2020-2023 QAP Public Comments

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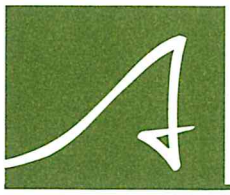


ALLIANCE
HOUSING
INCORPORATED

June 18, 2020

Jennifer Ho, Commissioner
MN Housing
400 Wabasha Street N., Suite 400
St. Paul, MN 55102

Dear Commissioner Ho,

Thank you for the opportunity to comment on the 2022-2023 Qualified Action Plan (QAP). Some of my comments are similar to those I made on the strategic plan. I am optimistic about the future as I see increasing alignment among local and state government about increasing resources for affordable housing and prioritizing projects that house those at the lowest end of the income scale and/or with the highest barriers to accessing stable housing. There remains disagreement about whether housing for extremely low income adults and families requires services. I applaud the QAP's openness to considering either. That is a housing arena Alliance Housing has built its mission around.

I remain concerned that the tool box of affordable housing funding resources across government agencies does not serve families and adults at 30% (or lower) of area median income (AMI) well. Governor Walz's 2020 bonding bill included $200 million in bonding for affordable housing. That would have been an immense resource for just this purpose. As I write today, the MN Legislature has not acted on any housing resources. If we will always depend on divided politics for our housing resources, we're always going to come up short.

A set aside priority for housing larger family units doesn't seem to track with what we're experiencing in Hennepin County unhoused populations. The County has dedicated significant extra affordable housing resources in the past two years to house chronic homeless adults. The numbers of adults is increasing in the County's shelter data. I'm not observing the same for large families. While a mix of size and type of affordable housing is essential, the set aside priority doesn't seem necessary.

I applaud the funding priority to view affordable housing funding as an economic opportunity to communities that benefit most from housing development work. Goals to hire women and minority owned firms are a value shared by all levels of government in capital funding. Increasing incomes is complimentary to increasing resources for affordable housing. On the construction side, there is a giant chasm between this intent and the public approval and reimbursement model for project costs. On their best day, construction draw processes are completed 60 days from work completion. Most small and start-up firms which are common among women and minority owned firms can't survive those cash flow delays. Eliminating multiple agency sign-off and shortening the number of days for funds to be available from approval to disbursement would help. Cash flow advances to eligible firms could help, as well.

2309 Nicollet Avenue • Minneapolis, MN 55404 • 612-872-2310 • info@alliancehousinginc.org

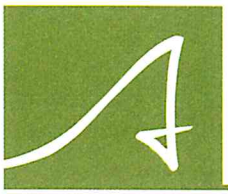
Lastly, the priority focus on ending homelessness and the role of coordinated entry is important. Coordinated entry has prioritized homeless persons with the greatest need for housing. Unfortunately, it has increased the burden on housing property managers to track down candidates and gather eligibility documentation. It has increased vacancy losses at many properties or increased staffing costs to facilitate lease-up. Housing First principles would indicate we could and should get persons housed and then complete eligibility documentation. If basics were provided by the coordinated entry systems, there could be more certainty that someone would actually be eligible to live in the housing to which they were referred. In our recent lease up of Minnehaha Commons we relaxed some documentation requirements temporarily and engaged more staff in working with homeless candidates. Hopefully, funder compliance staff won't penalize us for the former and it would be more cost effective to have system housing lease-up navigators verses all of us property owners hiring our own.

Encouraging innovative construction methods is challenging for smaller nonprofit developers. Convincing various levels of public funders and inspection/regulatory departments of the value of methods, even those already embraced by larger private sector firms, is a daunting task in the already costly and lengthy predevelopment process. Perhaps MN Housing could advance some of these methods quicker by laying the funding or regulatory groundwork in pilot cities or regions. We attempted to employ modular construction on our 3301 Nicollet project. We heard a lot of ambivalence from the City of Minneapolis building inspectors and from some MN Housing architects. In the end, the cost savings weren't significant enough to take the risk of trying a "not so new" construction method.

Please let me know if you have questions or need additional information.

Sincerely,

Barbara Jeanetta, Executive Director
bjeanetta@allianceHousinginc.org
612-879-7633



ALLIANCE
HOUSING
INCORPORATED

June 26, 2020

Jennifer Ho, Commissioner
MN Housing
400 Wabasha Street N., Suite 400
St. Paul, MN 55102

Dear Commissioner Ho,

Thank you for the opportunity to comment on the proposed changes in the Tenant Selection Plan Guidance. Alliance Housing has always practiced "screening people in, rather than out" of our affordable rental properties. And our properties remain assets for the tenants and surrounding neighborhood. We believe in hands-on, relational management to address issues and curb lease violating behavior. It has allowed us to give many a 2nd (or more) chance.

I think this guidance should dictate Tenant Selection Plans for all MN Housing capital investments – not solely supportive housing. Low income adults and families, especially those of color, disproportionately have poor credit, evictions and criminal convictions on their background due to systemic racism in these very systems. Our experience is those adults and families make excellent tenants and needn't have been judged by the low points in their lives.

A tenant who had a lengthy criminal history including assaults who moved into Minnehaha Commons in October wept as he signed his lease. He said, "thank you, no one has ever given me a chance." He has been a stable tenant and hasn't caused any problems in the property or to other tenants. While that's anecdotal, it is illustrative of our experience in general.

Those of us who own/manage housing in Minneapolis, have more clarity on screening criteria. MN Housing's plan focuses on tenants earning 30% of area median income. Minneapolis's regulation crosses all rental housing. Credit cannot be used as a screening factor. It carries specific guidance on the number of years since a conviction or eviction that can be considered. It also limits the amount of security deposit that can be charged to one month. I would argue MN Housing's focus on 30% AMI and leaving those criteria rather vague leaves open a large possibility that onerous screening criteria will remain in your investments.

Please let me know if you have questions or need additional information.

Sincerely,

Barbara Jeanetta, Executive Director
bjeanetta@alliancehousinginc.org
612-879-7633

Minnesota Housing 2022-2023 QAP Proposals Hearing

Detailed Comments to Accompany Lee Blons Testimony

Beacon Interfaith Housing

7.14.2020

Contacts:
Lee Blons, CEO/President lblons@beaconinterfaith.org
Chris Dettling, Director of Housing Development, cdettling@beaconinterfaith.org.
Ben Helvick Anderson, Director of Public Policy, bhelvickanderson@beaconinterfaith.org

Summary of Recommendations:

1. Affordable Rents:
    a. Incentivize affordable rents with a clear matrix for affordability is created that applies to all type of housing and provides increasing incentives for rent subsidized, 30% AMI and 50% AMI,
    b. Eliminate the special points for 30% AMI senior housing.
2. Income Limits: Income limits on 30% AMI should be made available to all projects for scoring
3. Permanent Supportive Housing
    a. Double the points for PSH development that pledge 50-100% of units from 20 points to at least 40 points.
    b. Expand the definition that would allow PSH to lease to residents coming from incarceration, those involved in the child welfare system and other county-involved or state institutional systems.
    c. Eliminate the points for COC priority.
4. People with Disabilities: Eliminate the points for federal 811 rent assistance.
5. Economic Integration/Need for Affordable Housing
    a. Allow all PSH and rent subsidized housing to qualify as Tier 1 under the “need for affordable housing” criterion regardless of location.
    b. Revise Tier 2 “lowest share” to include tracts up to the 50th percentile (or approximately 13.71% of the total housing stock).
    c. Allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022.
    d. Utilize city boundaries with the exception of cities over 150,000 and then to utilize neighborhood or school boundaries.

1. Incentive Affordable Rents

We support the focus on developing housing for those most in need, which we would define as people at or below 30% AMI and as experiencing homelessness. We applaud the addition of points for rents at 30% AMI. However, we have recommendations to improve their impact.

We would recommend the following changes.

We would propose that to incentivize affordable rents that a clearer matrix for affordability is created that applies to all type of housing and provides increasing incentives for rent subsidized, 30% AMI and 50% AMI would be most appropriate framework.

We don't think that creating a separate scoring for 30% AMI rents for seniors makes sense. It appears that you could claim these points as well as the points for 30% AMI offered to all projects.

The points for 30% AMI and 50% AMI rents are not available to the units with rent subsidy so that this scoring actually disincentivizes the creation of the most affordable rents (0% AMI).

This is the summary of your proposed QAP scoring.

	Can not be combined	**Can combine points**		
	Rent subsidy (most affordable)	**30% AMI rent limits (no subsidy)**	**Senior housing 30% AMI**	**50% AMI rent limits (no subsidy)**
100%	19 points		4	13
50-99	16		4	8-13
20-51	13	6-7	3-4	8-13
10-19	10	5	2	8-13
5-9	7	4	1	8-13
up to 5	6	0		8-13

For example ,a senior housing development with only 20% affordable at 30% AMI and 80% affordable at 50% AMI would score 22 points. A non-senior housing development with only 50% of its units affordable at 30% AMI and the other affordable at 50% would score 20 points. A 100% rent subsidized housing development affordable at 0% AMI would score 19 points for affordability.

We recommend eliminating the special points for 30% AMI senior housing. Allow rent subsidized units AMI to count the 50% AMI rent limit points which are provided to the 30% AMI rent limit units.

This would change the example above so that the senior housing development with 30% affordable at 30% AMI and 80% affordable at 50% AMI to score 19 points. The non-senior housing with 50% of it units at 30% AMI and 50% at 50% AMI to score 20 points. And the 100% rent subsidized units to score 32 points.

2. Income limits:

The difference between rents affordable at 30% AMI and income limits at 30% AMI is not always understood. The above gives points for affordable rents but could have a tenant that has an income of 50% AMI. For example, in the metro area, a unit at 30% AMI rents for single person would rent and efficiency for ($543 or 1BR for $582) which is affordable for a person making $21,720 a year. (30% AMI) However, it could be rented to a person making $36,200. (50% AMI). As a landlord we understand that income restrictions decrease the pool of

tenants that can be rented to but they also target the homes to those that they were designed to rent to. Otherwise, you could capture all 22 points for the senior housing above and have no tenants that are at or below 30% AMI in your building.

Currently the only place in the scoring that income limits deliver points is within the rental subsidy scoring. We recommend that the income limits on 30% AMI should be made available to all projects for scoring.

3. Permanent Supportive Housing:

Providing points for at least 4 units of supportive housing has been beneficial for incentivizing all developers to include 4 units in almost all LIHTC units. However, it takes 10 developments to create 40 PSH units. Very few 100% supportive housing developments get funded because the scoring is not comparable. The QAP provides 70 points (7 points to 10 developments) to create 40 PSH units. But it only provides 20 points to a single development to create 40 PSH units.

Our recommendation is to double the points for PSH development that pledge 50-100% of units from 20 points to at least 40 points.

The definition of Permanent Supportive Housing as taking High Priority Homelessness through Coordinated Entry is too narrow.

Our recommendation is to expand the definition that would allow PSH to lease to residents coming from incarceration, those involved in the child welfare system and other county-involved or state institutional systems.

Providing points for the single homeless population that the COC has prioritized is well-intended. However, it is set at a low bar of 4 units so that it will be taken by most often by developments only developing the minimum of units. It can unintentionally disincentivize the development of 100% supportive housing for a homeless population (like youth or families) that is not priority one.

Our recommendation is to eliminate the points for COC priority

4. People with Disabilities:

The QAP is proposing new points for the use of federal 811 rental assistance. We believe this is duplicative of the points given to rent subsidy elsewhere in the QAP. If 811 is underutilized, Minnesota Housing should work with developers to fix the problems with the program.

Our recommendation is to eliminate the points for federal 811 rent assistance.

5. Long term affordability

We support the increases in the duration of long-term affordability.

6. Economic Integration/Need for Affordable Housing

We support behind the concept of “Need for Affordable Housing” that embraces the “both & and” philosophy that Beacon has always operated from. We believe that low income communities and high-income communities benefit from high quality well-managed affordable housing to meet the community need. We are concerned that the “need” is based on affordability at 50% area median income even if the development being proposed is for 30%

area median income residents. For example, Prairie Pointe the first supportive housing development in Scott County will not get any “need for affordable housing” points.

Our recommendation is to allow all 100% PSH and rent subsidized housing to qualify as Tier 1 under the “need for affordable housing” criterion regardless of location.

As a housing organization that has purchased property for development, we are also concerned about the dramatic shift in scoring. We selected our site in Scott County based on the current scoring that prioritized this part of Shakopee and now that site doesn’t get points and a site that we didn’t’ acquire on the other side of town does have points.

Our recommendation is to allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022.

We have a concern about the use of census tracts as the measurement for need for affordable housing. People don’t perceive their neighborhood and community to be based on census tract. Shakopee and Scott County is a good example where only 4 out of 21 census tracts in Scott County don’t score for affordable housing need. It means that a housing development on one side of a street scores well and another not at all.

Our recommendation is to utilize city boundaries with the exception of cities over 150,000 and then to utilize neighborhood or school boundaries

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St. Paul, MN 55114

T: 651. 789 6260

Families Moving Forward Program Center
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Beacon
INTERFAITH HOUSING COLLABORATIVE

Need for More Affordable Housing Options Scoring Criterion

Under the proposed 2022-2023 QAP, Minnesota Housing proposes to add a new scoring criterion, "Need for More Affordable Housing Options" as part of the "Increasing Geographic Choice" section. Points are awarded to projects located in a community where there is either a low share of affordable rental housing (affordable at or below 50% AMI) compared to all housing options in the community (both rental and ownership) or a large share of renter households are cost burdened (pay 30% or more of monthly income on rent).

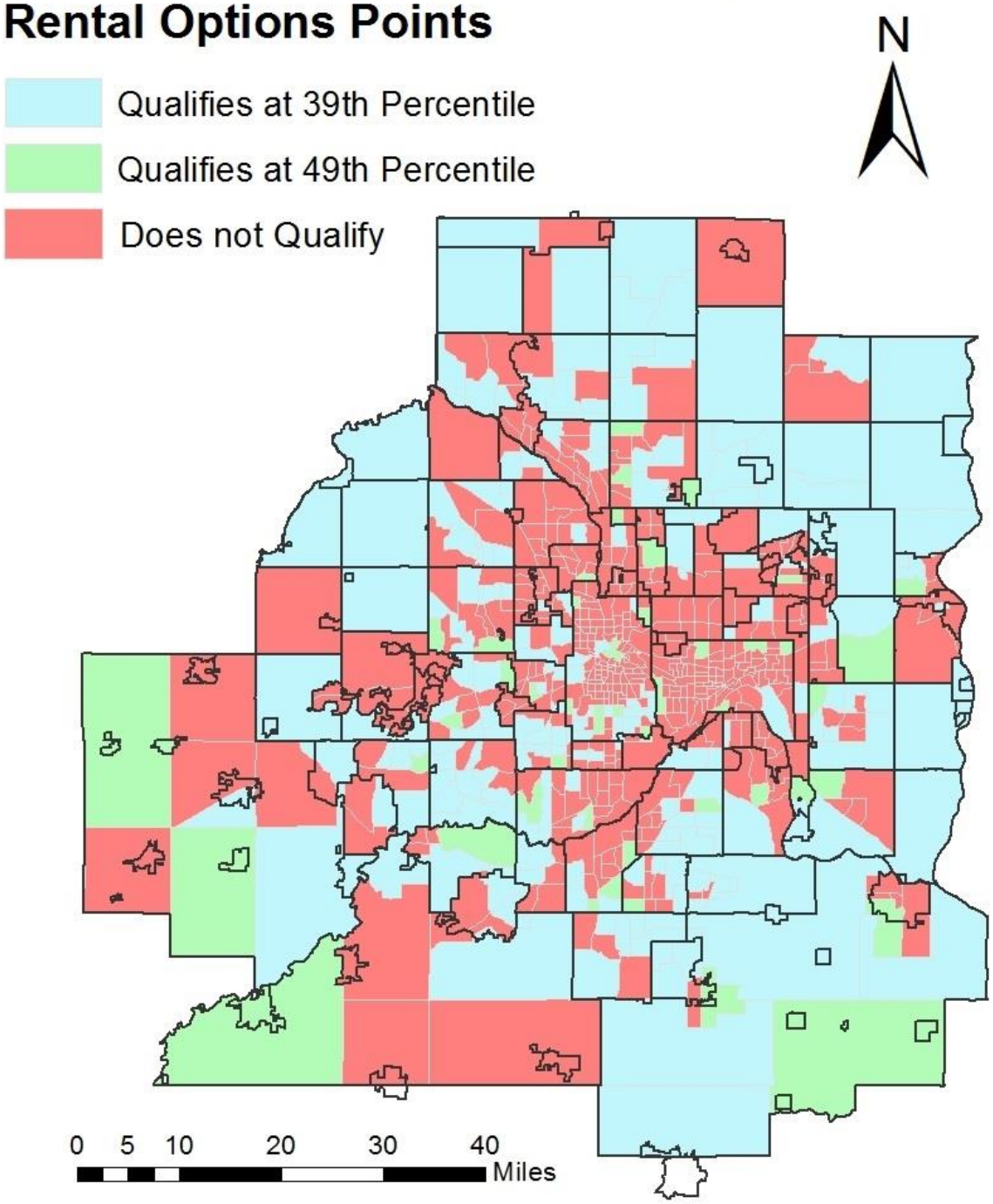
To qualify as Tier 1 a tract must fall below the 20th percentile for lacking affordable rental options. To qualify as Tier 2 a tract must fall in the 20th-39th percentile for lacking affordable rental options.

In the Twin Cities 7-county metropolitan area (according to the 2012-2016 HUD Comprehensive Housing Affordability Strategy (CHAS) data) the percentiles for each category using only census tracts within the 7-county metropolitan area are as follows:

Percentile	Low Share of Rental Affordable Housing Relative to All Housing
10th	1.55% (Tier 1)
20th	3.07% (Tier 1)
30th	5.63% (Tier 2)
40th	8.74% (Tier 2)
50th	13.71% (proposed Tier 2)
60th	19.31%
70th	24.91%
80th	31.70%
90th	42.43%

We propose that the Tier 2 qualifying tracts fall below the 49th percentile for lacking affordable housing instead of the 39th percentile (i.e. tracts where the share of rental housing affordable at 50% AMI or below is less than 13.71% instead of 8.74%). Forty-eight (48) additional metropolitan tracts in 31 cities would newly qualify for Need for Affordable Housing under Lacking Affordable Housing Options if this change were made (tracts indicated in green on the attached map).

