



Housing Tax Credit Program Eventual Tenant Ownership Guide

April 2018



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Introduction

Housing Tax Credits

The Minnesota Housing Finance Agency (Minnesota Housing) is designated by the Minnesota Legislature as the primary apportionment agency for Low-Income Housing Tax Credits (HTC) in Minnesota. Qualified local cities and counties have also been designated by the legislature as suballocators of the Housing tax credits tax credits) and award those credits through their own competitions. Currently the cities of St. Paul and Minneapolis and the counties of Washington and Dakota are suballocators.

Compliance with Section 42 Requirements

This guide is intended to comply with Internal Revenue Code (Code) Section 42, as it may be amended or interpreted from time to time by regulations or public pronouncements issued by the Internal Revenue Service (IRS). If any portion of this guide is found to be inconsistent with any provisions of IRC Section 42, or official IRS interpretations thereof, then such inconsistent provision(s) shall be construed and applied in a manner so as to comply with IRC Section 42.

This guide has **not** been reviewed or approved by the IRS and should not be relied upon for compliance with the Code, Treasury regulations or any other laws or regulations governing Low-Income Housing Tax Credits. The responsibility for compliance with Section 42 rests with the property owner. Interested parties should obtain advice from independent sources, including consultation with knowledgeable legal counsel and tax professionals.

Chapter 1 - Tenant to Homeowner Conversion

Under the HTC Program, a property owner (which may include tribal governments, for-profits, qualified nonprofits, certain tenant groups, and governmental entities) may convert rental units to homeownership units following the initial 15-year Compliance Period for all buildings. This is accomplished by allowing the tenants to exercise a Right of First Refusal (ROFR) as provided for in Section 42(i)(7) of the Internal Revenue Code (Code).

Tenant to homeowner conversion plans must be approved by Minnesota Housing. Only detached single family units are eligible for homeowner conversion. This guide describes Minnesota Housing's requirements for an owner to convert one or more rental units to homeownership.

1.01 Tenant Eligibility and Right to Remain

Units may only be sold to income-eligible tenants; however, all existing tax-credit-qualified tenants may purchase their units, even if their income is currently above the tax credit income limit.

If a tenant is unable or uninterested in purchasing their unit, they must be allowed to remain in their unit. They cannot be evicted or have their tenancy terminated unless the lease terms are violated. Tenants may voluntarily relocate to a comparable or better unit. As the Land Use Restriction Agreement (LURA) is in effect until a unit is sold, vacant units must be made available for rent; they cannot be held vacant until a tenant is found who is both tax-credit-qualified and interested in purchasing the unit.

Due to the fact that not all tenants may choose to purchase their units, owners must be prepared to continue operating rental units through the end of the Extended Use Period.

For the remaining term of the Extended Use Period, the homeownership units must be the principal residence of the purchaser for as long as the purchaser owns the property.

1.02 Unit Standards and Reserves

Minnesota Housing will require a Capital Needs Assessment for each unit detailing the current physical needs and those that are anticipated for the next 20 years. Minnesota Housing's Physical Needs Assessment (PNA) Template (multifamily or single family version, as appropriate) and [20-Year Capital Expenditure \(20YCE\) Template](#) (or other Minnesota Housing approved form) with Expected Useful Life (EUL), Age, and Effective Remaining Life (ERL) of major elements and assemblies must be completed.

Any existing physical needs as well as any needs projected to arise within five years after conversion as identified by the 20YCE must be repaired or replaced by the owner prior to conversion, or the owner must establish a reserve account to address those needs.

All improvements must meet Minnesota Housing's Limited Scope Design Standards and Limited Scope Sustainability Standards. Compliance will be demonstrated through submittal of the following completed forms:

o [Abbreviated Design Standards for Limited Scope Rehabilitation Projects Form](#)

o [Sustainability Requirements for Limited Scope Rehabilitation Projects Form](#)

An inspection of all private wells or septic systems must be completed by a qualified third party professional. The inspection must include all of the following:

- Determine age of well/septic system
- Estimate Effective Remaining Life (ERL)
- Determine code, ordinance or regulatory non-compliance
- Identify immediate, short-term and long-term maintenance requirements; and
- Offer an opinion whether or not the current system is safe to operate

If outstanding physical needs exist, then any remaining replacement reserves not spent on repairing the unit per the needs identified in the PNA or the 20YCE should transfer (in a pro rata amount) to a homeownership reserve for each unit upon the sale, or as agreed upon by Minnesota Housing. If all the needs identified in the PNA have been addressed, the reserves may be retained by the owner.

