



SAINT PAUL 4D AFFORDABLE HOUSING INCENTIVE

2023 4D PROGRAM GUIDELINES

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4D AFFORDABLE HOUSING INCENTIVE PROGRAM

2023 PROGRAM GUIDELINES

The City of Saint Paul (the “City”) and the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “HRA”) remain dedicated to supporting the preservation of quality affordable housing, while addressing the increasing financial difficulties between renters’ ability to make ends meet and owners’ ability to keep rents affordable. As a response to these challenges, the HRA’s **4d Affordable Housing Incentive Program** (“4d Program”) supports Saint Paul’s rental property owners who, in turn, support their tenants and our community by preserving safe and healthy units for lower-income households. This 4d Program offers significant financial incentive for these owners’ commitments. **Most rental units in Saint Paul would receive at least a 40% property tax rate reduction if enrolled in the Saint Paul 4d Program.**

I. HOW IT WORKS

Most rental units in Saint Paul are, for tax purposes, designated under the **4a** (*multifamily 4+ unit “apartment”*) or **4b** (*non-homesteaded 2-3 unit*) property classifications. These classifications each define a specific **class tax rate**, as determined in Minnesota State statute. This class tax rate is assessed against a property’s taxable market value to calculate its **tax capacity**—against which various State and local property tax rates are in turn applied to calculate the property’s overall tax burden. Specifically, the class tax rate on 4a/4b rental properties is set at 1.25%. By contrast, **rental units preserved for low-income households may be redesignated under the 4d “low-income rental” classification (“LIRC”), which lowers the class tax rate for these units to 0.75%.** This amounts, in most cases, to at least a 40% reduction in these 4d/LIRC-designated units’ share of the property’s tax capacity.

The HRA established the Saint Paul 4d Program as a means for rental property owners committed to affordable housing to qualify their eligible property for the 4d “low-income rental” LIRC classification in exchange for a significant reduction to their property tax burden. Once an application to the 4d Program is approved, the HRA will qualify the property to the Minnesota Housing Finance Agency (“Minnesota Housing”), which exercises final decision-making authority on 4d/LIRC reclassifications. Once this State approval is granted, Minnesota Housing will certify the approved portion of properties’ units with 4d/LIRC status to the Ramsey County Assessor. The 4d tax rate will be assessed in proportion to the number of class 4d “LIRC”-designated units at the property beginning the following tax year.

FOR MORE INFORMATION

- Visit www.stpaul.gov/4d for all 4d Program enrollment, application, and compliance materials.
- Visit www.mnhousing.gov for information on Minnesota Housing’s role in 4d/LIRC certification, including [Minnesota Housing’s Low Income Rental Classification Guidelines](#).
- Visit www.revisor.mn.gov to review the statutory basis for the classification and certification of 4d/LIRC properties—especially the following sections:
 - [273.13, subd. 25, paragraph \(e\)](#) (on class 4 property); and
 - [273.128, subd. 3](#) (on certification of low-income rental property).
- Visit www.house.leg.state.mn.us/hrd/ for the Minnesota Congressional House Research Department for further information on Minnesota Property Tax, including:
 - [Property Tax 101: Basic Terms and Concepts](#)
 - [Property Tax 101: Property Tax Variation by Property Type](#)

II. 4D PROGRAM ENROLLMENT BENEFITS

Qualified rental property owners that commit to keep a minimum percentage of their units affordable to low- or moderate-income households for a 10-year period will receive the following:

REDUCED 4D PROPERTY TAX RATE

Enrolled properties will receive the 4d “Low-Income Rental” classification on the proportion of qualifying units committed to 4d affordability preservation. The corresponding 4d class rate reduction significantly reduces that proportion of the property’s tax capacity and overall tax liability.¹

EXAMPLE TAX SAVINGS

The below table demonstrates the basic calculations to assess the tax burden and 4d tax savings provided for a hypothetical rental property enrolled in the 4d Program with commitment of 20%, 50%, or 100% of its units to 4d preservation, respectively.²

*This example uses 2022 final tax rates; presumes the property was fully classified as a 4a (market-rate) “Apartment” prior to enrollment in the 4d Program; and does not account for any potential exclusions or special assessments.