Qualifies Exclusively for Lacking Affordable Rental Options Points



Source:
2012-2016 HUD Comprehensive Housing Affordability Strategy
2014-2018 American Community Survey

From: Jeanne Bailey
To: #MHFA_HTC
Subject: Recommendations for New Housing QAP
Date: Friday, July 17, 2020 10:05:19 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to “go big so we can all go home.”

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure “greatest need.” Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it’s census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the

current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you, Please call me if you have questions.
Jeanne Bailey
Saint Paul, MN 55106

From: Karen Barstad
To: #MHFA_HTC
Subject: QAP Changes
Date: Saturday, July 18, 2020 10:35:11 AM

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Dear Minnesota Housing:

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to “go big so we can all go home.”

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure “greatest need.” Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also, census tract data dramatically changes block to block and does not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in its census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon Interfaith Housing Collaborative, of which my church is a member, already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon’s other technical recommendations based on our shared values of focusing resources to those who need them the most. Racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you.

Karen Barstad
Minneapolis, MN

From: Mark Bayley
To: #MHFA_HTC
Subject: New Scoring Criteria
Date: Tuesday, July 21, 2020 1:47:36 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Mark Bayley

Eden Prairie

From: Belle B.Scott
To: #MHFA_HTC
Subject: QAP Changes
Date: Friday, July 17, 2020 2:45:50 PM

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I am commenting on the proposed changes to the criteria required for state housing assistance. It appears you have changed your understanding of those who need affordable housing to that population who spends 50% of their income on housing as poised to the former 39% also you have altered the description of needy communities to an overbroad area. This ifgnotes pockets of pot pole and limits who may receive this aid severely. We all know there is a dire need for affordable housing in our state; the COVID 29 and increased awareness of racial disparities reveal the serious need to revise our efforts. As a case in point, Beacon Interfaith Housing organization has secured property to build an affordable housing facility in Shakopee with the cooperation of that city's council. They recognize the need for such housing in their community and want to have Beacon provide it. Your revised scoring places this necessary project in jeopardy. I want you to rethink your scoring and write a policy that encourages this kind of housing provision instead of preventing it.
Thank you for your attention. Belle Scott

Sent from my iPhone

From: Peter Bliss
To: #MHFA_HTC
Subject: QAP Comment
Date: Saturday, July 18, 2020 11:23:42 AM

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Dear Minnesota Housing,

First, I would like to thank Minnesota Housing for its dedication to giving every resident the opportunity to have a home.

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP). I want to highlight a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that the proposal is intended to focus funding geographically in locations with the greatest need, and I support that goal. The issue is data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also, census tract data dramatically changes block to block and does not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial

equity and quality affordable housing belongs in all communities. I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state. Thank you for all you do.

Thank you very much

Peter Bliss
Prior Lake MN

From: Krista Boyd
To: #MHFA_HTC
Subject: Comment on Scoring Criteria Change
Date: Monday, July 20, 2020 3:41:14 PM

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Dear Minnesota Housing,

Through my involvement with Beacon Interfaith Housing Collaborative, I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to “go big so we can all go home.”

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure “greatest need.” Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and does not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it’s census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and the community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon’s other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,
Krista Boyd
Plymouth, MN

From: Marvin R. Bunnell
To: #MHFA_HTC
Subject: Qualified Allocation Plan (QAP)
Date: Tuesday, July 21, 2020 10:05:40 PM

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Dear Minnesota Housing Finance Agency,

I understand that the MHFA is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank the MHFA for its dedication to serving communities across the state and trying to accommodate as many people as possible. However, in the process of updating the QAP, I want to help identify a problem and provide a couple of useful recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in the locations with the greatest need and I support those goals and outcomes. The problem is in the data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, but not the true greatest need of 30% AMI. In addition, census tract data is dramatically different from block to block and therefore does not accurately reflect the need across a community.

I recommend two possible fixes. The first would be to increase the scoring for proposals for housing with rents at 30% AMI and with permanent supportive housing. It requires substantial resources to create residential rental housing that has most or many units dedicated to 30% AMI or to permanent supportive housing. The MHFA should recognize the tremendous and INCREASING demand for such homes across the state by doubling the points for permanent supportive housing and creating a clearer and more fair matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30% AMI or below.

Secondly, I recommend that you allow developments that submit this year for Federal Low Income Tax Credits to continue to claim the same geographic scoring in 2021 and 2022. A number of applicants have specifically proposed their developments in certain areas because they scored well in the current QAP process. Now, after obtaining land use approvals following the current QAP process, you are proposing to dramatically change this process and the possible points that each of these developments could receive.

As a Beacon supporter, I strongly encourage you to accept and utilize these technical recommendations based on the shared values of focusing resources to those who need them the most; racial equity and quality affordable housing belong in all communities. Thank you for all that you do. I believe with these two changes the QAP will further the mission of the MHFA and our state to a much greater extent.

Thank you for your consideration,
Sincerely,

Marvin R. Bunnell
Minnetonka resident

From: Gentry, Eric
To: #MHFA_HTC
Subject: QAP Comment
Date: Tuesday, July 21, 2020 9:29:22 AM
Attachments: image001.png

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in its census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two

changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you for your consideration.

Eric Gentry, MPA
Director of Housing & Emergency Services / CoC Local Lead for Scott & Carver Counties
Scott Carver Dakota CAP Agency, Inc.
http://www.capagency.org/
712 Canterbury Road South | Shakopee, MN 55379
952-402-9822 direct | egentry@capagency.org

Touching Lives, Transforming Communities

From: Bob Carlson
To: #MHFA_HTC
Subject: concerns regarding the proposed QAP update
Date: Tuesday, July 21, 2020 8:46:35 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to “go big so we can all go home.”

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure “greatest need.” Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and does not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in its census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon’s other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Sincerely,
Robert W. Carlson
Plymouth MN

From: Deb Carlson
To: #MHFA_HTC
Subject: QAP process changes
Date: Tuesday, July 21, 2020 5:52:56 PM

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Dear Minnesota Housing,

I am a Beacon leader and former Beacon Board Chair. I fully support the message below and urge you to take the right action to help the ones that need it the most - those with truly the lowest incomes.

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Deb Carlson
Maple Grove MN 55311

From: William Christian
To: #MHFA_HTC
Subject: Proposed Update of QAP
Date: Sunday, July 19, 2020 9:57:49 PM

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I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan which will decide which projects will get awarded Federal Low income Housing Tax Credits.
Most of us in Shakopee anticipate that these changes, if enacted, will jeopardize Beacon's project in our community called Prairie Pointe. I and many others in the community have supported this project and have been working on it for several months.
Your data measures the need for housing with rents at 50% AMI, not 30% AMI that we feel is desperately needed in Minnesota.
The new proposed scoring method reduces the points for our project, Prairie Pointe, in the census tract even though it has already been approved by the Shakopee City Council .
One way to ensure that our project is approved is to increase the scoring with rents at 30% AMI by doubling the points for this category of subsidized housing.

And secondly, you could allow developments that are submitted this year to continue to claim the same geographic scoring in 2021 and 2022.
Beacon's Prairie Pointe specifically proposed the development in an area of Shakopee because it scored well under the current QAP process. Now, after land use has been granted by the city council , your new proposed
changes would dramatically change the possible points our development could receive.
I support focusing resources to those who need them the most, racial equity, and quality affordable housing in all Minnesota communities .

Thank you for your support and consideration; and with these two changes the QAP will further the mission of Minnesota Housing in our state, and provide the Shakopee Community with much needed affordable housing.

Wm. L. Christian, M.D.

From: Scott Dahlquist
To: #MHFA_HTC
Subject: State Housing Funding
Date: Monday, July 20, 2020 2:23:51 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to “go big so we can all go home.”

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure “greatest need.” Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it’s census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing

dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Scott J. Dahlquist

Richfield, MN

From: Lauren Daumueller
To: #MHFA_HTC
Subject: Concern over proposed QAP changes
Date: Friday, July 17, 2020 2:07:16 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home." I'm writing to support the recommendations of Beacon Interfaith Housing Collaborative, who is in the process of developing new supportive housing at three sites in the metro for families in dire need of stable homes and support.

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and does not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Lauren Daumueller
Minneapolis resident

From: Meredith Davis
To: #MHFA_HTC
Subject: QAP Process
Date: Tuesday, July 21, 2020 9:04:45 AM

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Dear Minnesota Housing:

I have learned that Mn Housing is proposing to update its Qualified Allocation Plan. I have been alerted to a couple changes that I think pose some concerns.

I believe that there is aneed for 30% AMI housing and for permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically and I support those goals. The problem is in data used to measure "greatest need."

Your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in its census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the city of Shakopee, and our community needs this development.

I suggest two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes a lot of resources to create a building that has most of its homes with rents dedicated to 30% AMI. Minnesota Housing should recognize the huge demand for these homes and double the points for permanent supportive housing and should create a clearer matrix for affordability--and that provides increased incentives for rent-subsidized housing with rents at 30% AMI.

I also suggest that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process.

Thank you.
Meredith Davis

From: Pamela DeLaittre
To: #MHFA_HTC
Subject: Urgent Action Needed for State Housing Funding
Date: Monday, July 20, 2020 7:13:54 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and does not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in its census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Pamela DeLaittre
Bloomington, MN

From: Bobbi Dering
To: #MHFA_HTC
Subject: Re: Proposed changes to scoring criteria
Date: Monday, July 20, 2020 1:29:07 PM

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Dear Minnesota Housing,

I have been informed that MN Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank MN Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to bring attention to a problem and suggest two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in the data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI. Also, census tract data dramatically changes block to block and does not display the need across a community.
For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in its census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. MN Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30% AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most. Racial equity, and quality affordable housing belongs in all communities. Thank you for all you do, and I believe that with these two changes, the QAP will further the mission of MN Housing and our state to a greater extent.

Thank you,
Roberta Dering

From: Dittman, Wendy
To: #MHFA_HTC
Subject: QAP updates
Date: Wednesday, July 22, 2020 10:35:15 AM

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Dear Minnesota Housing,

As a supporter of Beacon Interfaith Housing Collaboration I hope you will consider the following points

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and does not display the need across a community.

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I recommend two fixes.

- The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

- Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the

possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Wendy Dittmann
Minneapolis

From: Art Downey
To: #MHFA_HTC
Subject: Housing
Date: Saturday, July 18, 2020 4:47:27 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

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Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Art Downey

From: Sharon Engels
To: #MHFA_HTC
Subject: State Housing Funding
Date: Tuesday, July 21, 2020 9:15:10 AM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

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The growing level of poverty and economic inequality in the United States is so alarming. We have valued living in Minnesota, a State that has focused better on social justice than a lot of

States. We certainly hope and pray that political leadership in the State does not implement policies and legislation that drives inequality.

Thank you,

Sharon and Tom Engels

Dear Minnesota Housing,

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Thank you,

Caralyn M. Engquist Thomas C. Engquist

From: Joyce Fitzgerald
To: #MHFA_HTC
Subject: Qualified Allocation Plan
Date: Monday, July 20, 2020 9:57:23 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."
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Thank you

Joyce Lauck Fitzgerald

From: Roger Fitzgerald
To: #MHFA_HTC
Subject: Qualified Allocation Plan (QAP)
Date: Sunday, July 19, 2020 10:15:41 AM

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Dear Minnesota Housing,
I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

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Thank you,
Roger Fitzgerald

From: Karen Francis
To: #MHFA_HTC
Subject: Fwd:
Date: Tuesday, July 21, 2020 10:56:41 AM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

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I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable

housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,
Karen Francis

From: Tom Francis
To: #MHFA_HTC
Date: Tuesday, July 21, 2020 10:40:47 AM

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Thank you,
Best Regards,
Tom Francis

From: Kirsten Fryer
To: #MHFA_HTC
Subject: Proposed QAP changes
Date: Monday, July 20, 2020 2:09:27 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to “go big so we can all go home.”

As a pastor and community member in St. Paul, I see the need for affordable housing on an almost daily basis. I hear the stories from our community members who are struggling. From a place of faith, I care deeply about creating systems that are more equitable and make it such that affordable housing is available and accessible. Our congregation supports the work of Beacon Interfaith Housing Collaborative and looks to them for guidance regarding issues around affordable housing.

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure “greatest need.” Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and does not display the need across a community.

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Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically

proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,
Rev. Kirsten Fryer

From: Sarah Gavert
To: #MHFA_HTC
Subject: QAP process
Date: Sunday, July 19, 2020 8:22:30 PM

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Thank you,

Sarah Gavert

From: Robin Gonzales
To: #MHFA_HTC
Subject: Proposal to update QAP
Date: Wednesday, July 22, 2020 1:51:58 PM

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Dear Minnesota Housing,
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I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities.
Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.
Thank you,
Robin Gonzales

From: Kathy Gremillion
To: #MHFA_HTC
Subject: Comments on Qualified Allocation Plan proposal.
Date: Monday, July 20, 2020 2:23:12 PM

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Thank you,
Kathy Gremillion, St. Louis Park, MN

From: Janelle Hill
To: #MHFA_HTC
Subject: Affordable Housing
Date: Friday, July 17, 2020 3:49:30 PM

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Dear Minnesota Housing,
I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to “go big so we can all go home.”
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Thank you,
Janelle Hill

From: Cindy Hilger
To: #MHFA_HTC
Subject: QAP Changes
Date: Tuesday, July 21, 2020 8:50:54 PM

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Dear Mn Housing

I'm writing as an advocate representing Beacon Interfaith Housing Collaborative. We work to build safe, supportive housing across the metro using our faith as a guide. As you update your QAP, I'd ask you to consider 2 things:

First---increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. We need to recognize the increasing demand for these homes and create guideposts for affordability that applies to all types of housing.

Second--please allow developments that submit this year to claim the same geographic scoring in 2021 and 2022. By drastically changing the number of points developments receive in the near future, it hinders Beacon's ability to move forward with much-needed supportive housing .

I sincerely hope you will consider these requests as the need for supportive homes continues grow throughout the entire state.

Kindly,
Rev. Cindy Hillger
St. Martin's-by-the-Lake Episcopal Church

From: DebHoger
To: #MHFA_HTC
Subject: Public housing project
Date: Friday, July 17, 2020 1:14:43 PM

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Dear Minnesota Housing,
I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to highlight a problem and two recommendations. I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and does not display the need across a community. For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in its census tract, while blocks away across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities.

Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Deb Hoger
Prior Lake MN

From: Lee Jamison
To: #MHFA_HTC
Subject: Minnesota Housing Suggestions
Date: Wednesday, July 22, 2020 4:30:02 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."
In the process of updating the QAP, I want to lift up a problem and two recommendations.
I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.
For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.
Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.
I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Lee Jamison

From: Bill Johnson
To: #MHFA_HTC
Date: Tuesday, July 21, 2020 3:17:24 PM

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Dear Minnesota Housing,

I think there is a problem in the way you are proposing to update the Qualified Allocation Plan.

In short, the problem is in data used to measure “greatest need.” Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

These changes will result in a system that perceives no need for affordable housing in a census tract that is only blocks away from a sizable need. How are you thinking that people in need of housing make their selections based on census tract?!

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon’s other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,
Bill Johnston

St. Paul 55108

From: Gayle Kaplan
To: #MHFA_HTC
Subject: MN Housing - proposed changed to Qualified Allocation Plan
Date: Tuesday, July 21, 2020 5:04:56 PM

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Dear People:

First, I'd like to thank everyone at MN Housing for your service to communities across the state, so that we have a society where every citizen has a safe and stable home.

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits.

After reviewing the QAP, I see one problem. I also have two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and does not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in its census tract, but there is a need in Shakopee, just a few blocks away. Beacon Interfaith Collaborative already has land approval for the site from the City of Shakopee. Our community needs this development.

I have two recommendations. The first is to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Gayle A. Kaplan

From: Ann King
To: #MHFA_HTC
Subject: Changes to QAP
Date: Tuesday, July 21, 2020 9:29:21 AM

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Dear Minnesota Housing:

I am a supporter of affordable housing, a member of Beacon Interfaith Housing Collaborative, and a member of Living Table United Church of Christ in Minneapolis, where I live. I believe that we have a responsibility to look after the needs of the poorest among us.

Your proposed changes to the QAP would leave out help to families who need rent at the level of 30% AMI. There is very little housing at this level, making families have to pay more than 30% of their income just for housing, which increases the possibility of falling into homelessness. These families may also need supportive housing, which provides counseling and help with disabilities.

Your changes would also change the criteria that were in effect this year, after projects that fit those criteria have been started. For instance, city permission to proceed with Beacon's Prairie Pointe housing in Shakopee has already been received. I watched the hearing online, and many people, including those on the City Council, spoke of the need for housing for people at the lowest end of the income range, even in a city such as Shakopee. This project would be the first supportive housing building in Scott County.

Beacon's recommendations, which I support, are 1) to allot more points for housing with rents at 30% of AMI and for supportive housing and 2) to allow projects submitted this year based on the 2020 QAP to continue being assessed on those criteria in 2021 and 2022. Much time and money have been spent preparing those projects according to the criteria you used when they were started.

Thank you for your emphasis on affordable housing. Please use criteria that include the people who are the most vulnerable to homelessness.

Ann King
Minneapolis, MN

From: True Kue
To: #MHFA_HTC
Subject: Urgent: Qualified Allocation Plan
Date: Wednesday, July 22, 2020 5:01:31 PM
Attachments: image001.png
image002.png

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to “go big so we can all go home.”