If the tenants had maintenance responsibilities during the rental period for which they received a benefit, this should be detailed in the conversion plan and will be addressed on a case-by-case basis.

1.03 Homebuyer Training and Support

Homebuyer training, one-on-one support, credit counseling, maintenance training and post-purchase counseling must be offered at no cost to all tenants interested in becoming homeowners, and in the case of post-purchase support, once the tenants have become homeowners.

1.04 Purchase Price

The Code ((Section 42(i)(7)(B)) mandates a Minimum Purchase Price for each unit sold to a qualified tenant exercising the ROFR. That price is the sum of:

- i. the principal amount of outstanding indebtedness secured by the building (other than indebtedness incurred within the 5 year period ending on the date of the sale to the tenants); and
- ii. all federal, state, and local taxes attributable to such a sale.
Except in the case of federal income taxes, there shall not be taken into account under clause (ii) any additional tax attributable to clause (ii).

The Maximum Purchase Price for any unit is the amount that is affordable to a household meeting the tax credit income restrictions applicable to that unit.

The monthly payments of principal, interest, taxes and insurance must not exceed the greater of the current monthly rent and utility payment or 30 percent of the household's gross annual income. If the Minimum Purchase Price is not affordable to the current resident and the current resident is deemed qualified for homeownership, the owner must demonstrate that financial assistance is available to buy down the purchase price in order to make the unit affordable to the resident. Documentation of the financial assistance will be required prior to the sale of the unit.

Once a unit is sold to a qualified purchaser, the unit is then released from the LURA

Chapter 2 - Exploring Conversion to Homeownership

Plans for conversion should begin well in advance of the end of the initial Compliance Period. In evaluating how an owner might convert to homeownership, initial steps include those set forth in this chapter.

2.01 Assemble a Conversion Team

Assemble a team of professionals to analyze the possibility of conversion and implement the eventual conversion plan.

These professionals include (but are not limited to):

An attorney to review key Section 42 requirements, partnership documents, the LURA, loan agreements with existing lenders, and to advise on options.

An accountant to review partnership financials and to advise on Exit Taxes.

A needs assessor to determine the physical needs of the units. The needs assessor is a third party entity with no identity of interest with the owner, contractor/subcontractor providing rehab/construction work on the property, or other entity involved with the conversion. The needs assessor must be a licensed architect, licensed professional engineer, or an individual who meets the definition of a Qualified Rehab Specialist (QRS).

A cost estimator or construction contractor may be necessary if immediate (life safety) needs and improvements for items identified in the 20YCE with five years or less of ERL are identified. Cost estimating may be provided by the needs assessor.

A homeownership educator to help create a training and support program.

Asset or property management staff to determine how to simultaneously operate both the rental property and the homeownership conversion program, perhaps for the remainder of the Extended Use Period, if all the units are not sold.

Once a conversion team is assembled, Minnesota Housing staff in both the multifamily and single family divisions will be available to provide further technical assistance on the conversion planning and implementation.

2.02 Review the Land Use Restriction Agreement (LURA) (aka Declaration of Land Use Restrictive Covenants)

Review the LURA (or another document – refer to the Terms section) to determine whether it contains language granting the tenants a ROFR allowing for conversion.

If the LURA does not allow for conversion, the owner must apply to Minnesota Housing to amend the LURA to provide tenants an ROFR. Application is made by submitting a Request for Action (RFA) (which is described in detail in Chapter 4). This RFA should be submitted along with the conversion plan.

The conversion to homeownership cannot begin until the end of the initial Compliance Period for all buildings, which is at the conclusion of the 15th taxable year after the first credit year.