EXAMPLE PROPERTY	20 UNITS		
TAXABLE MARKET VALUE	\$ 2,500,000 \$ 125,000/unit		
TAX WITHOUT 4D UNITS:			
CLASS 4A TAX CAPACITY TAXABLE MARKET VALUE × 4A CLASS RATE (1.25%)	\$ 31,250 \$ 1,563/unit		
TOTAL ANNUAL TAX TAX CAPACITY × (TOTAL LOCAL RATE + MARKET TAX RATE)	\$ 47,559 \$ 2,377/unit		
TAX WITH 4D UNITS:			
4D AFFORDABILITY COMMITMENT	20% 4 4d Units	50% 10 4d Units	100% 20 4d Units
CLASS 4A TAX CAPACITY	\$ 25,000	\$ 15,625	\$ 0
CLASS 4D TAX CAPACITY	\$ 3,250	\$ 8,125	\$ 16,250
NEW TAX CAPACITY	\$ 28,250	\$ 23,750	\$ 16,250
NEW TOTAL ANNUAL TAX	\$ 43,333	\$ 36,993	\$ 26,427
4D TAX SAVINGS			
TOTAL ANNUAL TAX SAVED	\$ 4,089	\$ 10,222	\$ 20,445
% TAX SAVED	8.7%	21.7%	43.5%

Source: Ramsey County Tax Rates

GRANT AWARD ON CERTIFIED 4D UNITS

One-time grant assistance is provided for each certified 4d unit, up to \$1,200 per property, based on:

- **\$75** for each 4d unit preserved for households with up to **60%** of Area Median Income, and,
- **\$200** for each 4d unit preserved for households with up to **50%** of Area Median Income.

COVERAGE OF ENROLLMENT FEES

On behalf of Owners, the HRA will pay fees associated with properties’ 4d Program enrollment and initial LIRC certification. This consists of the fees for:

- Verification of the property’s title and ownership status (*approx. \$150 per property*);
- Submission of the Declaration of Restrictive Covenants to the Ramsey County Recorder to make it part of the Ramsey County property (*\$46 per property*); and,
- Application fees to Minnesota Housing for final certification (*\$10 per 4d unit, up to \$150 per property*).

¹ Under Minnesota Statute section 273.13 subdivision 25, 4d “LIRC” units are assessed using two tax classification rates depending on the unit’s taxable market value. A first 4d class rate of 0.75% is assessed on a first tier of a unit’s market valuation, which the Minnesota legislature has set at \$100,000 per unit for taxes payable in 2023. Any remaining valuation above this first-tier threshold is assessed at a lower 4d class rate of 0.25%. This provides for the potential of tax rate reduction higher than 40% on class 4a/4b properties whose estimated market valuation is over \$100,000/unit.

² This example is provided for illustrative purposes only. The actual amount of tax savings on 4d/LIRC qualifying units will vary depending on the property’s tax classification prior to 4d status, its tax district and locally variable rates, and any eligible qualified tax exclusions or special assessments. Contact the Ramsey County Assessor’s Office for further detail on property tax assessment.



III. ELIGIBILITY CRITERIA

Eligible properties enrolled in the 4d Program must meet the following criteria:

PROPERTY REQUIREMENTS

- **Location:** The property must be located within the City of Saint Paul.
- **Rental Status:** Only rental units are eligible for 4d classification.
 - **Owner-Occupied units** cannot be classified as 4d, although rented units in owner-occupied properties may still be eligible for 4d classification.
 - **Short-Term Rental units** (leased at any time for less than 30 days) fall under a separate tax classification, and are not eligible for 4d status.
- **Property Size:** The property may have any number of units, including 1-Unit “Single Family” homes.

PROPERTY CONDITION REQUIREMENTS

The 4d Program requires a minimum standard of Owners’ responsibility over the health and safety of their qualifying properties. The City’s Department of Safety and Inspections (“DSI”) conducts regular inspections of properties’ compliance with all state and local safety/building codes, which is documented by DSI’s issuance of a **Fire Certificate of Occupancy (“C of O”)** for the property (except on exempt properties).³

- **Fire Certificate of Occupancy Status:** Unless exempt per DSI guidelines, a valid Certificate of Occupancy (“C of O”) or Provisional Certificate of Occupancy for the property must have been issued by DSI and must be current at time of enrollment into the 4d Program.
- **Inspection/Code Adherence:** Unless exempt from a C of O per DSI guidelines, DSI designates the extent of a property’s safety/building code compliance or violation by an A to D grading scale. The property must have a C of O inspection grade of either **A** or **B**, as designated by DSI.
 - Check the status and Inspection Grade of your Fire Certificate of Occupancy at: www.stpaul.gov/departments/safety-inspections/certificate-occupancy-map
 - Learn more about C of Os, inspections, and improving DSI Inspection Grades at: www.stpaul.gov/departments/safety-inspections

