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Equal Opportunity Housing and Equal Opportunity Employment

February 9, 2017

SUBMITTED VIA EMAIL

Internal Revenue Service
Attn: CC:PA:LPD:PR (Notice 2016-77)
Room 5203, P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

RE: Comments on Notice 2017-77

To Whom It May Concern:

Thank you for the opportunity to provide comment on IRS Notice 2016-77 concerning concerted community revitalization plans.

Minnesota Housing is a Low Income Housing Tax Credit (LIHTC) allocator for the state of Minnesota. In our Qualified Allocation Plan (QAP), the agency recognizes and fulfills the requirement to give preference to projects located in qualified census tracts to the degree that the development contributes to a concerted community revitalization plan.

As the Internal Revenue Service and Department of the Treasury are considering developing guidance regarding the preference at § 42(m)(1)(B)(ii)(III), we encourage that any guidance developed best balance the need for more consistent application of the preference while maintaining allocating agency's flexibility to base requirements on local jurisdictional need.

- 1) Tax credit allocators should have the flexibility to establish criteria in response to local market conditions and needs.** For example, criteria could be modified to be inclusive of plans developed in response to local crises including natural disasters such as flooding or abrupt economic changes such as the recent foreclosure crisis.
- 2) We encourage the IRS and Treasury to avoid requiring numerical metrics within the guidance.** For example, guidance could include that a plan be current, but should not require the plan to be current within a specific time period. Local jurisdictions may incorporate specific numerical metrics as appropriate for their allocation areas.
- 3) Guidance should acknowledge that a "plan" is often not a single document, but rather a broader set of documents/plans, construing a coordinated revitalization strategy.** Minnesota Housing's QAP defines concerted community revitalization plan to be a qualifying plan or initiative meeting a series of objectives that are responding to a crisis or opportunity and pursues community, economic, educational or transit oriented development objectives aimed at

creating a more vibrant, livable, sustainable and equitable community or reversing historic underinvestment or decline in the area. To be considered a qualifying plan, the effort must be actively working on a recently developed or amended plan, include specific geographic targeting appropriate for the plan or initiative, and include housing as a key component of the plan.

Thank you again for the opportunity to provide comment on this important topic.

Best regards,

A handwritten signature in blue ink, appearing to read "J Deegan". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jessica Deegan
Director of Federal Affairs