2.03 Review Other Legal Documents

Limited Partnership Agreement

- Determine if the Limited Partnership Agreement contains an ROFR provision. If not, discuss with the limited partner if the Limited Partnership Agreement can be amended.
- Determine the exit requirements of the limited partner.
- Consult with your attorney and accountant on issues such as Exit Taxes.

Review Loan Documents

- Determine if any of the loan documents or regulatory agreements contain restrictions on the disposition (e.g., use of reserves or additional income restrictions).
- Determine if all existing lenders will agree to partial payoffs or releases as individual units are sold.
- Determine if conversion will trigger debt repayment and if so, how lenders will be repaid.
- If a request will be made to Minnesota Housing for subordination or partial repayment of any existing loans, these changes will be requested through the RFA process. For projects amending the LURA to add an ROFR, the RFA to modify debt should be submitted at the same time. For projects with an ROFR, the RFA to modify debt should be submitted with the conversion plan.

Chapter 3 - Conversion Plan

Minnesota Housing requires the submission of a conversion plan, which must be approved prior to active steps being taken toward conversion.

3.01 Required Conversion Plan Elements

1. Identify key staff who will implement the conversion.
2. Provide a timeline that includes physical assessment of units, communication with residents, training, and conversion from rental to homeownership.
3. Describe how the current limited partner will exit– timing, cost, other requirements imposed by the limited partner.
4. Describe how existing debt will be handled as individual units are sold, including debt from Minnesota Housing. Provide evidence that other lenders agree to the conversion.
5. Detail the current amount of replacement and operating reserves, the projected amount at the time of conversion, and the expected disposition of reserves at the time of limited partner exit and conversion.
6. Provide a budget and identify sources for conversion-related costs.
7. Provide details on the tenant communication plan, including:
 - a. Method of determining tenants’ interest in and capacity for homeownership
 - b. Information provided to current and prospective tenants on the conversion
 - c. Proposed lease provisions notifying new tenants of the conversion plan
 - d. How much notice will be provided to tenants upon the expiration of the Compliance Period
 - e. Length of time for tenants to exercise their ROFR
8. Detail the pre- and post-purchase homebuyer training and support that will be offered, including:
 - a. Who will provide the training
 - b. The homebuyer training program or curriculum to be used
 - c. The proposed schedule and frequency
 - d. How individual household assessment and support will be provided
 - e. Details on maintenance training
 - f. Credit counseling
 - g. How and for what length of time post- purchase support will be offered
9. If it is anticipated that tenants will voluntarily relocate, describe the relocation assistance and compensation that will be provided, as well as how comparable units will be identified.
10. Describe the timing of and responsible parties for the PNA, 20YCE, and cost estimates for needed repairs. Include details on any tenant maintenance responsibilities.
11. Identify who will be responsible for the well and/or septic system inspection (if applicable)
12. Provide the estimated purchase price for each unit, including evidence that the proposed price is

compliant with Minimum Purchase Price requirements in Section 42 and that the proposed purchase price is affordable to households meeting tax credit eligibility requirements.

13. Describe financing sources available to homebuyers and how units are expected to be affordable to existing tenants.
14. Describe any monetary or in-kind support that will be provided to homeowners post-purchase (e.g., maintenance, snow removal, discounted septic pumping).
15. Describe the continued operation of rental units if not all units are sold.

Once the conversion plan is submitted, Minnesota Housing staff will review it and provide an initial response within 45 days. If the conversion plan is approved, Minnesota Housing will send a letter of approval, and, if applicable, provide a LURA amendment.

Chapter 4 - Implementing a Conversion Plan

Following written approval of a conversion plan, the owner may actively implement it.

4.01 Tenant Issues: Renters and Future Homeowners

Once a conversion plan is approved, notify current and prospective tenants of the pending conversion. Even if a prospective tenant is not interested in becoming a homeowner, they are still eligible to rent a unit and cannot be turned down on that basis; however, preference can be given to prospective tenants who are qualified potential purchasers.

Provide current and prospective tenants with a general price estimate for the unit.