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure “greatest need.” Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it’s census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon’s other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,
True Kue

Beacon Interfaith Housing Collaborative | **True Kue** *(Pronouns: he/his) Senior Accountant* | *651. 789 6260 ext. 222* | *2610 University Avenue West, Suite 100, St. Paul, MN 55114* | *www.beaconinterfaith.org*

From: Dave Lauzon
To: #MHFA_HTC
Subject: Listen to Beacon
Date: Saturday, July 18, 2020 9:55:17 PM

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Dear Minnesota Housing,

My family and I support Beacon with our time and money for their affordable housing work. They've expressed concerns with the updates to the QAP, and their proposed updates seem very reasonable. We would really appreciate if you would take them into account in your update.

Thank you very much,
The Lauzons
Hopkins, MN

From: Denny Lindell
To: #MHFA_HTC
Subject: Housing
Date: Tuesday, July 21, 2020 11:36:07 AM

This message may be from an external email source.
Do not select links or open attachments unless verified. Report all suspicious emails to Minnesota IT Services Security Operations Center.

Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.
I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.
Thank you,

Denny Lindell

From: Ms. Mary K. Lund
To: #MHFA_HTC
Subject: QAP Changes
Date: Friday, July 17, 2020 3:23:39 PM

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Do not select links or open attachments unless verified. Report all suspicious emails to Minnesota IT Services Security Operations Center.

To Whom It May Concern:

Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. Minnesota Housing is dedicated to serving communities across the state and trying to “go big so we can all go home.”

The process of updating the QAP, presents a problem; here are two suggestions:

The data used to measure “greatest need” is a problem. It measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically change block to block and do not display the need across a community.

Beacon Interfaith Housing Collaborative already has land approval for the site from the city of Shakopee, a community that needs this development. But your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing in Scott County. By your scoring there is no need for affordable housing in it’s census tract, while blocks away the city of Shakopee sees a need.

Two recommendations: Why not increase the scoring for housing with rents at 30% AMI and for permanent supportive housing? It takes substantial resources to achieve homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing could double the points for permanent supportive housing and create a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Also. why not allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022? Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon’s other technical recommendations based on focusing resources on those who need them the most. Racial equity and quality affordable housing belong in all communities.

Thank you for your dedication, and with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.
Sincerely,

Mary K. Lund

From: Alix Magner
To: #MHFA_HTC
Subject: Affordable Housing - Protect the most vulnerable
Date: Tuesday, July 21, 2020 3:01:50 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state.

I am a parent, a Minneapolis resident and have been involved as a volunteer in creating affordable housing. As our team has worked on the Bimosedaa project in downtown MInneapolis, we have seen the impact that capital dollars make in generating new housing for people who are most in need.

In the process of updating the QAP, I want to share a concern and two issues.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure “greatest need.” Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it’s census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon’s other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will

further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Alix Magner

Minneapolis, MN

From: Korla Masters
To: #MHFA_HTC
Subject: Public Comment: Recommended changes to QAP
Date: Wednesday, July 22, 2020 10:55:32 AM

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Dear Minnesota Housing,

My name is Korla Masters and I am one of the pastors at Shepherd of the Lake Lutheran Church in Prior Lake. The congregation I serve is actively involved in both the immediate work of hosting families currently experiencing homelessness and the long-term work of building and supporting affordable housing in Scott County. We are situated in a part of the Twin Cities Metro with a large and growing need for housing that is genuinely and consistently affordable, as costs around us continue to rise and new housing build prices start largely out of reach for our current neighbors.

I understand that you, as a body, are proposing to update your Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank you for your dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations. I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and does not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development. I serve in this area and can attest that there is widespread need in our county, not merely in a few unique census tracts.

I recommend two fixes. The first would be to **increase the scoring for housing with rents at 30% AMI and for permanent supportive housing.** It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes

across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Second, and particularly relevant to the area in which I serve, I recommend that you **allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022.** Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity, and quality affordable housing belongs in all communities. Thank you for all you do. I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Rev. Korla Masters
Minneapolis, MN

Korla Masters
*she/her/hers**
Pastor of Outreach and Stewardship
Shepherd of the Lake Lutheran Church
Open Hearts | Open Minds | Open Table

*if this is new to you or you're wondering what it means, please ask! I'd love to hear your questions and share a bit about it.

From: Lee Mauk
To: #MHFA_HTC
Subject: Comments on changes to QAP
Date: Monday, July 20, 2020 11:59:56 AM

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Dear Minnesota Housing,

First, I express my gratitude to Minnesota Housing for what you do to help create homes for Minnesota.

I have been involved with Beacon Interfaith Housing Collaborative for almost 20 years—on the board for 10 years, and as board chair for 2 of those years. I am sensitive to dire needs for affordable housing in Minnesota.

I wish to speak to Minnesota Housing's proposal to update its Qualified Allocation Plan (QAP). Regarding those proposed changes, I would like to offer two considerations.

1) Housing that focuses on rents at 30% AMI, and which also provide permanent supportive housing should benefit from higher scoring. There is great need in our state for housing of families whose incomes are the lowest of the low. Developers who take on the hard work of focusing on this population should be given increased points, perhaps even doubled in the final tally. Without providing a greater incentive to developers, the poorest of the poor will continue to be ignored by those developers, as being too costly and too challenging to properly house.

2) I suggest that the current geographic scoring for any developments submitted this year should be extended to 2021 and 2022. Case in point, Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Beacon has worked hard for 3 years to gain community support. Land use has been granted. However, under the proposed changes, overall points may be reduced, which will seriously threaten the success of this much-needed development in Shakopee. That shouldn't happen.

Respectfully,

Lee Mauk
Minneapolis, MN

From: Polly McCrea
To: #MHFA_HTC
Subject: QAP update
Date: Friday, July 17, 2020 5:16:53 PM

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Dear Minnesota Housing,
I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."
In the process of updating the QAP, I want to lift up a problem and two recommendations.
I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.
For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.
I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.
Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.
I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.
Thank you,
Polly McCrea
Beacon Interfaith Housing Collaborative supporter

From: Kathy McKay
To: #MHFA_HTC
Subject: Ideas on update to QAP
Date: Saturday, July 18, 2020 7:22:26 PM

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July 18, 2020

Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state.

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure “greatest need.” Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and does not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in its census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon’s other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two

changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,
Kathy McKay
Shakopee, MN 55379

From: Sara McMullen
To: #MHFA_HTC
Subject: Housing QAP/ Beacon Interfaith Housing Collaborative Recc.
Date: Tuesday, July 21, 2020 8:38:40 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to “go big so we can all go home.”

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure “greatest need.” Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it’s census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing

dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Sara McMullen
Minneapolis, Minnesota

From: Donna Neste
To: #MHFA_HTC
Subject: Problem with QAP update
Date: Friday, July 17, 2020 3:08:19 PM

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To Minnesota Housing:
There is a problem with the update in Minnesota Housing with the QAP, how you decide which projects get awarded Federal Low-Income Tax Credits. The problem is in the data used to measure, "greatest need," in which you measure the need for housing with rents at 50% AMI and not 30% AMI. Census track data does not display the need block by block which changes drastically. Instead it is displayed across a community. Your proposed scoring reduces the points for Prairie Pointe a greatly needed supportive housing project in Scott County, claiming no need for affordable housing at 30% in this census track, while blocks away in the city of Shakopee there is indeed a need. Beacon already has approval from the city to build.

I recommend that you increase the scoring for housing with rents at 30% AMI and supportive housing. There is a tremendous need in Minnesota for permanent supportive housing, therefore the state needs to double the points toward this type of housing. After land use has been granted to Beacon the scoring will be changed. I recommend that the development be able to claim the same geographic scoring as it has into 2021 and 2022.

Thank you for your consideration.

Donna Neste

Minneapolis, MN

From: Pat Norris
To: #MHFA_HTC
Subject: Change in QAP could have drastic consequences for Prairie Point
Date: Tuesday, July 21, 2020 5:50:14 PM

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Dear Minnesota Housing,

I have been working with a leadership team at Hope Lutheran in Jordan, MN and Beacon Interfaith Housing Collaborative for two years to bring supportive, affordable housing to the South Metro area. There are no physical shelters for the homeless in Scott or Carver Counties, but there definitely are homeless families. A number of congregations have been rotating these homeless families among their churches, for a week at a time, for years, to provide a shelter until affordable housing can be found. Sometimes we see the same families in multiple church rotations, as affordable housing in this area is scarce.

After a lot of research by Beacon to determine the best place to build a supportive housing apartment project, Prairie Point, in Shakopee, MN was selected. Job opportunities, accessibility to public transportation, good buildable site, and other funding criteria were reviewed prior to placing a purchase agreement on the property. It was a was a celebrated evening on June 2, 2020, when the Shakopee City Council voted to approve zoning changes needed to move the Prairie Point project forward. That night there were so many moving stories about what it means to have a home, from those in attendance and also from council members.

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to “go big so we can all go home.”

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure “greatest need.” Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it’s census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at

30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.
I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Patricia J. Norris
Prior Lake, MN

From: Marlys Nygren
To: #MHFA_HTC
Subject: QAP Changes
Date: Monday, July 20, 2020 6:52:30 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,
Marlys Nygren

From: Pamela Othen
To: #MHFA_HTC
Subject: QAP Changes
Date: Tuesday, July 21, 2020 4:19:19 PM

This message may be from an external email source.
Do not select links or open attachments unless verified. Report all suspicious emails to Minnesota IT Services Security Operations Center.

Dear Minnesota Housing,
I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."
In the process of updating the QAP, I want to lift up a problem and two recommendations.
I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.
For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.
I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.
Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.
I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.
Thank you,
Pamela Othen
Volunteer, Beacon Interfaith Housing Collaborative

From: Davis Parker
To: #MHFA_HTC
Subject: QAP 20Changes
Date: Friday, July 17, 2020 2:06:40 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,
Davis Parker
Minneapolis, MN

From: Steve Pundt
To: #MHFA_HTC
Cc: "Laura Vitelli"; "Emily Goldthwaite Fries"
Subject: Retain 30% AMI in QAP
Date: Tuesday, July 21, 2020 4:33:54 PM

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Dear Minnesota Housing,

Thank you for your work to provide housing for low income Minnesotans. I have been a volunteer with Beacon Interfaith Housing. In particular, I have worked with others to advocate for several projects to serve the neediest in our community – Great River Landing (housing for men with criminal history), BIMOSEDAA (housing for Native-Americans suffering from poverty and homelessness), and Prairie Pointe (100% permanent supportive housing in Scott County).

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process to determine what projects get awarded Federal Low-Income Tax Credits.

I believe there is a need for 30% AMI housing and permanent supportive housing throughout our state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI.

I urge you to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30% AMI.

I also urge you to allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed Prairie Pointe in an area of Shakopee because it scored well in the current QAP process. If you change the QAP scoring now, after Beacon has already gone through the steps to obtain land use approval by Shakopee and Scott County, your proposed changes would reduce the possible points this development could receive.

Let's continue to work together to develop housing for those who need our help.

Thank you,

STEVEN PUNDT
Minneapolis, MN 55405

From: Kent Rissman
To: #MHFA_HTC
Subject: QAP Changes - Public Comment
Date: Sunday, July 19, 2020 8:00:56 PM

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Dear Minnesota Housing,

When considering the statistical criteria for Affordable Housing need, there is a special need for Affordable Housing with Support Services. Also, there is a danger in drawing the areas being ranked or scored too narrowly.

Please consider the following suggested modifications to better match resources and high priority needs, in a comprehensive manner.

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Kent Rissman, Ph.D.
Edina, MN

From: Linda Sandvig
To: #MHFA_HTC
Subject: MFHA Qualified Allocation Plan Modifications Comments
Date: Tuesday, July 21, 2020 12:47:46 PM

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Dear Minnesota Housing,

I am a volunteer with Beacon Interfaith Housing Collaborative. Beacon is a collaborative of over 100 congregations who believe that all people should have a home and that affordable housing should be available in all communities across the state. Beacon's focus is on developing housing and supportive services for those in most need, which we define as people at or below 30% AMI and experiencing homelessness.

First, I would like to thank Minnesota Housing for its advocacy for $200 million in housing bonds this past session. This represents a significant increase in request for funding. While it appears that this objective may not be reached, the leadership from the department is greatly appreciated.

Secondly, I would like to comment on your proposed update to the Qualified Allocation Plan (QAP). I appreciate the agency's focus on serving communities across the state with the greatest need. However, there is a problem in the data you propose to use to measure the "greatest need." First, your data measures the need for housing with rents at 50% AMI, not 30% AMI. Second, by proposing to use census tract data which can change from block to block, it is not a reliable measure of the need across a community.

For example, if this proposal were adopted, it would negatively impact Beacon's Prairie Pointe Housing project. This would be the first and only 100% permanent supportive housing project in Scott County. Beacon just recently received approval for the project by the Shakopee City Council. With the changes proposed, the development would go from a terrific score under the current QAP to a terrible score because the site is in a census tract that is deemed to have no "need" for affordable housing. By limiting development to certain census tracts, it negates the overall need in the community for deeply affordable housing for very low income families.

To address these concerns, I would like to recommend the following changes. **First, increase the scoring for housing with rents at 30% AMI and for permanent supportive housing.** It takes substantial resources to create homes with rents that are dedicated to 30% AMI and provide permanent supportive housing. Minnesota Housing should recognize both the tremendous demand and need for such homes across the state by doubling the points for permanent supportive housing. This would also help to incentivize the creation of housing with services that is one of the agency's strategic goals. A matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below should also be created.

Secondly, allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has

been granted, you are proposing dramatically changing the possible points this development could receive.

I also support other technical recommendations from Beacon that are based on our shared values of focusing resources to those who most in need, addressing racial equity.

Thank you again for your leadership and your consideration of these changes to the OAP.

Sincerely,
Linda Sandvig

From: Robert Seidel
To: #MHFA_HTC
Subject: QAP Changes
Date: Saturday, July 18, 2020 9:24:16 AM

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Dear Minnesota Housing,
The proposal to update your Qualified Allocation Plan (QAP) attempts to focus funding geographically in locations with the greatest need. I support those goals and outcomes but data used to measure “greatest need” measures the need for housing with rents at 50% AMI, not 30% AMI.
I recommend increasing the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. You should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.
Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Census tract data dramatically changes block to block and does not display the need across a community specifically.

Robert W. Seidel

From: Jeanette Standjord
To: #MHFA_HTC
Subject: Change your plan to update QAP
Date: Saturday, July 18, 2020 8:37:27 AM

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Dear Minnesota Housing,

I am a voting volunteer working for affordable housing in this state. I and my church care deeply about this issue. Please make the changes outlined below to help guarantee current housing projects as well as housing projects in the future.

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs

in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Jeanette Strandjord

Medina,MN

Sent from my iPhone

From: Jonathan Strandjord
To: #MHFA_HTC
Subject: QAP Changes
Date: Wednesday, July 22, 2020 9:09:23 AM

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Greetings,

It has come to my attention that Minnesota Housing is proposing updates to its Qualifications to its Qualified Allocation Plan.

In the process of updating the QAP, I lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the crucial work of Minnesota Housing and our state to a greater extent.

Thank you,

Jonathan Strandjord

Medina, MN

From: Jackie Sullivan
To: #MHFA_HTC
Subject: Qualification Allocation Plan Update -- Concern
Date: Monday, July 20, 2020 2:57:02 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process by which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state. I want to lift up a problem and two recommendations about this proposal.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. **The problem is in data used to measure "greatest need."** Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

> For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in its census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes:

1. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.
2. Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted,

you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do. I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,
Jackie Sullivan
Edina, MN

From: Brad Tabke
To: #MHFA_HTC
Subject: QAP Update Recommendation
Date: Wednesday, July 15, 2020 6:31:38 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. As the State Representative for District 55A, I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also census tract data dramatically changes block to block and dose not display the need across a community.

For example, your proposed scoring reduces the points for Prairie Pointe, the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in it's census tract, while blocks away and across the City of Shakopee, there is deemed a need. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Second, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, the proposal would dramatically change the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,

Brad

Brad Tabke

State Representative (District 55A - Shakopee)
Vice Chair, Transportation Finance & Policy Division

rep.brad.tabke@house.mn
(651) 296-8872
FB @repbradtabke | Twitter @bradtabke | Instagram @btabke
www.house.mn/55a

From: Francis Tangney
To: #MHFA_HTC
Subject: QAP Beacon Vista 44TC.MHFA@state.mn.us
Date: Tuesday, July 21, 2020 9:21:12 AM

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Beacon Interfaith Housing has worked with the city of Hopkins to gain approval for the plans for Vista 44, a 50 unit supported housing building. Now they are working to raise money so they can move forward with construction. It is unfair to change the scoring system by which state to judge the worthiness of this
project when they are so far along in the process.

Deacon Francis Tangney
St Gabriel's Hopkins

From: Paul Vliem
To: #MHFA_HTC
Subject: Regarding changes to the QAP
Date: Friday, July 17, 2020 3:32:53 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

In the process of updating the QAP, I want to lift up a problem and two recommendations.

I believe that there is a need for 30% AMI housing and permanent supportive housing everywhere in the state. I understand that your proposal attempts to focus funding geographically in locations with the greatest need, and I support those goals and outcomes. The problem is in data used to measure "greatest need." Your data measures the need for housing with rents at 50% AMI, not 30% AMI. Also, basing scoring on census tract data does not display the need across a community, as need dramatically changes from block to block.

For example, your proposed scoring reduces the points for Prairie Pointe, a development of Beacon Interfaith Housing Collaborative that is the first 100% permanent supportive housing building in Scott County. Your scoring claims that there is no need for affordable housing in its census tract, while blocks away and across the City of Shakopee, there are 70+ families who are currently homeless and in need of this housing. Beacon already has land approval for the site from the City of Shakopee, and our community needs this development.

I recommend two fixes. The first would be to increase the scoring for housing with rents at 30% AMI and for permanent supportive housing. It takes substantial resources to create a building that has most homes with rents dedicated to 30% AMI or permanent supportive housing. Minnesota Housing should recognize the tremendous demand for these homes across the state by doubling the points for permanent supportive housing and creating a clearer matrix for affordability that applies to all types of housing and provides increased incentives for rent-subsidized housing with rents at 30 percent AMI or below.

Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,
Paul Vliem

From: Sharon Wagner
To: #MHFA_HTC
Subject: QAP Changes
Date: Monday, July 20, 2020 8:48:52 PM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

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I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

This is not the time to make housing less accessible. We have been in an affordable housing crisis and currently it has become a much more serious and widespread problem. Please pay

special attention to the needs of those at the lowest level of income who need safe, affordable housing. These families need our help.

Thank you,

Sharon Wagner

Chair, The House of Hope Presbyterian Housing Work Group, St. Paul, MN

From: John Watson
To: #MHFA_HTC
Cc: Rep. Jerry Hertaus
Subject: Minnesota Housing QAP
Date: Wednesday, July 22, 2020 12:55:24 PM

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I'm concerned that proposed changes in the Qualified Action Plan of Minnesota Housing will favor more affluent families and reduce help for the neediest: People at or below 30% AMI. By using a 50% of AMI standard, you could miss this important group. Secondly, the use of census tract data can fail to measure the broader community need.

I sincerely hope important changes can be made, the poorest of the poor deserve help, and may not get it under these rules

John Watson

From: Susan Weston
To: #MHFA_HTC
Subject: QAP Update
Date: Wednesday, July 22, 2020 9:19:53 AM

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Dear Minnesota Housing,

I understand that Minnesota Housing is proposing to update its Qualified Allocation Plan (QAP), the process in which you decide what projects get awarded Federal Low-Income Tax Credits. I thank Minnesota Housing for its dedication to serving communities across the state and trying to "go big so we can all go home."

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Secondly, I recommend that you allow developments that submit this year to continue to claim the same geographic scoring in 2021 and 2022. Beacon specifically proposed the development in an area of Shakopee because it scored well in the current QAP process. Now, after land use has been granted, you are proposing dramatically changing the possible points this development could receive.

I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,
Susan Weston
Plymouth, MN

From: Lisa Yost
To: #MHFA_HTC
Subject: Proposed changes to QAP
Date: Monday, July 20, 2020 12:24:53 PM

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Dear Minnesota Housing,

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I support Beacon’s other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you,
Lisa Yost

From: Stephen Ziff
To: #MHFA_HTC
Subject: Advocating for maintaining 30% AMI and Keeping Consistent with Geographic Scoring for projects in process.
Date: Monday, July 20, 2020 4:32:04 PM

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I support Beacon's other technical recommendations based on our shared values of focusing resources to those who need them the most, racial equity and quality affordable housing belongs in all communities. Thank you for all you do, and I believe with these two changes, the QAP will further the mission of Minnesota Housing and our state to a greater extent.

Thank you for considering this concerns and suggestions,

Stephen Ziff
S.L. ZIFF
Affordable Housing Advocate through Jewish Community Action and Beacon Interfaith Housing Collaborative

Minnesota Housing Finance Agency
2022-2023 Qualified Allocation Plan (QAP) Comments
July 22, 2020

To Whom It May Concern:

The mission of the Building Dignity and Respect Standards Council (BDC) is to set the standards for and monitor the development of a Twin Cities construction industry that advances the human rights of workers and the long-term interests of developers and contractors through implementation of the Building Dignity and Respect Program (BDR). This program, based on the Worker-driven Social Responsibility (WSR) paradigm, is built on the premise that in order to achieve meaningful and lasting improvements, human rights protections in corporate supply and production chains of goods and services must be worker-driven, enforcement-focused, and based on legally binding commitments that assign responsibility for improving working conditions to the companies at the top of those chains.

There is a crisis in the Twin Cities residential construction industry. Most commercial construction projects and many multi-family residential construction projects are done with union labor insuring that workers are treated with dignity and respect. But in industry sectors where unionization is not prevalent, such as single-family residential and multi-family residential in the suburbs, workers face rampant violations of their human rights. Wage theft and misclassification are rampant, labor trafficking, harassment and physical abuse are far too regularly part of the landscape.

We are grateful for the ways in which the Minnesota Housing Finance Agency has leveraged its funding to ensure compliance with prevailing wage, encouraged green building and addressed issues of community engagement and equity. We believe more can be done and reject the all too common ideas that we have to choose between affordability, the environment and fair treatment for workers. MHFA can and should make a real difference in the lives of construction workers, their families and their communities by building in additional measures that demand worker dignity and justice on funded projects.

Specifically, we would advocate for:

1. New scoring criterion for worker protection which could include points for projects that use workers that have union representation or work for contractors who have signed onto independent, worker-driven standards compliance and monitoring systems.
2. Expanding the contractor and developer exclusions to include misclassification, wage theft, serious safety violations, harassment and violence. Additionally, in light of the minimal compliance monitoring abilities of MHFA, co-enforcement models with other state and local agencies or independent standard and monitoring organizations should be explored.
3. Reconsidering any language, including the Innovative Construction Techniques preference, that may intensify the tendency to reduce costs through mistreatment of workers. This could perhaps be mitigated by requiring the same Innovative project bids to use union or worker driven social responsibility compliant contractors.

In this moment, when some of the deep inequities in our city are more apparent than ever, we must design a housing finance system that enhances workers' rights even as it seeks to fund desperately needed affordable housing. BDC looks forward to partnering with MHFA in this critical work.

Sincerely,

Rev. Doug Mork,
Executive Director
Building Dignity and Respect Standards Council (BDC)
doug@buildingdignityandrespect.org 612-310-5752

July 20, 2020

Attn: Tamara Wilson
Minnesota Housing
400 Wabasha Street North, Suite 400
St. Paul, MN 55102
HTC.MHFA@state.mn.us

Via Electronic Delivery

Re: 2022-2023 Housing Tax Credit Qualified Allocation Plan

Dear Tamara and team:

Thank you for your leadership on the development of the 2022-2023 Housing Tax Credit Qualified Allocation Plan. This work is important to the mission of Catholic Charities of St. Paul and Minneapolis to serve those most in need, and we appreciate the opportunity to offer comments for your consideration as you proceed with finalizing the plan.

Catholic Charities of St. Paul and Minneapolis began its mission of serving those most in need 150 years ago. Our programs for children, families and adults help nearly 23,000 people annually, regardless of faith, background or circumstance. We are a leader at solving poverty, creating opportunity and advocating for justice in the community. Catholic Charities has been and will continue to work in partnership with the State of Minnesota and other public and private partners on moving the needle to create more quality, affordable, and accessible housing for all.

Minnesota was experiencing unprecedented levels of housing instability and high levels of unaffordability in the housing market before the COVID-19 pandemic. Those levels are even higher now, and we expect that once the crisis subsides and the eviction moratorium is lifted, more people will be displaced from their homes. Black, Indigenous, people of color and low-income individuals are likely to be at the highest risk of losing their housing.

A central cause of Minnesota's affordable housing crisis is a shortage in housing stock. There simply is not enough affordable housing to meet the needs of everyone who needs it. At the same time, there are many barriers to affordable housing that are matters of racial and social justice. Fortunately, there are state remedies that can be applied in the form of tax incentives and regulatory reform to address these issues.

According to the Minnesota Housing Partnership's State of the State 2019 Biennial Report, only 39 percent of people of color and Indigenous households are homeowners, compared to 75 percent of white households. We support the proposed policy change which would give

preference to developers who allow for eventual tenant ownership as one way to help close the homeownership gap and help tenants build generational wealth, which will ultimately help boost the economy, too.

Mass incarceration and having a criminal record make it difficult for marginalized people to find safe, accessible and affordable housing. This is a struggle experienced by many individuals seeking services from Catholic Charities. Tenant screening criteria should not be used as a mechanism to discriminate against prospective tenants. For that reason, we support Minnesota Housing requiring all supportive housing units, units with any form of rental assistance, and units at or below 30% MSTP rent limits to adhere to Housing First principles, to refrain from screening out prospective tenants based on credit history and housing history, and to prohibit income-to-rent ratios. We encourage you to also consider placing limits on the maximum look-back period for misdemeanors and felonies when examining criminal histories. Requiring developers and housing providers to take these actions is a conscious acknowledgement of their role in addressing the systemic injustices that lead to inequities in housing and housing stability.

Housing justice polices must be intersectional and cannot be one size fits all. As the state's population grows, our communities diversify, so new housing developments should not be built on the assumption that they will solely be for single families and/or nuclear families. We support increasing the incentive to serve larger family sizes as part of the self-scoring worksheet to create more affordable housing opportunities that will keep families together. Permanent supportive housing that keeps families together contributes to positive health outcomes for children and to breaking the intergenerational cycle of poverty and homelessness.

As noted above, low housing stock is a central cause of the affordable housing crisis. Housing is the largest expense many people spend each month, and low housing stock strongly influences the high cost of rent people pay in every corner of the state. Changing the QAP to reflect deeper rent targeting for 30% MTSP rent units with or without service requirements, long-term affordability, and increased geographic choice will help ensure that people are able to plant firm roots in their communities and help relieve the stress of worrying each month whether rent costs will increase to the point of being unaffordable.

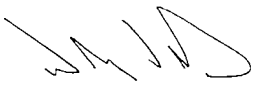
In addition, permitting communities to use a dynamic prioritization process will create more equity in housing placements through coordinated entry. The proposed change to the QAP that recommends a dynamic prioritization process for filling a High Priority Homeless unit(s) with the next highest need household when there is not an eligible household on the Coordinated Entry waitlist for supportive housing will allow more people to access housing and ensures that the people with the highest needs today are being served as soon as possible.

Finally, the 2022-2023 Housing Tax Credit Qualified Allocation Plan outlines a goal of "[ensuring] persons of color, Indigenous and female contractors and subcontractors equal access to business opportunities on Minnesota Housing financed projects and to encourage the presence of persons of color, Indigenous and women at all levels, including on the staffs of the participants having contractual agreements with Minnesota Housing." This goal is important to supporting equitable economic opportunities for Black, people of color and Indigenous

communities, which is also related to housing stability. Equitable economic opportunities will contribute to marginalized communities building community wealth and power.

Again, we thank you for your leadership in coordinating the State of Minnesota's 2022-2023 Qualified Allocation Plan and appreciate the State of Minnesota's partnership in serving those experiencing poverty and homelessness in our community.

Sincerely,



Wendy Underwood
Vice President, Social Justice Advocacy and Engagement
Catholic Charities of St. Paul and Minneapolis

From: Joe Nathan
To: Ho, Jennifer (MHFA); #MHFA_HTC; Viana, Nicola (MHFA); rachel.robinson@state.m.us
Cc: Franco, Rachel (MHFA)
Subject: Suggestions re your Qualified Action Plan
Date: Tuesday, July 21, 2020 10:05:37 PM
Attachments: UFA - MHA 3.0 .docx
MHFA_draft priorities .pdf

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Dear Commissioner Ho and Minnesota Housing staff

This is a thanks, along with some suggestions regarding priorities for Minnesota Housing's Qualified Action Plan. Thank you for your efforts to help meet needs of Minnesota youth, individuals and families who are homeless, and for holding listening sessions around the state. As you've asked, we've encouraged legislative support.

Some of the people who are signing this letter have been homeless. Others of us are district & charter educators, elected officials and a number of community and social media activists. We represent a variety of Minnesotans, rural, suburban and urban, from various ethnic and racial communities. We're eager to work with you.

Please confirm receipt of this email. Please let us know what if any changes you intend to make in the QAP. Thank you.

We have several recommendations regarding modification of the draft.

#1 Please include housing and related services for children and youth who are homeless as a priority. As we read the draft, we did not see the word "youth." Yet both reports to the Minnesota Department of Education, (found on Minnesota Education Report Card) and the most recent Wilder Foundation report cite the fact that there are thousands of homeless youth. Wilder's most recent report notes that homeless children and youth under age 24 "represent nearly half of the homeless population (46%)" Authorities acknowledge that these numbers do not reflect the full extent of youth homeless. MDE's numbers, for example, reflect only the number of homeless on one day in October. Yet many districts report that the number of homeless youth can be double, even triple this number of the course of a year. Moreover, as Wilder notes, "African Americans, American Indians, and youth who identify as LGBTQ are particularly over-represented among the homeless population. Researchers have found, long term negative impacts of homeless on children and youth. Minnesota's Dr. Tom Kottke, for example, pointed out that "Children are more likely to meet developmental milestones when raised in stable and healthy housing… . The American Psychological Association notes, "Homelessness has particularly adverse effects on children and youth including hunger, poor physical and mental health, and missed educational opportunities. Homeless children lack stability in their lives with 97% having moved at least once on an annual basis, which leads to disruptions in schooling and negatively impacts academic achievement." Research also pointed to the need for supportive housing environments such as, for example, Prior Crossing and Ain Dah Yung.

2. **Please include as a priority, teen parents and their children who are homeless**. The American Psychological Association notes that "Homeless single mothers often have histories of violent victimization with over one third having post-traumatic stress disorder (PTSD) and over half experiencing major depression while homeless. An estimated 41 percent develop dependency on alcohol and drugs and are often in poor physical health."

3. **We encourage language in the RFP that is explicitly, broadly inclusive –** of all races, ethnic groups, sexual orientation, marital status, age, disability, etc.

4. **Please include the possibility of students building homes for homeless**, as currently is being done in some communities via Youthbuild.

With respect and eagerness to collaborate,

Chauntyll Allen, member, St Paul Public School Board, organizer, Black Lives Matter
Nancy Bitenc, co-founder, United for Action: Dramatically Reducing Youth & Family Homelessness
Charlotte Castro, Educator
Anne DSousa, homeless advocate, moderator, Advocates for Those Unsheltered page, Facebook
James Farnsworth, Executive Director, Highland Business Association
Ed Felien, Editor/Publisher, *Southside Pride*
Hanna Getachew-Kreusser, Executive Director Face to Face Health & Counseling & Homeless Youth Programs
Katie Groh de Aviña, Executive Director, El Colegio High School
Margaret Hastings, Director " Illegal to Be Homeless"
Aaliyah Hodge, MPP
Wayne B. Jennings, Ph.D., retired educator (or author, School Transformation)
Thomas E. Kottke, MD, MSPH, St. Paul
Brook LaFloe, M.Ed, Niniijaanis One of Ones
David Law, JD, *Superintendent*, Anoka-Hennepin School District
Jane Leonard, President, Growth & Justice
Jonette M. Lucia, MMA consultant, Retired Coordinator, Northwest Hennepin Family Service Collaborative
John Mannillo, Chair of Saint Paul STRONG
Diggitt McLaughlin, St Paul Community Activist and West Sider
Alberto Monserrate, CEO, New Publica
Amy Meuers, Chief Executive Officer, National Youth Leadership Council
Joe Nathan, PhD, Director, Center for School Change, co-founder, United for Action
Carin Peterson, President, Sheridan Neighborhood Association
Sue Watlov Phillips, M.A., Executive Director, MICAH
John Poupart, Former Ombudsman Mn Dept of Corrections, President and Founder American Indian Policy Center (retired)
Jane Prince, St .Paul City Council, Ward 7
Khulia Pringle, Family Advocate. MN Parent Union
Khalique Rogers, Consultant to Youthprise on Homelessness, Univ of Mn student
Tony Simmons, Executive Director, High School for Recording Arts

Caleigh Souhan, Vice President of Sheridan Neighborhood Organization.
David Tilsen, former Minneapolis Public School Board member
Deb Tilsen, songwriter
Jim Scheibel, Professor of Practice, Hamline University, Former Mayor, Saint Paul
Wokie Weah, President, Youthprise

CENTRO DE TRABAJADORES UNIDOS EN LA LUCHA
3715 Chicago Ave. S., Minneapolis, MN 55407
612-332-0663

Minnesota Housing Finance Agency
2022-2023 Housing Tax Credit Qualified Allocation Plan (QAP)
July 22nd, 2020

The Centro de Trabajadores Unidos en Lucha, or CTUL, is a worker-led organization where workers organize, educate and empower each other to fight for a voice in their workplaces and in their communities. We partner with other organizations and leaders to build a movement to win racial, gender, and economic justice. We identify the root causes of injustice and work to shift the balance of power between those who have it and those who don't to improve the lives of our communities for present and future generations.

CTUL began in 2007 as a center where workers could come in with legal complaints, often of wage theft and abuse on the job. From the beginning, many of these workers have been in the construction industry and we now have a dedicated team working with our membership base in construction.

Wage theft - when workers are not paid for the hours they worked, are paid less than contracted for (sometimes less than the minimum wage), and/or are not paid for overtime - is endemic within the non-unionized construction industry. Indeed, it appears to be the established way of doing business. Workers often tell us they assume that annually they will not be paid for at least 25% of their hours, representing thousands of dollars stolen from individual low-income families and millions stolen from low-income communities every year. Physical abuse and labor trafficking has also been documented at non-unionized construction firms. Many labor brokers recruit workers with the promise to provide not just a salary but also housing and food. Instead, workers report facing physical abuse and sometimes prevented from leaving the job site for food or to use the bathroom. One of the reasons for this is that many workers are misclassified, meaning that instead of being listed as employees, they are registered as independent contractors, which means they are denied the benefits and protections they are entitled to under the law such as minimum wage, overtime compensation, family and medical leave, unemployment insurance, and some workplace safety protections. Further, this results in substantial losses to both federal and state governments in the form of lower tax revenue and less money to state unemployment insurance and workers' compensation funds.

Minnesota is not spared from these larger trends. The attached report, published last year, details the case of a number of workers on job sites around Minnesota. This is not the case of one bad apple labor broker or development company, but trends we have seen repeated across site after site, including projects built in collaboration with the Minnesota Housing Finance Agency, such as PedCor's River Glen Apartments in Rochester, which employed Ed Lunn Construction. Construction workers who worked on projects of Ed Lunn Construction including River Glen, have alleged a rampant pattern of wage theft on Ed Lunn projects. 38 employees

approached CTUL complaining of more than $160,00 in back wages they earned but were not paid in 2018. More information is available in this star tribune article: Rochester case is first test of new wage theft law.

