same time, many rental property owners are faced with increased operating and maintenance costs, as well as market opportunities to increase rents.

In response, the city is offering incentives for rental property owners to reduce property tax liability. The goal of this program is to preserve affordability, support tenants and strengthen the bottom line for property owners.

Purpose of the 4d program

- Incentivize owners of Naturally Occurring Affordable Housing (NOAH) to keep their rents affordable thereby preserving affordable housing;
- Help property owners reduce property tax obligation on affordable housing units;
- Provide stable, affordable units for renters
- Support market rate new construction development projects, and the City's minimum affordability requirements under the inclusionary housing policy.

Benefits to property owners

Qualified market rate building owners that agree to keep a minimum of 20 percent of units per building affordable to households' making 60 percent of area median income (AMI) for 5 years will receive:

- 5-year eligibility for 4d(1) property tax rate, which provides property tax reductions on qualifying units.*
- The City of Plymouth will pay for the first-year application fee for the Minnesota Low Income Rental Classification (LIRC), also known as 4d(1) tax classification (\$10 per unit)
- \$100 grant per affordable unit, capped at \$5,000 per property.
- Reduced renter turnover.

*Minnesota Statute 273.128 provides that qualifying low-income rental properties, including those enrolled in the Plymouth 4d incentive program, are eligible for 4d(1) tax classification. According to state statute, eligible units use the 4d(1) tax class rate of 0.25%. The regular rental class rate of 1.25% will apply to the remainder of the property.

Eligibility Requirements

Multifamily properties must meet the following criteria:

- At least 20 percent of rental units in a building are affordable to households whose family income is at or below 60 percent of the area median income (AMI).
- Existing tenants in units that have program-compliant rents do not need to be income qualified.
- Income qualification for tenants is determined upon initial occupancy. Increased income of tenants in affordable units will not violate program requirements.
- Licensed properties that have at least two rental units and are in good standing with no code compliance violations.

- Buildings can include units with owner occupants, but only rental units are eligible for 4d(1) tax status.
- Building does not already qualify for LIRC tax status in Minnesota.

The city will receive and review applications on an annual basis. The City expects to accept applications in the fall of each year in order to provide sufficient time to meet the State's LIRC application deadline in March.

Note: The city reserves the right to deny applications for outstanding code compliance issues.

Participation process

Step 1 (required)

- Property owners submit a 4d program application and rent roll and sign a participation agreement with the City.
 - Participation agreement includes a commitment to accept tenant-based assistance and affirmative fair marketing and prohibits involuntary displacement of existing tenants.
- The city will draft and record a declaration against the property that limits the rents and incomes on the qualified units for 5 years (required for 4d(1) tax classification status). The declaration also limits rent increases for tenants in affordable units to five percent annually.
- The city will provide a grant to each 4d(1) property in the amount of \$100 per affordable unit, capped at \$5,000 per property. This funding is intended to help property owners cover the cost of administrative and reporting requirements associated with the program, as well as help owners make health, safety, and energy efficiency improvements to properties. Owners must certify the use of the funds for the property.
- Property owners select percentage of their building units to restrict, (20% minimum). property owners can request an extension up to five years with the option to adjust percentage of restricted units per building (20% minimum applies).
- Property owners will sign a 4d application once declaration is filed.
- The city will submit a signed 4d application, application fee and declaration to Minnesota Housing on behalf of the property owner for their first year. Owners are responsible for submitting annual applications to Minnesota Housing to renew 4d(1) tax status. See "annual owner compliance" for additional information. Owners are responsible for complying with any state requirements for 4d(1) tax classification status, including certifying to the use of Property Tax Savings. Information regarding Eligible Uses can be found on the [MN Housing LIRC program website](#).

Modifications to declarations

- The declaration for the 4d program commitment runs with the property. Anyone buying and selling 4d property should contact the city to complete an assignment, assumption and consent form transferring the declaration to the new owner.
- Any other changes to the declaration, such as revisions specifying which units in the building are restricted, should also contact the city.

Annual owner compliance

To continue to receive 4d status, property owners are required to submit:

- An annual 4d application and compliance reporting to Minnesota Housing
- An annual report to the City of Plymouth

Rent and income restrictions, City of Plymouth 4d Affordable Housing Incentive Program

Program rent and income limits based on 60 percent of the Twin Cities area median income (AMI). Rent and income restrictions are adjusted annually, typically in the spring.