OWNERS’ REQUIREMENTS

- **Consent from All Owners:** All parties with an ownership interest in the property must be willing to sign a 4d Agreement and Declaration committing the property to the terms of its 10-year enrollment in the 4d Program. (See [Section IV. MINIMUM AFFORDABILITY COMMITMENTS](#))
 - If a property is owned in the name of any individuals (versus a business entity or trust), this also requires the signature of any spouse.
- **Rental License Status/History:** Owners with rental license or Certificate of Occupancy revocations or outstanding citations for any rental properties they own or have owned may not be eligible for 4d Program enrollment.
- **Tenant Non-Discrimination:** Owners are required to comply with affirmative fair housing marketing practices, including non-discrimination against rental applicants with tenant-based assistance, e.g. a Section 8 voucher—should the prospective tenant(s) otherwise meet the Owner’s rental screening guidelines. (See [Section VII.](#))

³ All residential buildings that are **not owner-occupied** must have a Fire Certificate of Occupancy. **One- and two-unit** dwellings registered as rental properties in or after 2007 shall receive a *Provisional* Fire Certificate of Occupancy to temporarily permit continued occupancy, pending inspection of the existing structure.

IV. MINIMUM AFFORDABILITY COMMITMENTS

The portion of units receiving the 4d classification and tax rate reduction through the 4d Program must be committed to the 4d Program's affordability limits for the full 10-year period of enrollment.⁴ These limits are based on the preservation of units for both **affordability to** and **occupation by** tenants whose household income at time of their initial occupancy does not exceed the namesake of the "low-income rental" classification on those units.

This means that 4d units are both rent-restricted and income-restricted. These 4d Program rent and income limits are based on preservation of units for households with an income of up to 50% or 60% of the Area Median Income, or "AMI."

On an annual basis, the United States Department of Housing and Urban Development ("HUD") determines this AMI value for the seven-county Minneapolis-St. Paul metropolitan area.⁵ Effective for all units at time of enrollment into the 2023 4d Program, **the current annual Area Median Income for a household of 4 is \$118,200**. Refer to the tables later in this section for the specific 4d rent and income affordability limits based on these values, as adjusted for unit and household size.

MINIMUM 4D UNIT COMMITMENTS

The requirements below list the minimum proportion of units that must be designated for preservation under the "low income rental" classification's tax benefitted status, and committed to the terms of participation in the 4d Program.

Note: only the proportion of 4d/"LIRC"-designated units committed by the Owner to the terms of participation in the 4d Program will be assessed with the 4d classification and the reduced 4d class tax rate. The specific units making up this commitment must be designated on the [4d Rent Roll](#) form as part of Owners' 4d Application package.

4D PROGRAM MINIMUM UNIT COMMITMENTS	
Property Size (# of Units)	Minimum Affordability Commitments Based on % of Area Median Income
1 Unit (Single-Family)	All 1-unit properties must be preserved for households with up to 50% of AMI .
2 Units (Duplex)	At least 1 duplex unit must be preserved for households with up to 50% of AMI . Optional: Owners may elect to preserve the 2nd unit for households with up to <i>either</i> 50% <i>or</i> 60% of AMI for the required 10-year period of enrollment.
3 Units or more (Multifamily)	Properties with 3 or more units must be minimally committed to <i>either</i> : <ol style="list-style-type: none"> 20% of multifamily units preserved for households with up to 50% of AMI. OR 50% of multifamily units preserved for households with up to 60% of AMI. Optional: Conditional to meeting one of the above minimum commitments, multifamily property Owners may elect to preserve up to 100% of a property's units for any combination of households with up to <i>either</i> 50% <i>or</i> 60% of AMI for the required 10-year period of enrollment.