While we applaud MHFA's recent move to seek guidance from DOLI that confirms that prevailing wage laws are in effect beginning with the 2019 funding round for most projects receiving bonds, grants, and deferred financing, we are concerned both with the minimum limits required to trigger those legal protections ($200,000 or $500,000 depending on the project) and the lack of applicability to Housing Tax Credit projects. We believe that all workers should be paid a fair wage and treated with dignity and respect. While we understand that MHFA is profoundly limited by federal regulations as related to LIHTC, we ask: What can MHFA do to ensure that every worker on every project built with MHFA funds is paid a fair wage and treated with dignity and respect as required both by law and by moral conscience?

We further applaud the steps that MHFA has already taken regarding green building and in encouraging tenant ownership. And we notice the increased effort by MHFA to focus on equity and community building. Nevertheless, MHFA is falling far short of where we hope it can be. We know, historically, that part of the bind MHFA finds itself in comes from the lack of funding from the federal and state government for housing truly in the public interest and, rather, the way systems have been set up to use public dollars to fund private corporations to build housing which may not even serve those with the largest need. This overall lack of funding and its diversion to private developers has real consequences: by MHFA's own estimates, we lose more Naturally Occurring Affordable Housing each year than MHFA can build in new housing. It also leads to the false belief that we must choose either good wages and working conditions for workers *or* truly affordable housing *or* buildings that are safe and environmentally sound but that we can't manage all three.

CTUL, in coalition with many partner organizations, stands for housing that is constructed by workers who are paid what they deserve to be and treated how they deserve to be; is long-term affordable to the lowest wage earners (and those that cannot earn a wage for whatever reason); is safe, secure, and healthy for those tenants; is owned/able to be collectively purchased by tenants or the public; is designed to provide jobs and housing to local residents; and is constructed with with green building materials and practices that prevent toxic emissions and preserve our natural environment and delicate ecosystems; In other words, we believe that residential construction can be a win for workers, for residents, for communities, and for the world, and we invite MHFA to partner with us in this vision.

These comments in particular will address how MHFA can improve working conditions at its project sites:

1. According to page 3 of the QAP Self-Scoring Guide, MHFA is extending a new "Preference for Innovative Construction Techniques" and will "make a reasonable effort to select a minimum of one project that meets this preference criterion," which is defined as a project that has the potential to "reduce total development costs by at least 10%" and/or to "reduce the time the project is under construction by at least 20%." While CTUL understands the need to use public dollars wisely, this criterion will almost certainly result in development costs being reduced by encouraging low-ball bidding

passed onto the workers in terms of wage theft and/or development timelines speeded up by workers being forced to work longer hours. This, in turn, will lead to increased worker injuries and deaths as workers are forced to labor weeks in a row without any days off. Already, construction work is the second most dangerous industry for workers in the United States accounting for 20% of all occupational deaths according to Bureau of Labor Statistics data. This is especially true of workers who are not members of a union. Construction unions provide safety training and monitoring of worksites to ensure that wage and hour laws and safety standards are being followed. CTUL is extremely concerned about this new preference and strongly believes it should be removed. If it is kept in, we believe the criterion should be expanded to award this preference only to a project that also agrees to use 100% union labor or to sign on with a Worker-Driven Social Responsibility approved monitoring organization to verify that the reductions in cost and speed are truly coming from innovations in construction rather than workers' health, safety, and paychecks.

2. For similar reasons, we believe that new criteria should be added for projects that support worker rights, which could include using union workers, employing individuals from the neighborhood, or signing onto a Worker-Driven Social Responsibility compliance and monitoring system.
3. We note that on page 19 of the QAP, MHFA states that certain parties are ineligible to participate in the program including contractors or developers "who have been convicted of, enter an agreement for immunity from prosecution from, or plead guilty, including a plea of *nolo contendere*, to a crime of dishonesty, moral turpitude, fraud, bribery, payment of illegal gratuities, perjury, false statement, racketeering, blackmail, extortion, falsification or destruction of records" and further that MHFA has discretion to remove others who have "serious and persistent compliance monitoring violations." CTUL encourages MHFA to expand the official list of disqualifications to include wage theft, assault, misclassification, and other crimes commonly encountered on the job site and to use its compliance monitoring abilities to make sure that developers and general contractors are not allowing such violations to occur on its worksites. If MHFA does not have such compliance monitoring abilities, we encourage you to partner with entities such as DOLI, the City of Minneapolis, and a Worker-Driven Social Responsibility approved independent monitoring body. MHFA should use its resources to make sure such provisions are enforced.

We look forward to continued work with MHFA on improving the working conditions of all those that build affordable housing for Minnesotans.

Sincerely,

Merle Payne
Co-Director
CTUL
merle@ctul.net

From: Julie Wischnack
To: #MHFA_HTC
Cc: Alisha Gray
Subject: Minnetonka QAP Feedback
Date: Wednesday, July 22, 2020 2:39:02 PM
Attachments: image001.png
image002.png

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Ms. Wilson-

The City of Minnetonka continues to have a demonstrated need for additional affordable housing in the community. Please consider increasing the affordability scoring criteria from the 40th to 50th percentile, as the cutoff for both the Lack of Affordable housing Options and Cost Burdened Households for Tier 2 points, to ensure that census tracts 264.02 and 262.05 are included as areas that have need for more affordable housing.

The requested changes would provide the city with the opportunity to add additional affordable housing units in areas that are identified for future redevelopment.

Please contact me if you have any questions. Thank you for your consideration.

Julie Wischnack, AICP | Community Development Director
City of Minnetonka | minnetonkamn.gov

14600 Minnetonka Blvd. | Minnetonka, MN 55345
Office: 952-939-8282 | Cell: 612-221-9530

From: Michele Schnitker
To: #MHFA_HTC
Subject: FW: 2022-23 QAP Need for More Affordable Housing Options -- proposed scoring change
Date: Wednesday, July 22, 2020 12:09:42 PM

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To whom it may concern:

The City of St. Louis Park is writing to submit a comment of the 2022 – 23 QAP need for more affordable housing options scoring criteria. The change proposed would add two additional qualifying tracts in St. Louis Park under the Need for More Affordable Housing Options criterion

Need for More Affordable Housing Options Scoring Criterion

Under the proposed 2022-2023 QAP, Minnesota Housing proposes to add a new scoring criterion, "Need for More Affordable Housing Options," as part of the "Increasing Geographic Choice" section. Points are awarded to projects located in a community where there is either a low share of affordable rental housing (affordable at or below 50% AMI) compared to all housing options in the community (both rental and ownership) or a large share of renter households are cost burdened (pay 30% or more of monthly income on rent).

To qualify as Tier 1 a tract must fall below the 20th percentile for lacking affordable rental options. To qualify as Tier 2 a tract must fall in the 20th-39th percentile for lacking affordable rental options.

In the Twin Cities 7-county metropolitan area (according to the 2012-2016 HUD Comprehensive Housing Affordability Strategy (CHAS) data) the percentiles for each category using only census tracts within the 7-county metropolitan area are as follows:

Percentile	Low Share of Rental Affordable Housing Relative to All Housing
10th	1.55% (Tier 1)
20th	3.07% (Tier 1)
30th	5.63% (Tier 2)
40th	8.74% (Tier 2)
50th	13.71% (proposed Tier 2)
60th	19.31%
70th	24.91%
80th	31.70%
90th	42.43%

The change proposes that the Tier 2 qualifying tracts fall below the 49th percentile for lacking

affordable housing instead of the 39th percentile (i.e. tracts where the share of rental housing affordable at 50% AMI or below is less than 13.71% instead of 8.74%). Forty-eight (48) additional metropolitan tracts in 31 cities would newly qualify for Need for Affordable Housing under Lacking Affordable Housing Options if this change were made, including two additional qualifying census tract in St. Louis Park. The 50th percentile is a widely used industry standard for the identifying the need for affordable housing and increasing the geographic areas opportunities will enhance potential site options for potential affordable housing developments.

Thank You

Michele Schnitker
Housing Supervisor/Deputy Community Development Director
City of St. Louis Park
5005 Minnetonka Boulevard, St. Louis Park, MN 55416
Office: 952-924-2571
mschnitker@stlouispark.org
www.stlouispark.org
Experience LIFE in the Park

From: Dan Walsh
To: #MHFA_HTC
Subject: CHDC Statement re: Proposed Change to the 2022-2023 QAP
Date: Monday, June 22, 2020 1:04:57 PM

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Hello,

Community Housing Development Corporation strongly supports the addition of the Preference for Innovative Construction Techniques in the 2022-2023 QAP for three reasons:

First, given the increasing need for affordable housing and for more deeply affordable housing, CHDC is focused on how to take affordable housing production to scale. Construction costs remain the largest line in development budgets, and this preference focuses on reducing them without sacrificing quality.

Second, stick frame construction and building processes have not substantively changed in nearly two hundred years and are therefore ready for analysis and innovation.

Third, construction costs have been consistently rising more than household incomes. We must reduce this gap in order to effectively accomplish the other policy goals in the QAP and Minnesota Housing's vision that all Minnesotans live in good homes.

Thank you,

Dan

I am working remotely and can be reached at 612-710-1232 (cell) or at dwalsh@chdcmn.org. Wishing everyone health and safety during this time.

Dan Walsh
Vice President, Housing Development
Community Housing Development Corporation
612-274-7817 direct
612-710-1232 cell
dwalsh@chdcmn.org

July 22, 2020 Submitted via email

Minnesota Housing
Attn: Tamara Wilson
400 Wabasha St. Suite 400
Saint Paul, MN 55101

Subject: Comments on the 2022-2023 Qualified Allocation Plan

On behalf of Construction Revolution, I am submitting the following comment on the draft 2022-2023 Qualified Allocation Plan (QAP).

Construction Revolution is a movement of individuals and organizations who share a common interest in **making housing more affordable for all — by dramatically reducing the cost to build it.** Our mission is to promote the effective use of offsite construction techniques in Minnesota by facilitating learning opportunities, advocating for adoption, and increasing public knowledge. Our vision is that by 2025, 10% of multi-family residential developments in Minnesota will meaningfully use advanced, offsite techniques.

We are writing to strongly support the inclusion of the "Preference for Innovative Construction Techniques" section of QAP. We are pleased that this section states that "Minnesota Housing intends to pilot and test a small number of developments that use innovative construction techniques". The Construction Revolution recently published an action plan developed following the Construction Revolution Summit. The action plan includes five recommendations, including the following: Incentivize a series of pilot projects using offsite construction through a public-private partnership request for proposals.

Research shows that developers who choose to use offsite construction techniques such as prefabricated modules for their developments will have an excellent opportunity to demonstrate the articulated goals of the pilot of reducing total development costs and/or reducing the time the project is under construction. We particularly endorse the requirement that projects selected as eligible for the preference write and publicly release a report after the project has been completed, outlining the lessons learned. As affordable housing developers look to incorporate offsite construction techniques into more of their developments, these reports will be extremely helpful.

There is one comment that we wish to recommend regarding the wording of one of the goals of the pilot program. We recommend that the goal read: "Reduce total **construction** costs by at least 10%" instead of referring to total development costs. While research shows that offsite construction can reduce construction costs by 10 to 20%, even a reduction of 15% in construction costs may not be enough to reduce total development costs by 10%.

There are two comments that we would like to make about the way in which Minnesota Housing implements this pilot program.

- First, we encourage the agency to publish the detailed criteria for the pilot program as soon as possible to allow developers to have ample opportunity to plan for competitively ranking projects that also qualify for the innovative construction technique preference.
- Second, we encourage the agency not to limit the number of projects that could qualify for this preference.

Thank you for including this important preference and pilot program in the draft QAP. It represents an important step in controlling the future cost of building affordable housing.

It is important to note that, while John Patterson serves as a member of the Construction Revolution core team, he did not participate in the preparation of this comment. If you have questions, you can reach me at marytingerthal@usa.net or at 312-953-3623. The Construction Revolution website is www.constructionrevolution.io

Sincerely,

Mary Tingerthal
On behalf of the Construction Revolution

Janet Anderson
2905 Northwest Blvd #150
Plymouth, MN 55441
763-354-5500
Date

MN Housing
400 Wabasha Street North #400
St. Paul, MN 55102

Dear MN Housing,

We are writing in response to the Proposed Tenant Selection Plan. As a company that has provided affordable housing for over 45 years and headquartered here in Plymouth, we wanted to express some concerns surrounding this proposal.

General

We ask that MN Housing further clarify the language in terms of who is responsible for costs associated with interpreter service. We are not a business of public accommodation and financially supporting interpreters should not be required. While we absolutely sympathize with the barrier, this is a costly option for those properties who serve a high number of residents who are not proficient in English.

Section 10. Supportive Housing

Dominium suggests additional clarity, by incorporating language in this section that requires a review process. Portfolio wide, we have an appeals process that can take place at applicants request after screening is completed. We recently adapted to the new Minneapolis Renter Protection Ordinance by allowing that process to take place at the point of application submission, before screening. This allows applicants to provide supporting evidence/documentation beforehand, of the possible negative records that may lead to a denied screening result.

Supporting documentation, issues impacting denial, relation to age of crime and potential impact or risk to others in the community, along with any rehabilitation efforts subsequent to crimes committed should be weighed and considered in the review process. Income should also be reviewed and based on resident's portion of the rent together with basic needs including utilities and food.

Tenant Screening Criteria - #2, 3, and 4

Removing the ability to screen applicants for credit, income minimums, or housing history is a large portion of what determines applicant eligibility for us. Specific to the income minimums; as stated above, residents will still be required to pay rent and utilities, along with the responsibility to maintain their household. With those financial commitments, we need to ensure they are not applying for something they cannot financially afford.

Dominium uses a credit scoring model, that looks to predict how an applicant will perform as a tenant by breaking down their credit problems into levels of risk. The scoring factors that help determine the overall risk include how much, how bad, and how recent. This is a much better approach, opposed to not screening credit history/score at all.

We appreciate the opportunity to express our concerns and hope they are considered when assessing these proposed changes.

Sincerely,

Janet Anderson
Vice President, Property Management
Domini

TO: DEVON POHLMAN
FROM: DOMINIUM INC.
SUBJECT: 2022 QAP
DATE: JULY 22, 2020

Your major revisions to the QAP are based on extensive listening sessions MHFA conducted throughout the state. We commend the agency for taking this approach. While we do not agree with all of the proposed changes, they were made based on feedback from stakeholders. We hope the agency continues on this path of listening.

The changes are so extensive that it is difficult to predict how they will impact affordable housing production, and what some unintended consequences might be. However, based on both internal discussions and conversations with other developers, the consensus is as follows:

> It will be more difficult to develop large-scale affordable apartment communities that don't utilize scarce resources and are financed with only 4% tax credits, and thus fewer units will be delivered. Is this what MHFA intends from these changes?

The remainder of our comments will comment on specific provisions of the QAP:

1. **Preference for Innovative Construction Techniques**
   This is very creative. We commend the agency for experimenting in this way, and we hope the results will be good.

2. **Deeper Rent Targeting**
   The language here is a bit unclear, but we are interpreting the language to mean that any project that receives 9% or 4% tax credits (even with PAB from MMB) must include 2% of its units at 30% AMI rents. Each 30% unit requires $200,000 - $250,000/unit in subsidy. For a 200-unit project that amounts to $800,000 - $1M of additional subsidy required. This means fewer projects will be feasible without more subsidy.
   Also, within this section, MHFA appears to be limiting landlords' ability/discretion to select residents based upon eviction history and criminal background. This may make sense for permanent supportive housing that already has many social supports in place, but we are not convinced this works in all instances.

3. **Large Family Housing**
   Encouraging bigger bedroom counts is a good idea within reason, but 75% is very high for 4% deals that generally are only viable when built as 4-story apartment buildings. This can work for small 9% deals, but

larger bond deals that are 4-stories in height are not ideal living situations for large family housing and generally don't have as much green space as townhome and other less dense 9% developments who can afford much higher land costs due to the subsidy they generate.

4. **Senior Housing**
   We are glad to see this need acknowledged in the self-scoring worksheet.

5. **Increasing Geographic Choice**
   It is not clear how the agency determines who has the lowest share of affordable housing, and which communities actually have more cost burdened renters. Either way, there will still be "winners" and "losers" as to which communities receive these points and thus which communities will likely receive state housing resources. Other states simply look at specific sites and measure their distances from a variety of amenities – at least that way, every community has a chance to receive these points, and thus housing resources.

6. **Community Development Initiative**
   This category is still too prescriptive and specific – this category should encourage communities to become partners with the agency, and not tell them how to plan.

7. **Equitable Development**
   We commend this idea and acknowledge that change comes slowly, and capacity building is important.

8. **POCIBE/WBE**
   Again, we command the agency for this move. Ownership is an especially powerful tool.

9. **Financial Readiness to Proceed**
   The previous method of calculating financial readiness to proceed was better because it measured gap filled above 1st mortgage and tax credit equity proceeds. This new method unfairly penalizes projects located in QCT's and DDA's that may not require as many gap fillers because of the basis boost in credits. If a deal doesn't need scarce resources or subsidy it should not be penalized and instead should be commended for being efficient.

10. **General Comments**

    For years the MHFA has been geared towards providing housing to those most in need. This new QAP focuses on those most in need even

more than previous QAP's. For taking this stand, we commend you – it is hard to fault the policy direction that focuses most resources on the most vulnerable. We believe that what is most needed for our most vulnerable citizens is more rental assistance. We understand that the QAP really has nothing to do with rental assistance. Still, we believe that MHFA should use its considerable advocacy power and bully pulpit to encourage more investment in this area.

It appears that the affordable housing crisis in Minnesota is getting worse. We believe that at least one reason for that is that we are simply not building enough housing. Currently all Private Activity Bond allocation (PAB) for Minneapolis, St. Paul, Dakota County, and MMB is over-subscribed, and almost all of this PAB is being used to create new housing. This means that we are at least using all of this federal resource to alleviate this crisis. Although the purpose of the QAP is to allocate tax credits, we believe that how we allocate PAB impacts affordable housing in Minnesota. As such, we would ask MHFA to outline explicitly under what circumstances it will allocate its PAB to multi-family production.

