

Minnesota Housing Finance Agency
2010 Housing Tax Credit Program, QAP and Procedural Manual
Proposed Revisions

To obtain information on Proposed Revisions for Minnesota Housing's 2010 Qualified Allocation Plan (QAP) in addition to the following please refer to related Board Reports of:

January 2009

http://mnhousing.gov/idc/groups/multifamily/documents/webcontent/mhfa_007791.pdf

February 2009

http://mnhousing.gov/idc/groups/multifamily/documents/webcontent/mhfa_007834.pdf

2010 Concept Summary - Housing Tax Credit Program, QAP and Procedural Manual
Proposed Revisions

Statutory

- Amend the 2010 QAP to reflect new language of State Statute on HTC Allocation regarding the SRO/30 percent Affordability Threshold Requirement at such time as revision to State Statute is successfully accomplished.

Qualified Allocation Plan and/or Procedural Manual

- Clarification of HTC fees required for Additional Credits awarded at Carryover.
- Extend the temporary \$ 1,000,000 Per Development Credit Limit Increase to apply to the 2010 QAP.
- Continue to make the State designated 30 percent basis boost available to developments requesting the boost and meeting criteria established in the QAP.
- Revision of the Ineligible Properties section of the Procedural Manual to lessen restrictions relating to acquisition/rehab projects with certain pre-existing subsidies.
- Revision to the Rental Assistance section of the Scoring Worksheet to provide a wider and more equitable range of points for the rehabilitation of existing project based assistance proposals.
- Revision of the Procedural Manual and Scoring Worksheet to add Selection Priorities for HTC developments which have been previously awarded tax credits but not yet placed in service and are ready to proceed to closing and project construction.

- Revision to the QAP and Procedural Manual to provide for an accelerated Selection process and an accelerated Board approval process for those deals meeting the newly created "Previously Awarded/Ready to Proceed" Selection Priority.
- Revision to the Tax Credit Design Standards to Allow for Minor Deviations from Current "Large Family Point" Additional Design Requirements (relating to Minimum Living Room and Bedroom Square Footage and Dimensional Requirements) for proposals for Rehabilitation of Existing Buildings.

Scoring Criteria Impact:

1. Rental Assistance:

Provide one or more additional selection point ranges for developments agreeing to set aside and having the required binding commitment for 50 percent or more of the total units as project based rental assistance (PBA) units. The additional point ranges would provide incentive for percentages of PBA units greater than 50 percent of the total units in the development.

2. (NEW SECTION) Previously Awarded Tax Credits (and not yet Placed in Service) with no funding gap reflected at time of application (but for the additional credit requested):

- a. 1000 points available for qualifying developments which have previously been awarded 2008 or 2007 tax credits but have not yet placed in service and have no funding gap reflected at the time of this current application for tax credits.
- b. 900 points available for qualifying developments which have previously been awarded 2009 tax credits but have not yet placed in service and have no funding gap reflected at the time of this current application for tax credits.

3. (NEW SECTION) Previously Awarded Tax Credits (and not yet Placed in Service) with a funding gap reflected at time of application (in addition to the additional credit requested):

- a. 500 points available for qualifying developments which have previously been awarded 2008 or 2007 tax credits but have not yet placed in service and have a funding gap reflected at the time of this current application for tax credits. *
- b. 400 points available for qualifying developments which have previously been awarded 2009 tax credits but have not yet placed in service and have a funding gap reflected at the time of this current application for tax credits. *

** Points assigned through this section are subject to being unassigned if needed gap funds are not secured by the development through the accelerated RFP gap funding process.*

General Administrative and Clarifications:

Perform various administrative checks, for spelling, formatting, text and instruction corrections and clarifications within QAP, Manual, Self-Scoring Worksheet, and other 2010 tax credit program related documents.