⁴ After a 5-year period, 4d Declarations may be modified to reduce the total proportion of committed to units to not less than the property's minimum unit commitments. (See Section X. MODIFICATIONS TO 4D DECLARATIONS)

⁵ For further information on how AMI values and associated rent and income limits are determined, refer to:

- the 2022 HUD Income Limits FAQ at: www.huduser.gov/portal/datasets/il.html#2022_faq-collapse
- documentation related to Fair Market Rents at <https://www.huduser.gov/portal/datasets/fmr.html>
- HUD's Median Family Income methodology at <https://www.huduser.gov/portal/datasets/il/il22/Medians-Methodology-FY22.pdf>

2023 4D RENT LIMITS

"Affordable" rent is maximized at a rate not exceeding 30% of a household's income. HUD publishes maximum rent limits based on this affordability, including to households earning 50% and 60% of AMI, as adjusted by the number of bedrooms in a unit (as an approximation for 1.5 times the number of household members). 4d unit rents may never be raised above the maximum 4d rent limits.

2023 4d unit rent limits, adjusted by units' number of bedrooms, are listed below.

2023 4D RENT LIMITS (Monthly Contract Rate)		
Unit Size (# of Bedrooms)	50% AMI Maximum Rent	60% AMI Maximum Rent
(Studio/Efficiency) 0 BR	\$ 1,027	\$ 1,232
1 BR	\$ 1,100	\$ 1,320
2 BR	\$ 1,320	\$ 1,584
3 BR	\$ 1,525	\$ 1,830
4 BR	\$ 1,701	\$ 2,041

Source: [Metropolitan Council](#) | [HUD Fair Market Rent Limits](#)

3% LIMIT ON RENT INCREASES

Rent for 4d unit tenants may not be raised by more than 3% in a 12-month period, unless prior written approval by the HRA is granted based on an exception permitted under Section 193A of the City of Saint Paul Code of Ordinances.

2023 4D HOUSEHOLD INCOME LIMITS

After their "low-income rental" reclassification, 4d units must only turn over to tenants whose gross household income, at time of their initial occupancy, does not exceed the unit's 50% or 60% AMI limit. The Owner must complete this one-time income qualification prior to execution of each lease of a 4d unit to a new tenant. (See Sections VII. and VIII. ANNUAL RECERTIFICATION OF COMPLIANCE)

2023 4d gross household income limits, adjusted by household size, are listed below:⁶

2023 4D HOUSEHOLD INCOME LIMITS		
Household Size (# of Persons)	50% AMI Income Limit	60% AMI Income Limit
1	\$ 41,100	\$ 49,320
2	\$ 46,950	\$ 56,340
3	\$ 52,800	\$ 63,360
4	\$ 58,650	\$ 70,380
5	\$ 63,350	\$ 76,020
6	\$ 68,050	\$ 81,660
7	\$ 72,750	\$ 87,300
8	\$ 77,450	\$ 92,940

Source: [Metropolitan Council](#) | [HUD Income Limits](#)

Note: at time of the property's initial 4d Program enrollment, tenants currently renting any unit thereafter designated for 4d/LIRC preservation are exempt from any income requirements.

V. APPLICATION REQUIREMENTS

⁶ A "household" and "family" synonymously refer to a single person or group of persons residing together, regardless of actual or perceived sexual orientation, gender identity, or marital status..." (see [24 CFR Part 5 "General HUD Program Requirements..."](#)).



All documents required to complete one 2023 4d Program Application Package per property must be submitted and/or postmarked for delivery to the HRA by **FRIDAY, DECEMBER 30, 2022**.

Applications will be reviewed and approved on a first-come/first-serve basis, and should be submitted as soon as possible to ensure timely approval.

COMPLETE THE SAINT PAUL 4D PROGRAM APPLICATION ONLINE

Access the 2023 4d Application form at the link below ↓

<https://forms.office.com/g/xYBjk5PNy1>

or use a smartphone to get mobile access by this QR code →



APPLICATION CHECKLIST

4d Applications will be considered incomplete and ineligible for review until the following documents, where applicable, are sent or postmarked to City staff by **Friday, December 30, 2022**:

- 1) A **4d Application** form, submitted at the link above.
- 2) A **4d Rent Roll** form, listing current rents and sizes of all units at the property, and identifying which units will be designated to meet 4d Program commitments.
- 3) The following supporting documents are required depending on the types of entities with an ownership interest in the applicant property.
 - 3a) For properties **owned by a BUSINESS/CORPORATE ENTITY**:
 - A certified copy of a current **Certificate of Good Standing** from the Minnesota Secretary of State. This can be ordered on the Secretary of State's business filings webpage at: <https://mblsportal.sos.state.mn.us/Business/Search>
 - 3b) For properties **owned by a TRUSTEE under a TRUST AGREEMENT**:⁷
 - An *unsigned, draft copy* of the **Certificate of Trust**
 - An *unsigned, draft copy* of the **Affidavit of Trustee**
 - 3c) For properties **involving a CONTRACT FOR DEED or similar installment land contract**:
 - A copy of the fully executed and **recorded** The contract document setting forth the contractual relationship of the parties with a secured interest in the property.⁸

