

2009 HTC ROUND 2 NOTICE

HOUSING TAX CREDIT PROGRAM

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The Minnesota Housing Finance Agency (Minnesota Housing) is pleased to announce that it is accepting 2009 Round 2 competition applications for reservation and allocation of Housing Tax Credits, authorized by the Federal Tax Reform Act of 1986, as revised.

Housing Tax Credits offer a ten year reduction in tax liability to owners and investors in eligible low income rental housing developments involving new construction, substantial rehabilitation or acquisition with substantial rehabilitation. General information on tax credit availability and information on how to make application for tax credits is posted on Minnesota Housing's internet web site:

<http://www.mnhousing.gov/housing/tax-credits/allocation/index.aspx>

Total estimated 2009 tax credits available for the State of Minnesota is approximately \$ 11.9 million. The total estimated 2009 tax credits available for 2009 Round 2 is approximately **\$752,789**. Minnesota Housing has estimated the housing credit ceiling for Minnesota for calendar year 2009 based upon the amounts of the housing credit ceiling for calendar year 2008 as revised by the Housing and Economic Recovery Act of 2008 and as adjusted for inflation. The actual housing credit ceiling for the year 2009 will not be known by Minnesota Housing until some time in February or March of 2009. In early 2009 the IRS will make a final determination of Minnesota's population component used in determining Minnesota's final year 2009 housing credit ceiling. The IRS will publish this population component some time in February or March of 2009.

In 2009 Round 2, priorities will be given to proposals which have previously received an allocation of tax credits and are in need of a supplemental allocation, contain a request for RD set-aside credit or specific selection or preference priorities (per Self-Scoring Worksheet) in a manner consistent with the 2009 Qualified Allocation Plan as amended.

Minnesota Housing will be establishing a Wait List from the non-selected proposals remaining at the conclusion of the 2009 Round 2 competition. Proposals from this list will be considered to receive returned credits, if any, which become available for allocation prior to October 1, 2009.

The Minnesota Housing Finance Agency's Housing Tax Credit Program, Qualified Allocation Plan and related manual contents were revised in preparation for the 2009 tax credit year. Revisions are also in process and nearing completion in response to the Housing and Economic Recovery Act of 2008 (the Act). Changes stemming from the Act are significant and will affect tax credit materials and application process for

2009 Round 2. Details regarding these changes can currently be found on Minnesota Housing's internet web site at http://www.mnhousing.gov/idc/groups/multifamily/documents/webcontent/mhfa_007244.pdf. It is important that you are aware of the provisions contained in the Act; some provisions contained in the Act may affect your proposed development.

Minnesota Housing will not be holding a formal tax credit application training session specifically for the 2009 Round 2 RFP. Tax credit "technical assistance" may be obtained by calling Minnesota Housing. Multifamily Division staff is available for technical assistance on an on-going basis.

Credit Formula

The Minnesota Legislature designated Minnesota Housing as the primary apportionment agency for housing tax credits for the state and also authorized eligible cities and counties to administer the tax credits in their respective jurisdictions based on the Minnesota Statutes Section 462A.222, Subd. 1(a)(2).

Local Administration of Tax Credit

For Round 2, applicants within Suballocator or Joint Powers Suballocator jurisdictions apply directly to Minnesota Housing.

Minnesota Housing Administration of Tax Credits

In all tax credit rounds, applicants with eligible buildings in the balance of the state, not within the jurisdiction of a Suballocator, may apply to Minnesota Housing for an allocation of housing tax credits.

Each year, 10 percent of the state ceiling is set aside by Minnesota Housing for qualified 501(c)(3) and 501(c)(4) nonprofits as required by Section 42 of the Internal Revenue Code of 1986. Qualified nonprofits can apply to Minnesota Housing for these credits, regardless of the geographic location of the proposed low income housing development, as specified in the allocation plan.

APPLICATION PROCESS

Housing Tax Credits (2009 Round 2): The Housing Tax Credit application materials for 2009 Round 2 will be available on Minnesota Housing's internet web site at http://www.mnhousing.gov/resources/apply/multifamily/MHFA_004610.aspx in early January 2009. Additional information on how to make application is also located on Minnesota Housing's web site at <http://www.mnhousing.gov/housing/tax-credits/allocation/index.aspx>. Please refer to the web site for more detailed Application Instructions. If you are unable to access the web or need assistance locating or identifying the appropriate materials, contact the Multifamily Division at (651) 297-3294 or Toll Free: 1-800-657-3647.

IMPORTANT DATES:

Proposal(s) Due: (Faxed, emailed, incomplete, or late applications will **not** be accepted.)

- **Housing Tax Credit (2009 Round 2):** The following application materials must be **received by** Minnesota Housing by 5:00 p.m. on or before **Thursday, February 5, 2009[^]**:

([^] note: this is a correction to the January 29, 2009 deadline date published in State Register on Monday April 21, 2008)

- The Multifamily Application Form electronically submitted,
- The Multifamily Application Form with original signature plus 3 copies, and
- All required attachments (narratives, forms and submittals) plus three (3) copies of all attachments.

NOTE: Applications determined to be incomplete will be returned to the applicant.

Minnesota Housing Board Approval:

Housing Tax Credit funding recommendations will be made at the April 23, 2009 Minnesota Housing Board meeting.

Fund Notification:

Housing Tax Credit funding awards will be posted on the Minnesota Housing web site at <http://www.mnhousing.gov/housing/tax-credits/allocation/index.aspx> following selection approvals given by the Minnesota Housing Board at its meeting noted above. Selection letters will also be mailed out to applicants following this Board meeting.

The request for proposals is subject to all applicable federal, state, and municipal laws, rules, and regulations. Minnesota Housing reserves the right to modify or withdraw the RFP at any time and is not able to reimburse any applicant for costs incurred in the preparation or submittal of proposals.

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