Type of unit	60 percent area median income (AMI)
Studio/efficiency	\$1,305
1 bedroom	\$1,398
2 bedroom	\$1,677
3 bedroom	\$1,938
4 bedroom	\$2,161
5 bedroom	\$2,385

Effective date: 2024

4d Participation Agreement

Property Owner(s): _____(herein referred to as "Owner(s)")

Property Address: _____, Plymouth, MN 554 _____(herein referred to as "Property")

Legal Description of Property:

Total Property Units: _____

Percentage (%) of Units restricted to be affordable to and occupied by households at or below 60% of Area Median Income _____

1. The Owner certifies that he/she/they are the Owner(s) of record of the Property.
2. The Owner has previously submitted to the City a complete 4d program application and rent roll demonstrating that _____% of the rental housing units located on the Property have rents that do not exceed 30% of the gross income of a family whose income equals 60% of the median family income as most recently established by HUD for the Minneapolis/St. Paul standard metropolitan statistical area.
3. The Owner has agreed to record a declaration against the above described Property limiting the rents and incomes on _____% of the rental housing units located on the Property as further described in the form of declaration attached hereto as Exhibit A (the "Declaration") so that Owner can qualify for preferable tax classification as class 4d(1) under Minnesota Statutes §273.13, Subdivision 25. The Owner specifically represents that such preferable tax classification along with access to the other financial incentives described in this Participation Agreement is sufficient consideration for executing and filing the Declaration.
4. The Participation Agreement includes a commitment to accept tenant-based assistance and affirmative fair marketing.
5. The Owner certifies that no existing tenants in the Property have been or will be evicted because of the filing of the Declaration.
6. Upon satisfaction of the foregoing conditions, the City will, in cooperation with the Owner:
 - a. Record the Declaration in the Hennepin County land records.
 - b. Submit Owner's first application to the State of Minnesota for the certification of 4d classification under Minnesota Statutes §273.128 and pay the associated application fee ("4d Application Fee").
 - d. Provide Owner with a grant in an amount equal to \$ _____ (\$100/affordable unit not to exceed \$5,000) to assist the Owner cover the cost of making health, safety and energy efficiency improvements to the Property. Owner must submit a plan for the

proposed use of the funds and certify the use of the funds to make property improvements.

IN FURTHERANCE WHEREOF, the parties have executed this Agreement as of _____, 20__.

OWNER: _____

CITY OF PLYMOUTH:

Metro area Cities 4d(1) program guides

Minneapolis:

[4d Program Guideline Revisions \(Clean\)](#)

Golden Valley:

[4D-Affordable-Housing-Incentive-Guide-PDF](#)

Edina:

[Affordable-Housing-Property-Tax-Relief-and-Resilient-Homes-Program-Guide-PDF](#)

St. Louis Park:

[638721052365970000](#)

St. Paul:

[4D PROGRAM GUIDELINES](#)

Program process and timeline

- **January 2026** – Initial applications and annual compliance form due to the city. The city will email selected initial applicants and provide instructions about next steps.
- **February 2026** – Deadline for initial applicants to submit the following to the city:
 - Minnesota LIRC application
 - City participation agreement and affordability declaration
- **March 2026**– City submits LIRC applications to Minnesota Housing on behalf of selected applicants.
- **August 2026** – Minnesota Housing certifies LIRC 4d(1) classifications.
- **September 2026** – Applicants receive 4d incentive grants (\$100 - \$5,000 per property). Properties must submit required documentation for grant use.
- **November 2026** – 4d program participants receive a notice of proposed levies and taxes. This notice will reflect the new LIRC 4d(1) tax rate.
- **2027** – 4d program participants will receive tax bills reflecting the lower LIRC 4d(1) tax rate. This lag time exists because an applicant cannot receive 4d status until Minnesota Housing certifies LIRC 4d(1) status, which happens in August each year.
- **January 2027** – Annual compliance form due to the city.
- Each year 4d participants will be required to submit compliance forms to the city prior to submitting LIRC re-application paperwork to Minnesota Housing Agency.
- **March 2027** – Deadline for property owners to submit Minnesota LIRC re-application paperwork to Minnesota Housing. *Re-application paperwork must be submitted annually by the property to retain 4d(1) status*

To: Housing and Redevelopment Authority

Prepared by: Steven Schmidt, Housing Manager

Reviewed by: Grant Fernelius, Community and Economic Development Director

Item: **Review bids for Elevator Modernization at Plymouth Towne Square**

1. Action Requested:

Motion to recommend that City Council authorize a contract with the winning bidder, Morcon Construction for the elevator modernization at Plymouth Town Square

2. Background:

Plymouth Towne Square is a 99-unit, 100% affordable, multi-family building for senior citizens aged 55 and older. It was constructed in 1994 and is 30 years old. The elevators are original to the building and in need of modernization. As part of the work, updates will be made to the electrical system, motor and drive system and safety compliance system and the interior finishes of the cab.