Deliver all required documentation by **Friday, December 30, 2022**, to:

4d@stpaul.gov

or **1100 City Hall Annex**
25 West 4th St
Saint Paul, MN 55102
ATTN: 4d Program

⁷ These trust documents must be provided as template versions for City staff to review as part of verifying property title/ownership as part of the process of 4d Application approval. Trustees should obtain an attorney to prepare these documents and determine any additionally necessary documentation. These trust documents cannot be executed at time of closing on 4d Program enrollment and cannot be executed prior.

⁸ This excludes any "right of first refusal" arrangements without a current instrument establishing the future sale of the property and the tenant-buyer's ownership interest in the property. If this document is not yet recorded, the recorded version of the contract must be submitted to City staff as soon as possible upon its entry into Ramsey County property record.

VI. CLOSING REQUIREMENTS

Upon approval of each property's 4d Application, City staff will draft and deliver a package of 4d enrollment closing documents, which will require execution by every party with an ownership interest in the property. This 4d enrollment closing package will include the following documents:

- 1) A [4d Participation Agreement](#) with the HRA must be signed by everyone with an ownership interest in the property—including the spouses of individual Owners.
- 2) A [4d Declaration of Restrictive Covenants](#) must be executed by everyone with an ownership interest and notarized by a Notary Public.
Note: Signatures on the Declaration must be executed in the presence of a Notary Public, and the **original** of the signed document—with the “wet-ink” version of all Owners’ signatures as well as the notary’s stamp—must be provided to City staff.
- 3) A [Compliance Errors & Omissions Agreement](#) must be signed to authorize or waive any clerical corrections to City staff’s drafts of the Participation Agreement and/or Declaration.
- 4) A [Minnesota Housing LIRC Application](#) must be completed and signed by an Owner, or their authorized representative.
- 5) A [Government Data Practices Release](#) must be signed to authorize the City and HRA of Saint Paul to use and request information related to the property’s 4d Program enrollment.
- 6) *(For properties owned by a Trustee under a Trust Agreement only)* An [Affidavit of Trustee](#) and the [Certificate of Trust](#) (blank/unsigned versions of which must be submitted beforehand to complete the Application package) must be executed and notarized **simultaneously** with the above 4d Program closing documents.⁹

When the above closing documents are sent, City staff will provide further closing instructions, including on the availability of notary services.¹⁰

⁹ City staff cannot draft these trust documents, so trustees will need to obtain an attorney to prepare them. The attorney will be able to determine if additional trust documents are needed. All trust documents must be originals due to recording requirements. Copies of these executed documents will not be accepted.

¹⁰ We have begun reopening our offices to public business and expect to accommodate reasonable requests for a City notary. For availability with regard to scheduling a 4d enrollment closing with a City notary, approved applicants should contact 4d Program staff at 4d@stpaul.gov or 651-266-6655.

VII. 4D PROGRAM COMPLIANCE

In addition to renting LIRC units according to the affordability requirements described in *Section IV.*, Owners must also comply with the following 4d Program requirements:

10-YEAR COMMITMENT & 5-YEAR RESTRICTION ON COMMITMENT REDUCTIONS

The Declaration of Restrictive Covenants on the property, a condition of participating in the 4d Program, requires Owners to commit for a minimum of 5 years to at least the same initial proportion of units that are income and rent restricted as part of their 4d classification. Prior to the end of this initial 5-year period, the HRA will not approve any reduction in units— although an increase in the number of committed units is permitted. Moreover, at no time during the full required 10-year term may the number of units that are income and rent restricted fall below the minimum requirements to participate in the 4d Program. (See Section X. MODIFICATIONS TO 4D DECLARATIONS)

