

City of Minneapolis

Request for Committee Action

To: Community Development & Regulatory Services
Date: 5/3/2016
Referral: None
From: Community Planning & Economic Development
Lead Staff: Dollie Crowther Ext. 5263
Presented by: Dollie Crowther
File Type: Action
Subcategory: RFP

Subject:

Year 2017 Low Income Housing Tax Credit (LIHTC) Procedural Manual and Qualified Allocation Plan (QAP)

Description:

Authorizing the City Council to approve the Low Income Housing Tax Credit Procedural Manual and Qualified Allocation Plan for Year 2017 as detailed in this report and authorize staff to proceed with a request for proposals

Previous Actions:

In May 2015 the City Council approved the LIHTC Qualified Allocation Plan and Procedural Manual.

Ward/Address:

Not Applicable
City Wide

Background/Analysis:

The Omnibus Budget Reconciliation Act of 1993 authorized the permanent extension of the Low Income Housing Tax Credit Program (LIHTC). The LIHTC offers a reduction in tax liability to owners and investors of eligible low income new construction, rehabilitation, or existing rental housing.

CPED, on behalf of the Minneapolis/St. Paul Joint Housing Finance Board, acts as the designated LIHTC suballocator for Minneapolis and is expected to receive \$1,223,745 of Year 2017 LIHTC's.

Federal law requires suballocators adopt a Qualified Allocation Plan and Procedural Manual which sets forth selection criteria for the allocation of the tax credits to qualified rental housing developments. Program changes in State and Federal law are made from time to time and need to be incorporated into the QAP and Procedural Manual.

Staff is recommending only one change to the QAP for Year 2017. The Minneapolis Consortium of Community Developers (MCCD) was contacted by staff for their suggested changes to the QAP for Year 2017. They suggested several changes which staff took into consideration. These changes were discussed and it was decided that one change would be considered for Year 2017. This change, noted in red on the Self Scoring Worksheet, deleted any reference to permanent supportive housing for youth and/or parenting youth. Also in Selection Priorities #1, staff

improved the language which would provide better clarity to the Heading Home Hennepin Plan and the potential to meet homeless objectives.

The revised QAP was sent out on March 16, 2016 for 45 day neighborhood review, with comments to be returned no later than April 29, 2016. Staff received one comment from the Cleveland Neighborhood Organization requesting CPED feedback on the decision making process for the change.

Staff is anticipating proceeding with the Request for Proposals (RFP) in Mid-May with an application deadline in late June 2016. This timeline is the same as the St. Paul Community Planning and Economic Development RFP round. The Minneapolis/St. Paul Joint Housing Finance Board is scheduled to meet mid-May to finalize and approve the QAP for Minneapolis and St. Paul. The Minneapolis City Council action allocating the 2017 tax credit selections is anticipated in September 2016.

Financial Review:

No financial impact.

Fees will be collected from each developer selected for tax credits.

Attachments:

1. Self-Scoring Worksheet