We appreciate the need to extend home ownership opportunities within the state. This needs to be balanced against a growing need for new housing units that isn't being met. The current use of Private Activity Bonds to support a very limited number of single-family home purchases—not new unit development--could be used to build over 4000 units of affordable multifamily housing. Those Private Activity Bonds bring Federal LIHTCs when used for development. When used for loan purchases they do not draw a Federal subsidy. Minnesota is leaving Federal funding for housing "on the table" when they use PABs for home purchases. We renew our suggestion that MHFA review this policy and maximize the Federal resources available to the State for housing development.

From: Jeff Von Feldt
To: #MHFA_HTC
Subject: Tenant Selection Plan Guidance feedback
Date: Tuesday, July 07, 2020 7:51:49 AM

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Good morning-

I wanted to comment on the proposed changes to the guidance provided by the Agency when processing new applications for housing.

For the past 30 years, I have been involved in affordable housing in one way or another. I have the perspective of a County HRA and it's property management division, a State finance agency, a private developer and a private property manager. Over those years, I have seen affordable, "Low-income", housing go from a detested, not in my back yard, almost impossible task to complete, to a needed amenity in a community. It is now understood that quality built, aesthetically pleasing, quality managed affordable housing is a must in order to attract and keep a vital economic base.

In the year 2000, John Dufy, our founder and president had his life and those of his kids threatened after City meetings in Woodbury, MN. This was because he wanted to bring affordable housing to a remote (at the time) part of the city. A City Council member resigned over the approval of the project to move forward.

In 2004, Duffy Development initiated a lawsuit against the City of Forest Lake because they were unfairly denying the creation of affordable housing in their City. They were not shy about what they thought. We eventually prevailed and was able to build our 38 townhouse units that still looks better than many newer, market rate, products built in the City. The City of Forest Lake is now hailed as a model of acceptance of affordable housing.

These are just a couple of examples of the worst cases, "back in the day". I bring these up because I am "fearful" that applying the changes to the TSP in all developments financed by Minnesota Housing may cause us to lose the gains we've been able to establish over the years.

Fear is a powerful tool. You can see this in our national and local politics. Fear, not reality, is the main reason for those battles in the early 2000's. We, and all of the other quality developers and management companies have worked very hard to make communities less fearful today. Remember the days when most communities in the Twin Cities had Crime-free multihousing programs? This was a program directed at all rental housing but was really meant to limit who was allowed into affordable housing. Cities came up with their own required screening criteria and some cities dictated which screening company we could use. Whether by force, or by opinion, these programs have basically disappeared.

There are many property management related reasons why this guidance shouldn't be applied to all development. I will let the experts take on those discussion items. I believe this will truly affect the creation of affordable housing throughout the State. As soon as these guidelines become public, fear will take over and Cities will find ways to limit or stop new development of affordable housing. It is my opinion, in a very short period of time, we will be right back where we started.

By the way, I am all in favor of the guidance for supportive housing units. We already use this flexibility in our screening.

Thank you for your time an consideration of my comments.

Jeff

Jeff Von Feldt
Duffy Development Company, Inc.
12708 Wayzata Blvd., Suite 400
Minnetonka, MN 55305
952-544-6769 x2

From: Tim Eian
To: Viana, Nicola (MHFA); Wilson, Tamara (MHFA); #MHFA_HTC
Subject: Re: Registration for call
Date: Tuesday, July 14, 2020 10:44:19 AM
Attachments: NAPHN19-Policy_Resource-singles.pdf

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Nicola, Tamara, et al,

Please have a look at the attached NAPHN19 Policy Resource Guide with specific focus on pages 23 and 24. I would be happy to continue this conversation with staff and to make the bridge between your process and carbon-neutral Passive House buildings. Thank you.

Mit sonnigem Gruß,
Tim

--
TIM DELHEY EIAN
Dipl.-Ing. (Architectural Engineer)
Certified Passive House Designer and Consultant
- Principal

te STUDIO
high performance architecture

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On Jul 14, 2020, at 10:30, Viana, Nicola (MHFA) <nicola.viana@state.mn.us> wrote:

Forgot to mention – you can speak for 5-10 minutes, Thanks!

From: Tim Eian [mailto:tim@testudio.com]
Sent: Tuesday, July 14, 2020 10:26 AM
To: Viana, Nicola (MHFA) <nicola.viana@state.mn.us>
Subject: Re: Registration for call

Nicola,

I'd like to enter a comment. I appreciate the opportunity and will wait for your cue.

Mit sonnigem Gruß,
Tim

--

TIM DELHEY EIAN
Dipl.-Ing. (Architectural Engineer)
Certified Passive House Designer and Consultant
- Principal

te STUDIO
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On Jul 14, 2020, at 10:12, Viana, Nicola (MHFA) <nicola.viana@state.mn.us> wrote:

Okay, just let us know. Thanks!

From: Tim Eian [mailto:tim@testudio.com]
Sent: Tuesday, July 14, 2020 10:12 AM
To: Viana, Nicola (MHFA) <nicola.viana@state.mn.us>
Subject: Re: Registration for call

I am on the call now—just listening in.

I have not been on prior calls but may ask to give a comment if appropriate.

Mit sonnigem Gruß,
Tim

--

TIM DELHEY EIAN
Dipl.-Ing. (Architectural Engineer)
Certified Passive House Designer and Consultant
- Principal

te STUDIO
high performance architecture

901 23rd Ave. NE

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On Jul 14, 2020, at 10:08, Viana, Nicola (MHFA) <nicola.viana@state.mn.us> wrote:

Hi Tim,
Have you joined us? We are taking attending via email.

To practice social distancing and protect the health of our partners and Minnesota Housing staff, I like many Agency employees are working remotely at this time. Our work with you and all of our partners remains our focus.

Nicola Viana
Housing Tax Credit Program Manager | Multifamily Division
Pronouns: she, her, hers

Minnesota Housing
400 Wabasha Street North, Suite 400 | St. Paul, MN 55102
Direct: 651.296.8277 | Fax: 651.296.8292

Housing is the foundation for success. | mnhousing.gov
<image001.jpg>
<image002.png><image003.png><image004.png>

Technical assistance provided by Minnesota Housing staff is only advisory and does not guarantee that a development will receive points under a particular category or be selected for funding. While every effort is made to ensure the accuracy of the technical assistance, such assistance is subject to, and does not modify or override, the requirements of Minnesota Housing's Qualified Allocation Plan, Housing Tax Credit Program Procedural Manual, the Housing Tax Credit Self-Scoring Worksheet and/or Request for Proposals Deferred Loan Priority Checklist, Multifamily Request for Proposals Guide, Multifamily Underwriting Standards or other documents related to applications for funding. Applicants are encouraged to review the materials available on the Minnesota Housing website and consult with legal counsel, and if applicable, a knowledgeable tax professional, to ensure compliance with all applicable application, submission, and project requirements.

From: Tim Eian [mailto:tim@testudio.com]
Sent: Tuesday, July 14, 2020 9:59 AM
To: #MHFA_HTC <HTC.MHFA@state.mn.us>
Subject: Registration for call

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Please register me for today's call. Thanks.

- **Tuesday, July 14**: **10:00 – 11:00 a.m. CST**: **Date and time change!** Public hearing via conference call. Dial-In toll-free number: 1.888.742.5095, Conference Code: 603-415-8008. You may register in advance for this meeting via email at HTC.MHFA@state.mn.us.

Mit sonnigem Gruß,
Tim

--

TIM DELHEY EIAN
Dipl.-Ing. (Architectural Engineer)
Certified Passive House Designer and Consultant
- Principal

te STUDIO
high performance architecture

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From: Tim Eian [mailto:tim@testudio.com]
Sent: Thursday, July 30, 2020 12:20 PM
To: Viana, Nicola (MHFA) <nicola.viana@state.mn.us>
Cc: #MHFA_HTC <HTC.MHFA@state.mn.us>; Wilson, Tamara (MHFA) <tamara.wilson@state.mn.us>
Subject: Re: Registration for call

Hello Nicola,

Thanks for the opportunity to expand. The conversation with Jerry was helpful. I understand now that Passive House is implied through Green Communities.

We have seen great adoption and cost-neutrality predominantly in states which have adopted specific Tiers and language for Passive House projects in the QAP directly. Therefore, we continue to request that it be spelled out not just via the Green Community proxy, but also specifically in its own Tier within the QAP. We offer to continue the conversation and supply information to supplement as needed to support the process.

Unfortunately, we just missed the North American Passive House conference which touched on this subject at great depth with examples from all across the country and stakeholders. However, please not this upcoming event that supports the argument and request:https://new-gravity-housing-conference.heysummit.com

We hope that you can make time to attend. There is a discount for housing authorities, as well as CEUs. Please also forward this information to Jerry as I do not have his direct email address.

Thanks and let us know if you have questions.

Mit sonnigem Gruß,
Tim

--
TIM DELHEY EIAN
Dipl.-Ing. (Architectural Engineer)
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July 22, 2020

2022-2023 Qualified Allocation Plan Comments

While organizations led by and connected to communities of color and indigenous communities have been historically absent in creating or commenting on Minnesota Housing's Qualified Allocation Plan (QAP), we possess **essential expertise in shaping the goals, incentives, and, ultimately, investments that the agency puts forward**. Given the disparate harm of past policies and investments in communities of color, we urge you to consider and prioritize our concerns, comments and collective values related to the 2022 QAP.

Equity in Place (EIP) is a diverse group of strategic partners from organizations led by people of color and housing advocacy organizations that believe everyone in the Twin Cities region deserves access to opportunity wherever they want to live. Our work is centered around an understanding of the legacy and ongoing impact of structural racism in the development and growth patterns of our region — and underscores and amplifies how it has impacted our communities' access to housing, property ownership, and wealth building opportunities. We believe the only way to address our regional inequities is by bringing the expertise of impacted communities into decision making processes in meaningful and powerful ways.

Based on our collective values and vision, EIP believes the QAP can better direct investments more equitably in our communities by:

- *Shifting investment patterns and strategies to directly invest in communities of color and indigenous communities in deeper and more intentional way*s. This starts by shifting away from geographic patterns of investment that further the logic and practice of disinvestment. It also means viewing investments through the lens of who will receive resources, jobs, wealth building opportunities, as well as who gets access to housing.
- *Increasing and prioritizing longer term and deeper levels of affordability in investments in housing.* For many of our communities, only housing at the deepest levels of affordability will be affordable to existing residents who are facing displacement pressures. This should be a priority for the allocation of MHFA's resources.
- *Barring any developer who aims to make profits, while mistreating or displacing tenants, from receiving the limited government resources* that support the productions and maintenance of affordable housing in our state. MHFA must tie fair housing enforcement to its consideration of scoring and, ultimately, which projects and developers are funded.

Having reviewed the draft 2022-2023 QAP, EIP has the following comments, critiques and observations:

- **Preference for Eventual Tenant Ownership** is a significant first step, but tenant ownership is a complex transition without the right financing tools. In addition to the preference, financing tools and models should be designed by the agency to specifically support projects that choose this path. Innovation can come from developers, but must be encouraged and led by powerful institutions like Minnesota Housing. Ideally, this preference would come with real points for projects with eventual tenant ownership, which would be a more impactful incentive.
- **Increased incentives to serve larger family sizes** is an important and positive change that will expand the supply of affordable housing to multi-generational households and larger families, many of whom come from communities of color and immigrant communities. Increasing the number of units to accommodate larger family sizes may bring additional challenges to a developer's application in the "Financial Readiness to Proceed/Leveraged Funds" category due to increased costs. Minnesota Housing must take this into consideration so that developers are not penalized for not having a high proportion of funding secured simply because they are striving to serve larger families.
- **Proposed changes to Tenant Selection Criteria** are critical to undoing generations of discrimination from banking, criminal justice, and housing institutions. Tenant screening criteria such as income requirements, criminal histories and credit scores are used as a proxy for race, which lead to discrimination and disparate outcomes in our rental housing market. Changing them helps decrease barriers to housing for communities of color and low-wealth communities, which result in increased access to the many housing opportunities created by agency financing. Our members have successfully advocated for changes to tenant screening in Minneapolis and Saint Paul because we know that without changes to tenant screening, it won't matter how many units of affordable housing are built - people will continue to be screened out of housing.
    - **The proposed changes should apply to *all units*** financed with the agency's Housing Tax Credits or deferred funding to equitably expand housing access for all Minnesotans.
    - **Minnesota housing should create enforcement mechanisms** to ensure that property owners are following tenant selection plan guidance. More often than not, prospective tenants don't know they have been discriminated against until they have been denied access to housing, and by then, it is too late. Minnesota Housing must ensure that property owners are following these guidelines - and should not put the burden on renters to prove when they have been wronged.
- We support the **deeper rent targeting for 30% MTSP rents** because the greatest need for affordable housing, especially in communities of color, is at 30% AMI and below. Serving a higher number of households at 30% AMI should be awarded more points.
    - Again, deepening affordability to accommodate lower income households may bring additional challenges to a developer's application in the "Financial Readiness to Proceed/Leveraged Funds" category due to increased costs. Minnesota Housing must take this into consideration so that developers are not penalized for not having a high proportion of funding secured simply because they are striving to deepen affordability and thus, increase housing access to families in greatest need.

- We strongly support increased points for **Long Term Affordability** and **minimum affordability term of 30 years** for all projects because the most fiscally responsible public investments are ones that are permanent and stay in service of the target beneficiaries in perpetuity. However, one necessary change is to **award additional points for long-term affordability for 50 years**, given the positive benefits to community.
- The removal of points awarded for **higher performing schools** is essential because it perpetuates disproportionate investment in whiter, wealthier neighborhoods while neighborhoods home to communities of color continue to suffer from disinvestment.
- Regarding the addition of a **new category based on the need for more affordable housing options**:
    - **We support the creation of the tier that awards points to projects in communities in which a large share of renters are housing cost-burdened**. It is an important step towards centering people, as opposed to place, in housing investment decisions.
    - For the same reasons, **we are concerned about the tier that awards points to projects in communities in which there is a low share of affordable rental housing** compared to all housing options in a community. This shifts the focus from people to geography, which has historically been used as a proxy for race in determining community investments. There are affordable housing needs in communities where little exists, but this tier risks disadvantaging historically disinvested communities that may be home to many NOAH properties, but have not received housing investments.

Our coalition has engaged in the QAP feedback process for the past two years, and the agency's willingness to center BIPOC communities and BIPOC-led community organizations is contributing to necessary changes to achieve a more equitable housing system. We hope these relationships and meaningful conversations can continue into the future. Thank you for the opportunity to provide feedback.

Equity in Place

African Career, Education, and Resources, Inc. / Alliance for Metropolitan Stability / American Indian Family Center / Community Stabilization Project / Center for Urban and Regional Affairs / Frogtown Neighborhood Association / Hope Community / Housing Justice Center / Jewish Community Action / Metropolitan Consortium of Community Developers / Minnesotans Standing Together to End Poverty and Homelessness / Native American Community Development Institute / New American Development Center / Pueblos de Lucha y Esperanza / Urban Homeworks / West Side Community Organization

From: Lisa Marvin
To: #MHFA_HTC
Subject: comments regarding tenant selection plan being used at HTC sites
Date: Tuesday, June 23, 2020 12:31:53 PM

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I am deeply concerned about a couple of the changes you are advocating for both sites that offer services and to have this added to HTC site criteria.

1.Adherence to Housing First principles, including addressing how tenant screening criteria reduces barriers to accessing housing.

2. Applicants cannot be screened out based on housing history. This includes eviction history, references from previous landlords and others, as well as money owed to previous landlords or money owed for utilities.

3. Applicants cannot be screened out based on credit history, including credit score.

My first concern: you will set a precedent that it does not matter what you do to the current place you are renting, you will not be denied housing. Sites that have little cash flow, you will jeopardize their financial position. references from previous landlords – the resident that destroyed the home, thousands in damage we cannot consider? The resident that has loud parties over and over, throws beer bottles from balconies at people walking by, starts a fire in the home -all things I have actually dealt with -you want those to not matter?

Our properties that have services, we absolutely have a different criteria than our tax credit sites. We understand we are to serve a different purpose at those sites and we do. Housing Tax credit properties have a purpose to offer affordable homes. We do that – we have HTC sites that across the street there are market rate properties literally thousands of dollars more for rent per month. Our mission is to offer affordable homes. To add the burden of allowing people who have done serious harm at buildings, made it absolutely horrible to live next to is simply unfair to those owners, those managers and our residents.

Lisa L. Marvin, CEO
Certified Fair Housing Specialist, COM and COS
Essence Property Management, Inc.
3601 18th Street South, Suite 117
St. Cloud, MN 56301
Phone: 320.255.9910 Fax 320.255.5128
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July 22, 2020

Minnesota Housing
Attn: Tamara Wilson
400 Wabasha St. Suite 400
Saint Paul, MN 55101

Via e-mail to HTC.mhfa@state.mn.us

Re: 2022-2023 QAP and 2021 Consolidated RFP Funding Priorities

Dear Minnesota Housing Multifamily Team:

Thank you for the opportunity to provide feedback on the 2022-23 Qualified Allocation Plan.

Family Housing Fund (FHFund) supports the overall goals of the proposed plan, and believes the following specific elements of the proposal are particularly important:

- **Proposed "Preference for Innovative Construction Techniques."** Building on the recommendation of the Minnesota Taskforce on Housing to create an innovation hub for off-site construction in the state, and on the action steps proposed by the 2019 Construction Revolution Summit co-sponsored by both Minnesota Housing and FHFund, this priority is worth investing in because of its unique potential to substantially reduce costs and bring units online faster. We encourage the agency to published detailed criteria for this pilot as soon as possible, to allow developers to have ample criteria to plan their projects. We also encourage the agency not to limit the number of projects that could qualify for this preference.