INCOME VERIFICATION OF PROSPECTIVE 4D UNIT TENANTS

Once fully enrolled in the 4d Program, any turnover of a 4d-designated unit must be leased (including for any subleasing activity) exclusively to a tenant whose gross household income has been qualified at or below the annually-adjusted 4d household income limits. Documentation of income qualification for any adults in the household must be obtained for the Owner's records prior to execution of any lease (or sublease) on a 4d unit. (See the following Section VIII. ANNUAL RECERTIFICATION OF COMPLIANCE)

SUBLETTING OF 4D UNITS

Subleasing arrangements on 4d units are only allowed if facilitated by the property Owner (or Owner's authorized representative) and including verification, prior to the sublessee's occupancy, that their household income does not exceed the 4d income limits per the unit's designated AMI restriction. 3% ANNUAL RENT INCREASE LIMIT

4d unit rents may not be raised by more than 3% in a 12-month period, unless prior written approval by the HRA is granted based on an exception that is legally allowable. Rents may never be raised above the maximum rent limits for the 4d Program.

AFFIRMATIVE AND ACTIVE MARKETING

Once a 4d-designated unit becomes vacant and (if applicable) any rehabilitation and/or maintenance of the unit is completed, advertisement of its vacancy must be posted within **thirty (30) days** on HousingLink's listings (at www.housinglink.org). Vacancy advertisements for 4d units must also specify that Section 8 or Housing Choice Vouchers are accepted.

NON-DISCRIMINATION OF PUBLICALLY-ASSISTED TENANTS

Owners must be willing to accept rental applications from tenants with housing assistance funds, such as Section 8 Housing Choice Vouchers, and agree to rent to such applicants should they otherwise meet Owners' fair rental screening guidelines.

FAIR HOUSING & TENANT NON-DISCRIMINATION

It is the policy of the City of Saint Paul and Minnesota Housing to affirmatively further fair housing in all their programs so that individuals of similar income levels have equal access to their 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.

Housing providers are expected to comply with the applicable statutes, regulations, and related policy guidance—including [Saint Paul Legislative Code, Section 183.06](#) as well as Minnesota Housing's fair housing policy's incorporation of the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988. Housing providers should ensure that admissions, occupancy, marketing, and operating procedures comply with non-discrimination requirements. It is 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

For information that may assist landlords in creating a tenant selection plan, see [Saint Paul's Tenant Screening Guidelines policy](#).

DRAFT

VIII. ANNUAL RECERTIFICATION OF COMPLIANCE

To retain the tax-benefitted LIRC status, property Owners must recertify a property's compliance with 4d Program requirements on an annual basis to both the HRA and the State of Minnesota.

Since the State of Minnesota exercises final decision-making authority on 4d/LIRC classifications, all 4d properties must reapply directly to Minnesota Housing for their annual recertification of continued 4d status. However, because qualification for Minnesota Housing's LIRC certification is provided by the terms of participation in the Saint Paul 4d Program, 4d property Owners must first submit a separate recertification of compliance to the HRA.

ANNUAL 4D RECERTIFICATION TO SAINT PAUL

4d Owners must submit an annual report to the HRA to verify compliance with the terms of the 4d Participation Agreement.

Saint Paul 4d Recertifications to the HRA are due by **January 31st** of every year.

Access Saint Paul 4d Recertification forms at www.stpaul.gov/4d.

Deliver completed 4d Recertifications by email or mail to:

4d@stpaul.gov

Planning and Economic Development
25 West 4th Street – Suite 1100
Saint Paul, MN 55102
ATTN: 4d Program

City staff will communicate with the Owner or Owner's representative any concern of a unit's non-compliance and potential need for remedy in order to, where possible, retain its 4d/LIRC status for the following tax year. (See following Section IX. [FAILURE TO COMPLY/REMEDIES FOR DEFAULT](#))

ANNUAL LIRC REAPPLICATION TO MINNESOTA HOUSING

Minnesota Housing requires property Owners to submit an annual LIRC Reapplication attesting to the 4d units' continued qualification for 4d certification, which must be accompanied with a reapplication fee of \$10.00 per 4d unit (*max \$150 per property*).

LIRC Reapplication forms & fees to Minnesota Housing are due by **March 31** of every year.

Access Minnesota Housing LIRC Reapplication Forms after January 1 at www.mnhousing.gov.