Notify all tenants of training and counseling opportunities and implement the tenant communication plan, as well as homeownership training and counseling.

If a tenant is unable to or uninterested in purchasing their unit, the tenant may stay in their unit and continue to rent. The unit will remain a rental until converted to homeownership (upon occupancy by another tenant who is interested and qualified to purchase the unit) or at the end of the Extended Use Period. Owners cannot evict tenants or terminate leases of tenants except for just cause. Any relocation of tenants must be voluntary.

Once conversions have begun and a unit becomes vacant, the unit must be rented to a qualified tenant who may later convert the unit to homeownership. In order to exercise the ROFR, the purchaser must first be a tenant.

4.02 Assess and Address Physical Needs

Prior to selling properties to tenants, the owner must have the physical needs of the property assessed by a qualified third party. The assessment should be documented with the PNA and the 20YCE. The assessments should be performed early to allow time to evaluate the results and complete the required scope of work.

Any physical needs, including the well/septic system, identified in the PNA and 20YCE as needing to be addressed within the five years following the conversion must be addressed by the owner prior to selling the unit.

Minnesota Housing templates for PNAs (for both multifamily buildings and single family homes), the 20YCE, as well as the Limited Scope Design Standards and Limited Scope Sustainability Standards, can be found on our [Building Standards](#) webpage.

In order for tenants to clearly understand the physical condition of their units prior to purchase, they must be provided with copies of the PNA and 20YCE, as well as the list of repairs that were completed.

4.03 Exit of the Limited Partner

After the initial Compliance Period, work with the limited partner to sell/transfer the limited partnership interest to an affiliate of the general partner or sponsor.

Notify Minnesota Housing of a change in ownership by submitting an RFA.

4.04 Submissions to Minnesota Housing For Approval to Proceed

Prior to the sale of any unit, the following must be submitted to Minnesota Housing so that an approval to proceed may be issued prior to the sale.

The owner may not begin selling homes under its conversion plan until all of the following items have been completed:

PNA and 20YCE reports, well/septic inspection report, list of repairs completed, completed and signed Minnesota Housing Limited Scope forms.

o [Abbreviated Design Standards for Limited Scope Rehabilitation Projects Form](#)

o [Sustainability Requirements for Limited Scope Rehabilitation Projects Form](#)

o If available, provide architectural plans, specifications, photos, or any other information to help Minnesota Housing understand any proposed rehabilitation, repair or construction scope of work.

Information on any reserves that will transfer to the unit.

Evidence of buyer completion of homeowner training and counseling.

Proof of land subdivision and separate legal description for the unit to be sold. Each home must have access to all necessary utilities by and through public rights of way and/or permanent easements. Each home must have direct vehicular access to a public street or, if on tribal land, a street that will be maintained by the tribe or tribally designated housing entity (TDHE)

Evidence that all existing lenders will allow partial payment or will provide a partial release of their Outstanding Debt at the time of sale.

Purchase agreement for the individual units.

Evidence of income qualification, along with evidence of affordability.

A draft of the deed or in the case of tribal land, there must be a land lease and building deed.

Certification that all conditions of Minnesota Housing's conversion plan approval have been met.

Prior to any tenant being relocated, the owner must submit to Minnesota Housing the following:

Documentation of communication with the resident that relocation is voluntary.

Description of the relocation assistance and compensation to be provided to the tenant.

A signed agreement with the tenant documenting the agreement to relocation and the benefits to be provided to the tenant.

Information on the comparable unit.

4.05 Post Sale Submissions

Submit an RFA to Minnesota Housing for partial release of the LURA for each unit that is sold and for sales of units on tribal land, a copy of the fully executed land lease to the homeowner from the tribe and a copy of the submission request to the Bureau of Indian Affairs (BIA) for recording. Once recorded by the BIA, submit to Minnesota Housing the new Title Status Report and Certification of Title Ownership.

4.06 Request for Action (RFA)

Many Minnesota Housing approvals related to conversion will be provided through an RFA, which allows Minnesota Housing to approve changes to existing legal documents and agreements. To submit an RFA, [download the form](#) from Minnesota Housing's website.

