

March 8, 2019

Dear Interested Parties:

The City of Minneapolis is preparing updates to the 2020 Low Income Housing Tax Credit Program for your review and comment. This includes proposed changes to the Qualified Allocation Plan and the Low Income Housing Tax Credit Procedural Manual. There are several changes proposed, as noted in “track changes” mode in the documents and outlined below:

**Changes to the 2020 Low Income Housing Tax Credit Qualified Allocation Plan (QAP)**

- Article III: New language to define the new Income Averaging minimum set-aside
- Article IX: A series of changes to update compliance language to align with the Compliance Manual and reflect current practice (pages 8-15)
- Attachment 1 - Selection Criteria - 9% Tax Credits:
  - A4: Clarify documentation requirements
  - A6: Increase points from 15 to 20, and change map reference to ACP50 map
  - A7: Change map reference to ACP50 map
  - A8: Clarify language around committed capital funding sources
  - A9: New category for committed service funding
  - A11 (new): Update soft cost scoring to follow MN Housing’s categories
  - A11 (previous): Delete economic integration table – 9% HTC projects are rarely mixed-income, and compensated by point change to A6
  - A12: Clarify transit language
  - B1: Increase threshold affordability term from 20 to 30 years
  - B2: Simplify language
- Attachment 3 - Selection Criteria - 4% Tax Credits:
  - General: delete Pre-Application and RFP process language and replace with Minimum Threshold language
  - 1. Clarify language around committed capital funding sources
  - 2. Delete unneeded reference to 9% HTC scoring, and clarify affordability period language
  - 3. Update soft cost scoring to follow MN Housing’s categories
  - 4. Clarify language regarding large family units
  - 8. Clarify HTC unit language and change map reference to ACP50 map
  - 9. Identify point value for cost containment category

**Changes to the 2020 Low Income Housing Tax Credit Procedural Manual:**

- Section III - B: Clarify submission requirements
- Section III - K: Delete Pre-Application and RFP process language and replace with Minimum Threshold language, and clarify closing deadlines
- Section III – Q: A series of changes to update compliance language to align with the Compliance Manual and reflect current practice

- Section IV – E: New eligibility language for HTC projects seeking to utilize the Income Averaging minimum set-aside
- Section IV – E: Updated language on Utility Allowances to enable HTC projects to utilize a CPED or alternate schedule
- Section IV – F: New language related to Income Averaging, and clarified student eligibility language
- Section IV – R: New requirement for a Tenant Selection Plan
- Section VII – A: Additional application requirements for 9% HTC, language clarifications
- Section VII – B: Additional application requirements for 4%, language clarifications
- Section VII – B: Item 16 (previous) – delete language; not applicable to 4% HTC projects
- Section VII – E: New language for HTC projects seeking changes to an existing Income Averaging minimum set-aside
- Section VIII – D: Delete Monitoring Fee language (already addressed in the Compliance Manual), note that projects electing Income Averaging may incur additional monitoring fees
- EXHIBITS – updates:
  - Add Exhibit F: Self Scoring Worksheet (4%)
  - Delete Exhibit K – Zoning Letter (doesn't comply with City's current zoning letter form)
  - Update Exhibit V: Change map to ACP50 map
  - Add Exhibit AC: MN Housing's Income Averaging Rent and Income Grid
  - Add Exhibit AD: MN Housing's Income Averaging Certification Form
  - Add Exhibit AE: Tenant Selection Plan guidance

These documents can be found at the link below with changes highlighted in “track changes” mode.

<http://www.minneapolismn.gov/cped/public/index.htm>

Comments regarding these proposed changes are being accepted for 45 days starting March 8, 2019 until April 22, 2019 at 4:00 p.m., CDT. Deliver written comments or e-mail to:

Minneapolis CPED

Attn: Amy Geisler

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