Deliver completed LIRC Reapplications and fee payment by mail to:

Minnesota Housing
400 Wabasha Street North, Suite 400
Saint Paul, MN 55102
ATTN: LIRC

IX. FAILURE TO COMPLY/REMEDIES FOR DEFAULT

In any instance of noncompliance with the 4d Participation Agreement or Declaration (without prior written approval from the HRA), the Owner will be ineligible to claim 4d Low Income Rental Classification (LIRC) on the specific unit(s) in default of the 4d Program requirements.*

For instance, if a unit is out of compliance for any period of time in 2025, the Owner cannot claim LIRC status for that unit when reapplying for LIRC status in 2026. Furthermore, the 4d/LIRC status on all units at the property would be lost if the proportion of *compliant* 4d units would not sufficiently meet the minimum unit commitment thresholds. (See [Section IV. MINIMUM AFFORDABILITY COMMITMENTS IV.](#))

This includes, but is not limited to, the following instances of noncompliance:

RENT INCREASES BEYOND 4D LIMITS

To be able to reclaim 4d eligibility on the unit, the Owner is required to lower the rent to an amount that complies with current 4d Program requirements, and refund to the tenant(s) any rent paid over the 4d Program rent limit and/or over the 3% 12-month increase limit.

The Owner must provide the HRA with an updated [4d Rent Roll](#) showing the new, compliant rent for that unit, and also provide a letter specifying the amount of rent returned and signed by both the Owner and tenant(s). The Owner must deliver the updated rent roll and signed letter to the HRA by mail or to 4d@stpaul.gov, or by attaching it to the Owner's next annual 4d recertification, not later than the recertification due date of January 31.

LEASE OR SUBLEASE OF A 4D UNIT TO A TENANT WITHOUT INCOME QUALIFICATION

If, at any point during a given year, lease or sublease of a unit occurs without the property Owner completing the tenant/sublessee household income verification process prior to move-in, the unit will be ineligible for 4d recertification in the subsequent tax year(s).

To reclaim 4d eligibility on the unit, the owner may retroactively obtain income verification from the tenant/sublessee household, and deliver this verification to the HRA by mail or to 4d@stpaul.gov, or by attaching it to the owner's next annual 4d recertification, not later than the recertification due date of January 31.

If the tenant's or sublessee's household income exceeded 4d income limits at time of their initial occupancy, the owner cannot claim LIRC status on the noncompliant unit(s) in any subsequent year of occupancy of that unit by an income-disqualifying household.

CERTIFICATE OF OCCUPANCY DEGRADATION

If at any point a property enrolled in the 4d Program receives a Certificate of Occupancy/Fire Safety Inspection grade of C or D from the City's Department of Safety and Inspections ("DSI"), the entire property will be in default and at risk of disqualification from 4d/LIRC status in the following tax years until a qualifying inspection grade of A or B is provided by DSI.

To reclaim 4d eligibility on the unit, the Owner must notify the HRA either in writing by mail, at 4d@stpaul.gov, or by an attached letter to their next annual 4d recertification, not later than the next recertification due date of January 31, and provide either: **(a)** report of a sufficiently improved (A or B) grade following the most recent DSI reinspection; or **(b)** the report from the most recent inspection resulting in the disqualifying inspection grade *and* the plan to resolve the inspection failures noted therein to qualify the Owner for sufficient reinspection within **six (6) months** of the failed inspection.

In the event the property fails to qualify by reinspection, the owner will not be eligible to reclaim 4d eligibility on the property's unit(s) until the recertification period subsequent to when the owner provides proof that all inspection failures have been satisfactorily resolved and graded.

UNFAIR/DISCRIMINATORY RENTAL OR TENANT SCREENING PRACTICES

If any discriminatory practices under the Saint Paul or Minnesota Housing fair housing policies or [Saint Paul Legislative Code, Section 183.06](#) are determined per [Section 183.20](#), the owner may be disqualified from continuing participation in the 4d Program and from the Saint Paul HRA's qualification of their property to 4d certification by the State of Minnesota.

Note: default of the terms of participation in the 4d Program includes discrimination of publicly-assisted tenants—such as Section 8 or Housing Choice Voucher-holders.

INACTIVE VACANCY MARKETING

Any vacant 4d unit which the owner fails to affirmatively market on HousingLink's listings (at www.housinglink.org) within **thirty (30) days** of the unit's becoming vacant and the completion of any rehabilitation/maintenance of the unit, will be ineligible for 4d recertification for the following tax year.

To reclaim 4d eligibility on the unit, the owner must notify the HRA of having actively listed the vacant unit(s)—including with direction to its listing(s)—either in writing by mail, by email to 4d@stpaul.gov, or by an attached letter to their next annual 4d recertification, not later than the recertification due date of January 31.