In December 2024 the HRA and City Council authorized the bidding process for the Elevator Modernization. On January 16, 2025, notice was published in the Sun Sailor and bidding documents were made available for the elevator modernization. The bidding process concluded with the bid opening February 13, 2025. Four contractors submitted bids. The bid documents included a base cost estimate for the elevator modernization and an optional upgrade to the interior finishes of the elevator cabs. The cab finishes are also original to the buildings' construction. Staff recommends including the optional aesthetic upgrades to the interior finishes of the cabs in the final contract amount.

The bid results are as follows

- TKE-- Base bid -\$151,027.
 - Optional cab finishes-- \$27,900.
 - Submitted bid was incomplete and withdrawn

- Morcon Construction-- Base bid- \$221,500.
 - Optional cab finishes-- \$30,500.
 - Total contract amount \$ 252,000.

- Midwest Elevator and Drilling- Base bid -\$224,824.
 - Optional cab finishes-- \$39,957.
 - Total contract amount \$ 264,781.

- Schumacher Elevator Company Base bid -\$273,580.
 - Optional cab finishes-- \$39,180.
 - Total contract amount \$ 312,760.

Staff recommends acceptance of the lowest responsible bid and that the HRA recommend to City Council authorization of a contract with Morcon Construction for the elevator modernization at Plymouth Town Square including the optional cab finishes for a contract amount of \$252,000.

3. Budget Impact:

The requested repairs are part of the City's Capital Improvement Plan and will be paid for out of the Plymouth Towne Square capital reserve fund.

4. Attachments:

To: Housing and Redevelopment Authority

Prepared by: Steven Schmidt, Housing Manager

Reviewed by: Grant Fernelius, Community and Economic Development Director

Item: **HRA Updates**

1. Action Requested:

Receive updates from staff. No formal action is needed.

2. Background:

Attached are updates from staff on Community and Economic Development Department activities.

3. Budget Impact:

N/A

4. Attachments:

[HRA Updates February 2025](#)

MEMORANDUM

DATE: February 21, 2025

TO: HRA Commissioners

FROM: Grant Fernelius, CED Director/HRA Executive Director
Steven Schmidt, Housing Manager

SUBJECT: Updates for February 2025

The following memo summarizes relevant projects and activities of the Community and Economic Development (CED) Department.

Development Updates

See link to our website on development activity:

[Development Docket | City of Plymouth, MN \(plymouthmn.gov\)](https://www.plymouthmn.gov/development-docket)

Housing Updates

The public comment period is underway for the 2025 CDBG Annual Action Plan. Staff worked with Hennepin County and other CDBG consortium members (Bloomington and Eden Prairie) to develop the program year 2025 Action plan. The public comment period is open until March 27th, 2025. Staff will present the action plan along with comments received at the March 27th HRA meeting.

Staffing Updates

Sheena Dempsey started as the new HRA Specialist on February 18th. Sheena is one of two staff members who are responsible for administering the federal Housing Choice Voucher (HCV) program. Her most recent experience includes working as a lease-up specialist working with tenants at an affordable rental property. Previously she worked for a metro area county assisting clients with food shelf, medical support, and rental assistance. We are excited to have Sheena join the team and are pleased to report that the housing division is at full staffing levels for the first time in almost a year.



Housing Nexus Study

On February 11th the City Council held a special meeting to discuss the need for an updated study to identify future housing needs, as well as a potential nexus component that would be used to codify affordable housing requirements into the zoning code. A similar study was conducted by the City of Bloomington in 2018 in conjunction with the Opportunity Housing Ordinance that was later adopted. Council directed staff to draft an RFP for consideration in the next couple of months. In addition, council is also interested in discussing creation of an Affordable Housing Trust Fund at a study session in March.