- **Proposed changes to target populations that are not adequately served by the current rental housing market, including the broader application of these changes to the 4% Housing Tax Credit and deferred financing programs.** Given the limited public resources available, it is appropriate to bring these resources to bear to incentivize the creation of 30% AMI rent units, including those not in a supportive housing setting; to require 30-year or longer terms of affordability; and to incentivize the creation of larger family units, across all multifamily programs at the agency. Additionally, FHFund supports updating guidance on supportive housing tenant selection to reduce barriers to housing access.

- **Proposed changes to geographic scoring criteria.** It is appropriate to create incentives for projects in communities with no recent multifamily awards, and the proposed simplified set of criteria will clarify the assessment of communities' need for more affordable housing options.

- **Proposals for incentivizing participation of People of Color-, Indigenous-, and Women-owned Business Enterprises.** Given deeply embedded racial wealth gaps in our state, and related barriers to entry in real estate professions, FHFund supports the agency's efforts to encourage development teams to include People of Color, Indigenous, and Women-led companies and to build the capacity of these entities.

Thank you for your consideration. Please feel free to contact me with any questions.

Sincerely,

Sarah Berke
Program Officer
612.274.7690
sarah@fhfund.org

From: Faust, Clinton J
To: #MHFA_HTC
Cc: Debra Rodgers
Subject: QAP Changes
Date: Tuesday, July 21, 2020 8:41:00 PM

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Please keep the current scoring formula criteria active going forward for affordable housing projects, and do not change it to one that hurts the most vulnerable people in our society. Leave it as it is please.

Thanks,

Clint Faust

Clinton J. Faust, CFP® | CERTIFIED FINANCIAL PLANNER™ practitioner | Financial Advisor | Ameriprise Financial

Ameriprise Financial Services, LLC
10405 6th Ave N. #220 | Plymouth, MN 55441
Office: 763-543-5182 | Fax: 763-231-0535 | clinton.j.faust@ampf.com
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July 22, 2020

Minnesota Housing
Attn: Tamara Wilson
400 Wabasha Street North, Suite 400
Saint Paul, MN 55102

Re: 2022-2023 Proposed Qualified Allocation Plan

Dear Ms. Wilson:

Fresh Energy respectfully submits these comments regarding Minnesota Housing's proposed 2022-2023 Qualified Allocation Plan (QAP). Our comments focus on the opportunity for points encouraging developers to incorporate Passive House standards. The energy conservation as well as health and safety benefits of passive standards are well documented and provide a cost-effective pathway for achieving significantly higher conservation performance as compared to conventional projects.

Incentivizing Passive Standards in the QAP

While we commend Minnesota Housing for including 2020 Enterprise Green Communities Certification Plus Standards (which include Passive House) as a pathway within Tier 3 Enhanced Sustainability criteria, we believe that recent evidence from other states' experience shows that Minnesota Housing could leverage even greater energy conservation achievement amongst 9% credit LIHTC projects *without* adding to construction costs. Importantly, the result of the currently-proposed bundling of points within the Enhanced Sustainability section is that a developer can fully realize the maximum available competitive evaluation points regardless of whether the developer proposes relatively easy-to-achieve or more challenging conservation standards. Developers receiving maximum points for sustainability should be required to achieve significantly higher conservation performance than other projects.

An illustrative example of the benefits of specifically awarding standalone points for high-quality passive standards comes from the Pennsylvania Housing Finance Agency (PHFA). The PHFA awards 10 QAP points (out of 130 total), or 7.7% of total points, to proposals that meet the passive PHIUS+ standard in project design and construction. Notably, awarding significant points for a rigorous standard such as PHIUS+, as well as separating the points for PHIUS+ from other less-rigorous green certifications, resulted in 28% of proposals incorporating passive standards in the first three years of the policy.[1] As a result, nearly 900 units of super-energy efficient passive affordable housing is already constructed or underway in Pennsylvania, a significant success story.[2]

[1] Legere, Laura. December 31, 2018. *How a Pa. affordable housing agency is making ultra-efficient buildings mainstream*. Pittsburgh Post-Gazette. Link
[2] Semke, Zachary. February 21, 2020. *Low income housing tax credits: A sleeper PH catalyst*. Passive House Accelerator. Link

Passive Projects are Cost Competitive

Furthermore, the data from Pennsylvania demonstrate that the construction costs of projects meeting the PHIUS+ standard are fully competitive with construction costs across the rest of the project pool. According to data from the PHFA, the cost of passive housing projects built between 2015 and 2018 was actually about $2 *lower* per square foot than the remainder of the project pool (Figure 1).[3] The project data pool is large, including 74 passive projects and 194 in the remaining project pool, and is not the result of a small number of projects skewing the result.

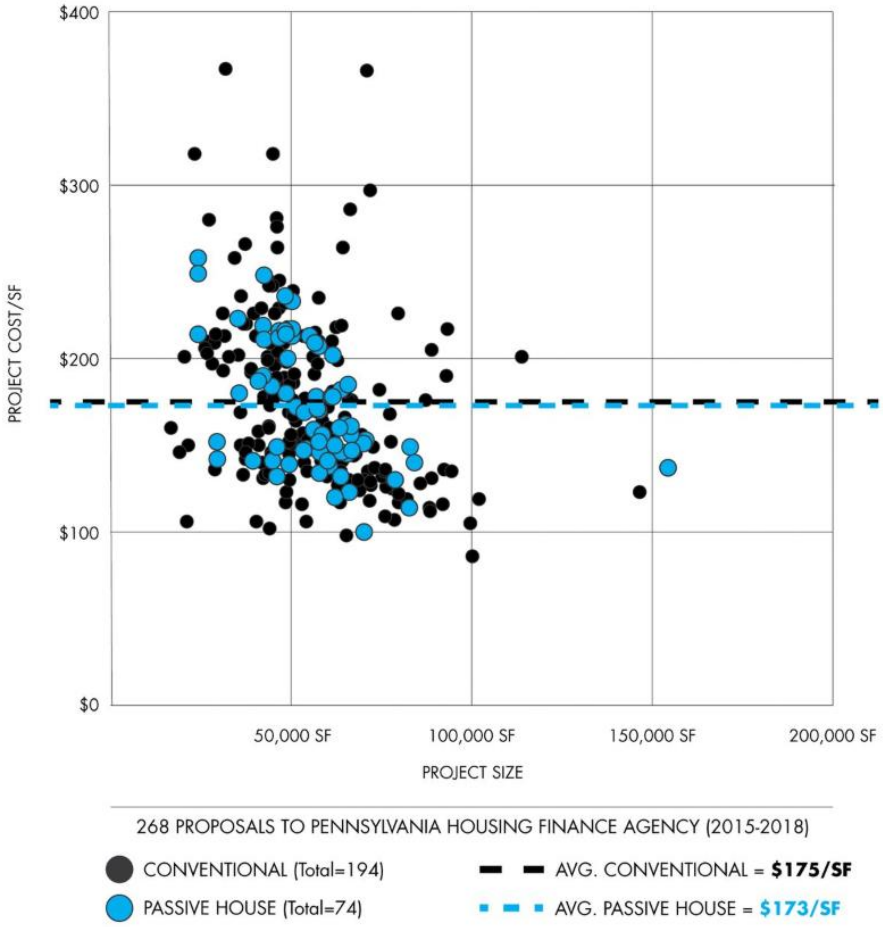

Figure 1 Project size vs. project cost for 268 proposals approved by the PHFA over three years. Figure production is by Semke Studio and data is sourced from the PHFA.

Passive Projects Reduce Energy Burden

Passive projects meeting the PHIUS+ standard are far more energy efficient than code. The largest source of energy reduction in PHIUS+ vs. standard construction is the heating and cooling load, which is the most difficult factor to improve in subsequent building retrofits. If plug loads are removed from

[3] *Id.*

the equation, the relative reduction from code to PHIUS+ is even larger than 65%, demonstrated in Figure 2, below.[4]

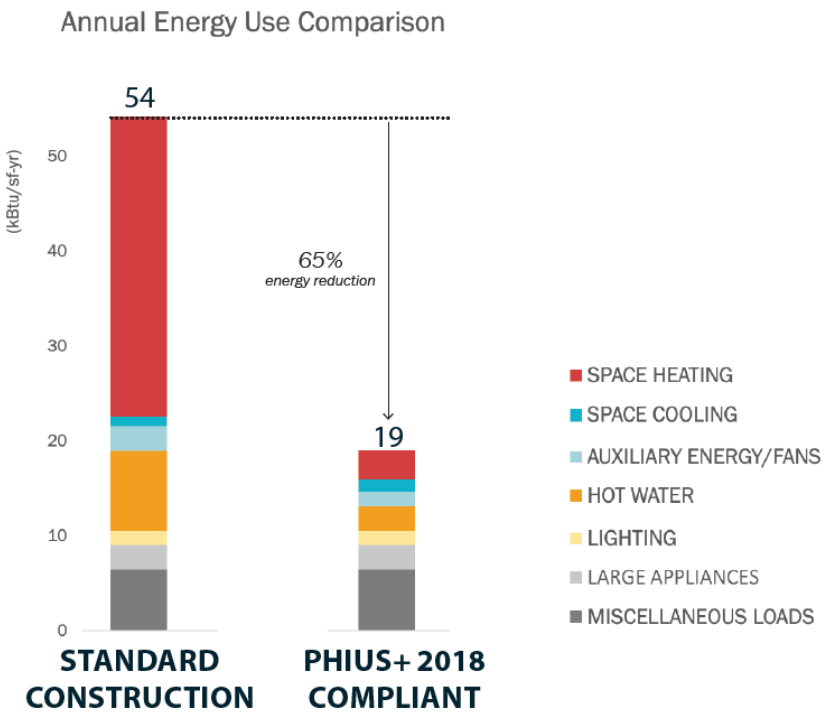

Figure 2 Annual energy use comparison for PHIUS+ 2018 compliant affordable townhomes within the Community Action Center of Northfield, MN and standard construction. Data and figure are courtesy of Elizabeth Turner, Precipitate.

A critical goal of affordable housing is achieving a low and/or predictable energy burden for residents. Minnesota's very cold winters and increasingly warm summers make this particularly challenging. However, project development to passive standards means that building envelopes are very robust and thermal bridges are all but eliminated, allowing residents to rely on very small amounts of energy to achieve comfortable space conditioning. This is true on the very coldest and warmest days of the year because the building – single as well as multi-family - retains the heating and/or cooling so efficiently. Efficient and sustainable building design achieved via passive standards therefore results in significantly lower energy burden for residents as compared to conventional builds.

Passive Projects Improve Health and Safety

Passive standards importantly allow for the implementation of highly energy efficient all-electric appliances that can run on very small amounts of carbon-free renewable energy (e.g. cold climate air-source heat pumps, heat pump water heaters, induction cooktops and ranges). This is particularly important for low-income households, which tend to have more exposure to indoor air pollution

[4] Turner, Elizabeth. July 9, 2020. *How can all-electric affordable housing really work?* Fresh Energy's 'Truly Affordable Housing' Webinar Series, Part 1. Link

associated with the combustion emissions from fossil fuel-fired appliances and are therefore more likely to suffer health impacts like asthma**.**

Fossil fuel combustion in homes is inherently more harmful to human health than electric appliances. Fuel combustion emits particulate matter, nitrogen oxide, nitrogen dioxide (NO_2), formaldehyde, and carbon monoxide.[5] In fact, studies have shown that indoor air pollution from gas stoves can exceed standards for outdoor air pollution. For instance, roasting meat in a gas oven can produce up to 296 parts per billion (ppb) of NO_2, compared to the EPA's outdoor standard of 100 ppb and the World Health Organization's indoor guideline of 106 ppb.[6] Health Canada, the federal department responsible for public health in Canada, recently found that short-term exposure to NO_2 levels above 90 ppb can cause decreased lung function and increased airway responsiveness in asthmatics. Another recent study found that electrifying gas appliances would result in 354 fewer deaths and 596 and 304 fewer cases of acute and chronic bronchitis, respectively.[7]

Conclusion

In sum, we strongly encourage Minnesota Housing to separate Passive House standards as a category for which projects can be awarded points, and to allocate enough points - at least 8% of total points - to meaningfully encourage development in this area. Properly incentivizing Passive House standards will ensure that the health and energy-saving benefits of Passive House construction effectively reaches residents in affordable housing throughout Minnesota.

We applaud Minnesota Housing for its continued efforts to provide safe, affordable, and equitable housing, and appreciate the opportunity to comment.

Sincerely,

Margaret Cherne-Hendrick
Fresh Energy
408 Saint Peter Street, Suite 220
St. Paul, MN 55102
651.294.7143
cherne-hendrick@fresh-energy.org

[5] Seals, Brady and Krasner, Andee. 2020. *Health Effects From Gas Stove Pollution*. Rocky Mountain Institute, Mothers Out Front, Physicians for Social Responsibility, and Sierra Club. Link
[6] *Id.*
[7] Zhu et al. April 2020. *Effects of Residential Gas Appliances on Indoor and Outdoor Air Quality and Public Health in California*. UCLA Fielding School of Public Health. Link

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VIA EMAIL ONLY

July 22, 2020

Devon Pohlman
Manager of Multifamily Programs
Minnesota Housing
400 Wabasha St N #400
St Paul, MN 55102

SUBJECT: GMHF COMMENTS ON 2022-2023 QAP

Dear Devon:

Minnesota Housing has developed a strong set of proposals for the 2022-2023 Qualified Allocation Plan (QAP). The strength of the Agency's work is especially notable given 2020's dual challenges of COVID-19 and social unrest and the pivoting required to meet the unique needs posed by these challenges. Greater Minnesota Housing Fund (GMHF) is in favor of most of Minnesota Housing's proposed changes to the 2022-2023 QAP. Minnesota Housing's proposed changes align with the missions of both the Agency and GMHF to support the creation of strong communities and affordable homes.

This alignment is underscored in the Agency's proposal to eliminate the point category for projects located in areas with high performing schools. This change will allow for an expansion of the geographic reach of affordable housing investments.

Similarly, GMHF is very supportive of Minnesota Housing's proposal to increase the percentage of large family units in tax credit-assisted projects to further serve tenants with the greatest needs.

In addition to providing our overall support for the changes Minnesota Housing has proposed to the 2022-2023 QAP, we would also like to offer a couple of suggestions that we believe will improve the outcomes for residents and communities.

- Along with providing new incentives for serving larger household sizes, we recommend providing incentives for specific housing types that work better for larger family sizes such as townhomes, and more common space where townhome-style apartments are not feasible.

- To further incentivize community and economic development goals, we suggest expanding the MBE/WBE category to include three sub-categories: 1) Internal Development Team, 2) External Development Team, and 3) MBE/WBE Development Partnerships. This will encourage women and people of color throughout the development process.

Thank you for all the hard work you and the entire Minnesota Housing staff put into the QAP and the RFP each year, We appreciate this opportunity to provide comments and participate in sharpening the 2022-2023 QAP.

Sincerely,

John Rocker
Director of Lending

From: Allan & Alan HENDEN/SCOTT
To: #MHFA_HTC
Subject: Comment on Proposed Tenant Selection Plan (TSP Guidance)
Date: Thursday, July 16, 2020 12:56:33 PM
Attachments: Outlook-m1xgamyy.png

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Greetings,

My name is Allan Henden. I am writing today to support the proposed changes to the Tenant Selection Plan (TSP). I believe we should be lowering barriers for applicants to supportive housing units, so they have access to a safe and affordable home. I support the proposed criteria stating applicants should not be screened out for past housing history, including eviction history, references from previous landlords and others, as well as money owed to previous landlords, money owed for utilities. Nor should they be screened out based on credit history, including credit score, nor denied due to an income to rent ratio (e.g., “income must be two or three times the rent amount”).
In my work, I have experienced too many people who should be the highest priority for supportive housing screened out of these opportunities. Removing barriers to housing will allow all Minnesotans access to the safe and affordable housing we all need.

Thank you,

Allan Henden

From: Tracy Schumacher
To: #MHFA_HTC
Subject: Feedback on QAP
Date: Tuesday, June 16, 2020 2:34:04 PM

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Greetings!

I just wanted to provide some feedback on the options to fill a unit outside of CE after a certain number of days. I looked in the QAP summary and found the below. Some thoughts I am having..

Sometimes these units do sit empty for 60 days but it is not because CE hasn't referred 1,2,3, or more referrals to the provider. It's that CE refers, the provider denies, CE refers, the family declines the referral, CE refers and the provider is "unable to locate them ", etc. Hennepin CE always has households on the PL the fit the funding requirements for these units. Whether or not the providers wants to serve them, follows up with them in a timely fashion, etc. – it outside of our scope. However, we have found that it is these providers that come to Minnesota Housing and say "CE can't fill my units" – which is just not true. So, somehow, I just think there needs to be a balance with this. These providers, as you know, really operate across the board, but there are some that very blatantly don't want to serve the homeless population and I could see them taking advantage of this policy. Perhaps before authorization is given to the housing provider to be filled outside of CE, a conversation? A form? Some type of communication should be had with Minnesota Housing and CE. Hopefully this makes sense! I will admit I haven't read all of these documents so perhaps there are other stipulations that wouldn't allow this to happen.

Overall, I hoping the tenant selection criteria that has been proposed will help. All and all, I think these are amazing steps toward giving the providers guidance and holding them responsible.

Thank you for your time!

1. An owner may request approval in writing from Minnesota Housing to prioritize filling a vacant HPH Unit(s) with the next highest need household in accordance with the Supportive Housing Guide if the HPH Unit(s) is unable to be filled with highest priority household on the permanent supportive housing waitlist in the Coordinated Entry system.

2. If, after a minimum 60-day period, or other time period approved by Minnesota Housing, an HPH Unit(s) is unable to be filled by a household through the Coordinated Entry system or the prioritization process outlined above, temporary relief from the HPH Unit may be requested from Minnesota Housing to permit a non-HPH household to fill the unit. The next comparable available unit is subject to the HPH Unit requirements when a

vacancy occurs.