Submit the RFA to the staff person listed on the RFA form. Once the signed RFA is submitted, a checklist of required documents will be sent to the requestor. When the checklist items are returned to Minnesota Housing, they will be reviewed and considered for approval.

Chapter 5 - Summary of Minnesota Housing Approvals

1. A request to add an ROFR to the LURA, if applicable, along with request for approval of the conversion plan (including a plan for any existing Minnesota Housing debt).

OR

If a LURA already includes an ROFR, request approval of the conversion plan (including a plan for any existing Minnesota Housing debt).

Minnesota Housing will provide a letter of approval within 45 days, along with the suggested form of the LURA amendment.

2. Notification of a change in owner when selling/transferring limited partnership interest.
3. Request for Action on existing Minnesota Housing debt.
4. Approval to proceed prior to sale of each unit. Minnesota Housing will provide approval within 30 days.
5. Approval for partial release of each unit as sold (including, if applicable, a copy of documentation of ownership). Minnesota Housing will provide approval within 30 days.

Chapter 6 – Financing Homeownership Resources

Minnesota Housing offers [a variety of programs](#) for first mortgage financing and down payment and closing cost assistance.

In addition to the programs listed at the above-noted link, Minnesota Housing also offers the [Community Homeownership Impact Fund](#) to its partners (banks, mortgage companies, local community development organizations and Native American tribes) to finance affordable housing projects in member communities. The Impact Fund provides loans and grants awarded through the Single Family Request for Proposals (RFP), a competitive application process that may be used for new construction housing, acquisition-rehabilitation-resale of existing housing or affordability gap financing. Minnesota Housing examines overall scores of applicants based on project eligibility, feasibility and organizational capacity. Partners are required to serve households earning at or below 115 percent of area median income (AMI).

Finally, Minnesota Housing offers [Homebuyer Education, Counseling and Training](#) to provide financial support for the full continuum of homeownership education and counseling services, and to support cooperative relationships and partnerships that provide access to clients for a full range of homeownership education and counseling activities. Eligible entities include nonprofit housing organizations as defined in Minnesota Statutes Section 462A.03, Subd. 22, which includes housing and redevelopment authorities and other political subdivisions.

Additional information is available through the [Minnesota Homeownership Center](#).

Other programs for individuals interested in purchasing their first home are available through various resources, including but not limited to:

[Department of Housing and Urban Development \(HUD\)](#)

[Rural Development](#)

[Federal Home Loan Bank](#)

[Department of Veteran's Affairs](#)

The best way to determine the most suitable program is for each purchaser to contact a local lender.

Minnesota Housing has a [network of lenders](#) across the state that works with our programs as well as offer other financing programs.

Chapter 7 - 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 the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the Minnesota Human Rights Act. Housing providers 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.

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 terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- 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;
- 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 housing providers to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

Applicants will be required to submit an Affirmative Fair Housing Marketing Plan at the time of application, to update the plan regularly and to use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions.

As a condition of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident solely because the prospective resident has a Housing Choice Voucher or other form of tenant-based rental assistance.

Chapter 8 – Fraud Disclosure and Suspension

8.01 Fraud Disclosure

The recipient must report all known or suspected instances of fraud in connection with the awarding or receipt of Minnesota Housing funds to Minnesota Housing’s Chief Risk Officer as soon as evidence of fraud is discovered by the recipient. “Fraud” means an intentional deception made for personal gain or to damage another.

8.02 Suspension

By entering into any agreement with Minnesota Housing, accepting any award of funds from Minnesota Housing, or otherwise conducting any business with Minnesota Housing, a party represents that the party or any principal of the party, has not been suspended from doing business with Minnesota Housing pursuant to the Minnesota Housing Finance Agency Board of Directors Participant Suspension Policy. A principal is defined as: (a) an officer, director, owner, partner, principal investigator, or other person within an organization or entity doing business with Minnesota Housing with management or supervisory responsibilities; or (b) a consultant or other person, who: (1) is in a position to handle Minnesota Housing funds; (2) is in a position to influence or control the use of those funds; or (3) occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to be performed under contract with Minnesota Housing. A party can contact Minnesota Housing for a list of all suspended individuals and organizations.