The HRA may also, upon a failure to comply with any of the 4d Program requirements, elect to enforce any other remedy described in the terms of the Participation Agreement or Declaration or that is now or hereafter available to the HRA at law, by statute, or in equity.

X. MODIFICATIONS TO 4D DECLARATIONS

The following modifications may be requested at any point during the 10-year term, including the 5-year restriction period, and are subject to HRA written approval

ADDITION OF 4D UNITS

Owners seeking to **add** units to increase the proportion of a property's 4d unit commitment are welcome to do so at any point. This will require execution of an [Amended Participation Agreement](#) and [Restated Declaration of Restrictive Covenants](#). Please contact 4d Program staff at 4d@stpaul.gov or 651-266-6655.

SALE OF A 4D PROPERTY

All buyers and sellers will need to sign, **at or before closing on the sale**, an [Assignment and Assumption Agreement](#) assigning the obligations under the Participation Agreement and Declaration to the new property owner(s), who will need to further sign an [Amended Participation Agreement](#) as the newly assigned 4d owner.

Anyone buying or selling a property that is enrolled in the 4d Program must **submit a 4d Property Sale Notification Form, with all required documentation, at least 30 days prior to closing on the sale**. The owner must not close on the property prior to receiving the HRA's written approval.

SALE OF A 1-UNIT (SINGLE FAMILY) 4D HOME TO AN OWNER-OCCUPANT

4d single-single-family homes may be sold at any time to qualifying owner-occupants earning a **maximum income that is at or below 80% of AMI**, as allowed in the Declaration. Since only rental units are eligible for 4d classification, this will require the property's to be removed from the 4d Program and the release of the 4d Declaration.

Anyone buying or selling a property that is enrolled in the 4d Program must submit a **4d Property Sale Notification Form, with all required documentation, at least 30 days prior to closing on sale**.

The HRA will provide written approval of the sale upon review of the potential buyer's income documentation and verification that the potential buyer meets such income requirements. The owner must not close on the property prior to receiving the HRA's written approval.

Anyone requesting modifications to the 4d Declaration should notify the HRA as soon as possible to avoid delays, at 4d@stpaul.gov or 651-266-6655.

XI. QUESTIONS?

ADDITIONAL 4D PROGRAM INFORMATION

Visit www.stpaul.gov/4d for further information and materials related to 4d/LIRC classification and 4d Program eligibility, application, enrollment, and compliance.

4D PROGRAM CONTACT INFO

For any remaining requests for assistance, guidance, or accommodation, contact 4d Program staff:

by email, at: 4d@stpaul.gov
or by phone, at: [651-266-6655](tel:651-266-6655)

IN-PERSON/IN-OFFICE ASSISTANCE

Planning and Economic Development*

City Hall Annex - Suite 1100
25 West 4th Street
Saint Paul, MN 55102
ATTN: 4d Program

*PED offices are currently still in the process of fully reopening for business to the public, and many staff remain working remotely for either part or most of their schedule. Please reach staff by the contact information above to confirm or schedule availability of in-person assistance.

FOR ACCOMMODATIONS

ACCESSIBLE DOCUMENTATION / DELIVERY

If electronic access as a means to 4d Program materials, submission of the online 4d Application, and/or receipt of the 4d enrollment and closing documents is not available to you, please reach out to the contact above to provide your mailing address.

For alternative formats or access to 4d Program documents, including hard copies or versions compatible with text-to-speech software, please contact 4d@stpaul.gov or [651-266-6655](tel:651-266-6655).

TRANSLATION SERVICES

If you need this translated or in an alternative format, please call us at 651-266-6100.

¿Necesita esta traducción? Comuníquese con nosotros al 651-266-6100.

Ma u baahan tahay tarjamadaan Nago soo wac 651-266-6100.

Xav tau qhov no txhais los? Hu rau peb ntawm 651-266-6100.

DEAF/HARD OF HEARING/HEARING LOSS COMMUNITY MEMBERS

Call MN Relay (711) to in turn call the 4d Program line at 651-266-6655.

Upon request at a scheduled time, City staff will work on behalf of the HRA to provide Sign Language interpreters, other aids, and/or services leading to effective communication with deaf, hard of hearing, or others experiencing hearing loss so they can participate equally in the Program.