Appendix A: Terms

Term	Definition
Capital Needs Assessment	An inspection completed by an architect or engineer that identifies physical work that a property may need and/or a timeline of when repairs may be necessary. The report also includes the cost to make the repairs.
Compliance Period	Begins the first year tax credits are taken for each building and ends at the conclusion of the 15th taxable year after the first credit year.
Exit Taxes	When the cumulative tax losses claimed by an investor exceed the amount of capital invested, the investor will recognize a gain at the time of disposition of the property of the investor's interest in the partnership. This gain is taxable and will result in a tax liability, which is referred to as an "exit tax," meaning taxes are due when the investor exits the partnership.
Extended Use Period	Begins on the first day of the Compliance Period and ends on the later of 1) the date specified by Minnesota Housing in the agreement and 2) the date 15 years after the close of the Compliance Period.
Land Use Restriction Agreement (LURA)	The document containing the Affordability Restrictions and other restrictions placed on the project related to the Housing Tax Credits.
Limited Partnership Agreement	A comprehensive agreement between the limited partners and general partner that reflects the duties, rights, fiduciary obligations and responsibilities of the partners. The Limited Partnership Agreement is the definitive guide to financial requirements and oversight of the operating and disposition of the partnership assets. Limited Partnership Agreement requirements vary by syndicator and by investment funds.
Minimum Purchase Price	The Minimum Purchase Price for a qualified tenant exercising their Right of First Refusal is the sum of the property's Outstanding Debt and any taxes due upon the sale of the property, as defined in IRS Code 42(i)(7)(B).
RFA Maximum Purchase Price	The purchase price that is affordable to the household meeting the tax credit income restrictions applicable to a particular unit.

Outstanding Debt	The sum of all debt secured by the project, including accrued interest. Although a loan may have a 30-year term, upon a transfer, including sale to a tenant, the full amount of the debt must be repaid, assumed or forgiven, unless the lender approves a modification.
Qualified Rehab Specialist (QRS)	A non-licensed professional (or entity) with at least five years of experience providing needs assessments and preparing work scopes for multifamily rehabilitation projects similar in scope and operation to those typically financed by Minnesota Housing. For single family homes and town home buildings with four units or fewer, this may also include home inspectors, licensed home builders, and residential real estate appraisers with at least five years of experience providing third party home inspections.
Request For Action (RFA)	The form and process for requesting changes to Minnesota Housing's legal documents.
Right of First Refusal (ROFR)	A right offered that gives the holder the right to purchase the property at a Minimum Purchase Price. The statutory authority for the ROFR is contained in Section 42(i)(7) of the Code, which applies to projects with Housing Tax Credits allocated after 1989.

Appendix B: Sample Timeline

The timeline below assumes that a Tenant to Homeownership Conversion Plan was not submitted at the time of application. The timeline contains steps that should occur between years 1-15 of the initial Compliance Period. These timeframes are only suggestions and are not program requirements.

As early as possible	Assemble conversion team Survey tenants regarding interest in homeownership Assess resident level of readiness for homeownership and what training is needed Inform new residents at move-in about the potential for homeownership
Year 13	Determine if the LURA contains Right-of-First Refusal. If not, submit an RFA with the conversion plan to Minnesota Housing to amend LURA. If the LURA gives the tenants an ROFR, create the conversion plan and submit plan to Minnesota Housing for review Inform residents of the conversion plan Identify homeownership counseling resources Create and implement homeownership training for interested residents
Year 14	Assess and document the rehabilitation needs of units and septic/well systems Determine how needed repairs will be paid for and completed
Year 15	Work with limited partner on their exit from partnership Determine Minimum and Maximum Purchase Price for each unit Identify sources of first mortgage financing and assistance for buyers
Year 16	Complete needed building repairs Request Notice to Proceed from Minnesota Housing Begin sales to tenants Request partial release of the LURA from Minnesota Housing as units are sold