Tracy Schumacher, MA
Principal Planning Analyst – Coordinated Entry System
Hennepin County- Office to End Homelessness
612.388.9949
hennepin.us/coordinated-entry
For general CES inquiries or status updates, please email: ces.hennepin@hennepin.us

**Please Note: I will respond to emails within 3-5 business days.*

If you would like to be added to the Hennepin County Coordinated Entry listserv – "the Hennepin CES Scoop", please click here: subscribe

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From: Eric S Richert
To: #MHFA_HTC
Subject: Supporting Proposed TSP criteria
Date: Wednesday, July 15, 2020 12:20:05 PM
Attachments: image002.png

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Greetings,

My name is Eric Richert. I have worked in the housing and homeless field for 10+ years. I have seen again and again the biggest barrier to housing is tenant selection criteria, which disproportionally discriminates against people of color. I am writing today to support the proposed changes to the Tenant Selection Plan (TSP). I believe we should be lowering barriers for applicants to supportive housing units, so they have access to a safe and affordable home. I support the proposed criteria stating applicants should not be screened out for past housing history, including eviction history, references from previous landlords and others, as well as money owed to previous landlords or
money owed for utilities. Applicants also should not be screened out based on credit history, including credit score. Finally, an income to rent ratio (e.g., "income must be two or three times the rent amount") should not be allowed in screening criteria.

Removing barriers to housing will allow all Minnesotans access to the safe and affordable housing we all need.

Thank you,

Eric

Eric Richert *(He/Him/His)*
Communications Planner
Human Services - Housing Stability Area
Hennepin County, Minnesota
Eric.Richert@hennepin.us
612-363-8302

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From: Tracy Schumacher
To: #MHFA_HTC
Cc: Amy E Donohue
Subject: Feedback
Date: Thursday, July 16, 2020 2:58:52 PM

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Hi Vicki & Sara,

When you say "fill the unit 60 days from vacancy" do you meant that the household is housed in the unit or that they have been approved to be housed there? Or some other measure?

Also, what are the parameters to allow them to go outside CE. I know I've mentioned before but, we might refer 3 households in a 60 day window and they all be rejected by the provider (or 2 rejected, 1 unable to locate, etc.). However, CE will still have more households to refer – so to say that CE "can't fill the unit isn't accurate.

Also, pointing out another issue with timelines…
it might take a housing provider 2 weeks to even call a referral for the first time, another 2 week to get them in at intake and enrolled into the program, and 2 weeks later they deny the referral for some reason. Depending on how efficiently the housing provider works can definitely impact how efficiently referrals move through the system. These are just a few examples of some gray areas I see and overall have some concerns.

Thanks!

Tracy Schumacher, MA
Principal Planning Analyst – Coordinated Entry System
Hennepin County- Office to End Homelessness
612.388.9949
hennepin.us/coordinated-entry
For general CES inquiries or status updates, please email: ces.hennepin@hennepin.us

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From: Smith, Amy
To: #MHFA_HTC
Subject: Support for Tenant Selection Plan
Date: Thursday, July 16, 2020 11:22:20 AM

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Good Afternoon,

My name is Amy Smith, I am writing today to support the proposed changes to the Tenant Selection Plan (TSP). I believe we should be lowering barriers for applicants to supportive housing units, so they have access to a safe and affordable home. I support the proposed criteria stating applicants should not be screened out for past housing history, including eviction history, references from previous landlords and others, as well as money owed to previous landlords, money owed for utilities, based on credit history, including credit score. or denied due to an income to rent ratio (e.g., “income must be two or three times the rent amount”).

Removing barriers to housing will allow all Minnesotans access to the safe and affordable housing we all need.

Thank you,

Amy Smith
Sr. Community Health Worker
Hennepin Healthcare – Internal Medicine Clinic

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From: Powell, Destiny
To: #MHFA_HTC
Subject: Tenant Selection Plan
Date: Thursday, July 16, 2020 1:08:24 PM

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Greetings,

My name is Destiny Powell, I am writing today to support the proposed changes to the Tenant Selection Plan (TSP). I believe we should be lowering barriers for applicants to supportive housing units, so they have access to a safe and affordable home. I support the proposed criteria stating applicants should not be screened out for past housing history, including eviction history, references from previous landlords and others, as well as money owed to previous landlords,
money owed for utilities, based on credit history, including credit score. or denied due to an income to rent ratio (e.g., “income must be two or three times the rent amount”).

Removing barriers to housing will allow all Minnesotans access to the safe and affordable housing we all need.

Thank you,

Destiny Powell, RMA
Sr. Community Health Worker
Health Care Home
Phone 612-873-5065 | Vocera 612-873-1738 | Pager 612-580-1437
Destiny.Powell@hcmed.org

Hennepin Healthcare Internal Medicine Clinic
Clinic and Specialist Center - Level 2 Room (A2.209)
715 South 8th Street, Minneapolis, MN 55403

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VIA EMAIL

July 22, 2020

Minnesota Housing
attn: Tamara Wilson,
400 Wabasha Street North, Suite 400,
St. Paul, MN, 55102.

RE: 2022-23 Qualified Allocation Plan and Tenant Selection Plan Guidance

To Whom It May Concern:

The Housing Justice Center (HJC) submits the following comments on the Minnesota Housing's Draft 2022 QAP and the Proposed Tenant Selection Plan Guidance.

Tenant Selection Plan Guidance

Housing Justice Center has been engaged in research for the past two years on best practices related to tenant screening. We were pleased to see the proposed changes, which should improve outcomes in tenant selection decisions. Based on the research that we have undertaken with our community partners, we recommend some additional changes to strengthen the excellent work that Minnesota Hosing had conducted in this area.

Screening Criteria

We support the proposed changes for certain housing, including supportive housing and 30% AMI housing. We agree that specific commonly used screening criteria, including rental history, credit history, and minimum income requirements, should be eliminated. Our research shows that these criteria are frequently problematic, plus the extra assistance applicants will receive in these developments reduces the likelihood past rental problems will resurface. We believe that proposed changes do not go far enough concerning the broader universe of tax credit and other new developments Minnesota Housing assists.

In suggesting the following approach, we think the goal should be to remove unnecessary screening barriers for all housing the agency touches. For all other Minnesota Housing's assisted housing, we suggest the following.

1. Rental History. Our review of existing screening policies suggests most policies disqualify applicants with evictions in the last 2-3 years. On the other hand,

some providers still disqualify applicants with evictions 5-6 years old, or in some cases, any eviction ever. The Guidance should call for providers to eliminate evictions more than 3 years old as disqualifying.

2. Credit history. A credit score by itself should never be disqualifying because of the inherently discriminatory nature of credit scores. The use of credit scores should be prohibited as criteria in the tenant screening process. Some information in credit reports can be relevant for landlords to consider, such as back rent or utility charges owed, as long as extenuating circumstances are considered.

3. Minimum income requirements. While advocates, public officials, affordable housing developers, and service providers strive for a standard of affordability based on 30% of income for rent, that is not the reality for most of the market. About 40% of Twin Cities renters are paying well over 30% of their income for rent, with only a small percentage of them defaulting. This means that even though that population is mostly managing to pay rent at a lower income to rent ratio successfully, they would all be barred from applying for housing requiring an income of three times the rent, a standard still frequently used in the industry. There are indications that more and more providers are moving to a standard of income of 2.5 x the rent. The agency should mandate this more reasonable and realistic standard as the maximum for all providers who want to use minimum income tests.

Screening Process

More transparency is needed in the application process and screening decisions. In our review of tenant screening policies both in tax credit development and private unassisted housing, the language was frequently too general to enable an applicant to determine if it was worth investing time, money, and effort to apply. For example, some plans that we looked at used criteria such as “positive rental history” or “positive credit history” without any indication of what those terms mean, Plans would also frequently declare that certain conduct “may” disqualify a tenant, implying some discretions will be exercised, without any further indication of how. The guidance should require that plans are both sufficiently detailed and transparent to enable applicants to determine whether it is worth their time and money to apply.

The opportunity to explain individual circumstances should be provided upfront in the application to do the most good. The Guidance currently addresses the importance of offering appeal processes for denied applicants, including a procedure that can correct erroneous information and provide new details explaining circumstances that led to the denial. However, in our conversations with those nonprofit housing providers with the most robust appeal procedures, they reported very few applicants making use of

appeals. This is consistent with our project research, which suggests that when applicants were denied housing, they immediately turn to the next application opportunity rather than inquiring about appeals or seeking a reconsideration. This is why the Guidance should require that all applications provide a chance to explain any mitigating circumstances a tenant believes are relevant.

Finally, it appears that the Guidance's proposed changes would only apply to new developments coming online and not existing housing developments still regulated by Minnesota Housing. Housing providers are used to adapting their business practices to constant regulatory changes. We do not see why Minnesota Housing should not expect the same of all of its ongoing developments. If the Guidance is intended to provide more equitable access to housing opportunities and to eliminate discriminatory barriers to housing access, it appears contrary to the agency's values that publicly financed development should continue to utilize problematic screening practices. The updated guidance should apply to all housing that continues to be assisted by or regulated by Minnesota Housing, with an appropriate period for existing developments to bring their policies up to date consistent with the revised Guidance.

Qualified Allocations Plan and Associated Documents

Overall, we were pleased to see several significant changes to the QAP, including more points for longer periods of affordability, more points large family housing, and a sharper focus on POCIBE and WBE in accessing public development resources. We also support the move to a two-year QAP since it provides more stability and certainty to communities trying to get projects off the ground in an uncertain economy and under challenging circumstances. We do ask that Minnesota Housing takes advantage of its ability, if the circumstances merit it, to contemplate amendments to the QAP. This is not without precedent and could be an essential tool for the agency to reflect needs that emerge as the uncertainty of the current economy comes into sharper focus.

As a general observation, the QAP and associated documents remain overly complicated and confusing. There are some strong statements of principals in the documents, but in trying to meet too many different objectives, the pointing system risks meeting none of them. The scoring system represents a set of tradeoffs for each choice. Still, along with getting points in one area, there are consequences in other areas that risk eliminating potential pointing advantages for some of the most mission-driven work. Identifying the highest priorities from a mission standpoint and ensuring that projects that meet these priorities can access resources is the purpose of the QAP.

1. We were pleased to see a sharper focus on deeper levels of affordability. However, overall, the QAP still does not do enough to prioritize housing for people with incomes below 30% of AMI. Any incentives that exist for serving lower-income households can be overshadowed by the geographic and financial

factors with the potential result of rewarding 60% AMI developments above more deeply affordable development. No public resources should go into 60% AMI housing unless there is a tradeoff through income averaging that creates 20% AMI, 30% AMI, or 40% AMI units.

2. We were happy to see a requirement that all LIHTC developments commit to at least 30 years of affordability and see the increased points for a longer-term commitment of affordability. We think that the agency should further incentivize very long term affordability by also increasing points for longer-term affordability. It will not work for all developments, and it does not have to, but we should give a competitive advantage to buildings that agree to 50+ years of affordability in a more meaningful way. This is both consistent with the federal statute's priority for long term affordability and smarter use of scarce public resources.

3. The agency needs to reconsider its approach to financial readiness to proceed. The current structure still presents three different challenges contrary to what the agency is trying to accomplish. First, there is still a disadvantage for communities with lower achievable rents and therefore, will have more significant gaps. There is just going to be a bigger gap to fill, and even equivalent dollar amounts are going to have more value in places where a development can charge higher rents and get a larger mortgage. This is a barrier for Greater Minnesota communities in lower-income areas of the state and parts of the metro area that are areas of disinvestment. Secondly, the calculation is a disadvantage for developments that choose to set their rents lower. Once again, these developments would have a smaller mortgage and a more significant gap and be at a disadvantage. Third, this creates potential issues for emerging development entities who may have less access to resources coming into the funding process. While we understand that Minnesota Housing does not want to be the first money that comes into a development, having state resources in a development can be used as leverage to access other resources.

4. Minnesota Housing should require that rents in buildings funding using tax credits need to be set at or below voucher payment standards. Under 42 U.S.C. (6)(B)(iv) renters cannot be discriminated against because they have a housing choice voucher. However, we are aware of some instances where rents of presumably affordable units are set above vouchers payment standards. This is particularly challenging for very low-income households where the difference between the portion of the payment standard and the rent puts potential renters above 40% of the household's income paid toward housing costs and therefore prohibits them from using their voucher. As a condition of receiving tax credits, rents should be below voucher payments standard unless the unit is designated as a 70% or 80% unit using income averaging, and the rent is utilized to cross-subsidize deeply affordable unit rents.

5. The QAP still relies too heavily on geographic factors that can appear somewhat arbitrary. A development that is needed in a community that is serving very low-income households and doing so for long periods of time can lose out to developments that are less mission-focused but are coming into the process with a lot of geographically based points. Since the geographic pointing priorities are trying to accomplish multiple sets of objectives (providing mobility and reinvestment, for example) when points are layered, they tend to lose any clear meaning.

6. We would ask that the agency include additional clarity and more criteria in the definition of the unacceptable practices in the HTC Procedural Manual. In particular, unacceptable practices should include violations of labor standards including wage theft and labor trafficking, persistent violations of habitability standards, and clarity that violations of fair housing standard are considered not only for properties under Minnesota Housing monitoring but also documented instances of violations in other properties owned and operated by a development entity. We believe that the advanced notice and opportunity to address potential violations required under the Unacceptable Practices criteria will address many of the issues that arise short of having a point deduction or denial of tax credits, but that this is also essential leverage for the agency to ensure that developers who are accessing public resources are not violating the rights of the people those resources are intended to serve.

We want to thank the agency for all of the work and thought that go into the creation of the QAP. It is a monumental task trying to serve the broad range of interests and the full range of needs in Minnesota.

Truly,

Margaret Kaplan
President, Housing Justice Center

From: Juanita Pekay
To: #MHFA_HTC; Wilson, Tamara (MHFA)
Cc: Rogney, Tina (MHFA); Bauleke, Diane (MHFA)
Subject: Tenant Screening Criteria
Date: Friday, June 26, 2020 8:54:20 AM

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Good morning! Thank you for requesting comments on the Tenant Screening Criteria! I have some comments I would like you to consider as you finalize Tenant Screening Criteria. Items in black below are taken from your proposed Tenant Screening Criteria. My notes are in red.

-

Please evaluate what each study considers success. While a study considers a household being housed for a year or two "a success", the study often does not indicate the number or nature of lease violations the household received – or whether the household was disruptive and damaging to the community. Most studies do not evaluate whether other residents in the property considered that household's tenancy to be a success.

My experience managing 800+ units, and owning 37 – is that criminal history, negative rental references, and homelessness do matter. When I accept an applicant with a negative Landlord Reference, no Landlord Reference, or significant criminal history, I usually regret it. Of the 3 Homeless Vets I recently took -- I had to obtain a Restraining Order against one Veteran's guest because she was stalking me and threatening to kill me. The 2nd Veteran's guests have used drugs, physically fought with the resident, sold drugs (on camera!). He has been letting numerous friends come and go during Coronavirus, exposing the residents to dozens of people who visit his guests. His VA advocate is trying to re-house him now, because my Market Rate residents are rightfully upset and looking for more safe and stable housing. The 3rd Veteran was doing great – until he skipped 4 months into his lease. I accepted each of these homeless applicants, despite Evictions, and 2 of 3 created significant danger for our residents and staff. The list goes on. I accepted a Poor Rental Reference on another applicant, who later threatened to kill her neighbor, faked illness when we tried to address lease violations, and created a hostile atmosphere for other residents in the building. Each of these residents is considered to have a "successful outcome" because they remained housed for a year or two.

In one of my properties, we accepted an LTH family with vehicular theft and drug sales that were 7 years old. Within a year, he sold marijuana to our caretaker, teased the caretaker for picking up trash saying the job was beneath him, slept with his baby mama and another LTH household causing a huge catfight, and ultimately both LTH families were terminated due to numerous lease violations. But we put up with a lot, so both LTH households were considered "successful" because they were housed for 2 years.

Tenant Screening Criteria For all supportive housing units, units at or below 30% MTSP rent limits, and units with any form of rental assistance, tenant selection plans must demonstrate the following:

1. Adherence to Housing First principles, including addressing how tenant screening criteria reduces barriers to accessing housing. Owners of properties with rental assistance (such as Project Based Section 8) – that did NOT agree to LTH/Supportive Housing, did not agree to reduce barriers to accessing housing. Adding 2-4 LTH units has been very disruptive and difficult in many properties I have seen. Please do NOT require/encourage relaxing Tenant Selection Criteria for Owners who did not commit to LTH/Supportive Housing units when they obtained financing/subsidies. Managing Family Project Based Section 8 properties already has many challenges, and accepting households with significant criminal backgrounds or poor rental history absolutely makes management more difficult and dangerous.

2. Applicants cannot be screened out based on housing history. This includes eviction history, references from previous landlords and others, as well as money owed to previous landlords or money owed for utilities. Same comments. It is not fair to owners and the management agents to require relaxed Tenant Selection Criteria if they did not agree to it at the time of financing/subsidies. Managers of Project Based Section 8 are not trained or experienced in handling the problems that come with renting to LTH and other households needing supportive services. They struggle with the added management necessary to handle the problems that come with people with eviction and criminal histories. Eviction history and poor references from landlords absolutely are predictive of resident behavior.

3. Applicants cannot be screened out based on credit history, including credit score. If the resident is paying only 30% of their income toward rent, I agree. Residents paying this amount generally do not have a problem paying the rent.

4. An income to rent ratio cannot be required (e.g., "income must be two or three times the rent amount"). If the resident is paying only 30% of their income toward rent, I agree. Residents paying this amount generally do not have a problem paying the rent.

In addition to HUD guidance, recent research by the Wilder Foundation that examines over 10,000 households in affordable housing properties found:

a. Eleven of 15 criminal offense categories examined have no significant effect on housing outcomes. There is a difference between "good outcomes" and "community or management problems." While a household in the study might "succeed" as defined by living in a unit for 2 years, that does not mean that the household did not create HUGE problems for that community or manager during that time. I have "taken a chance" on numerous households with criminal backgrounds, and I have been burned by more than 50% of them. Some start using drugs. Some start selling drugs. Some invite their homeless friends over, and the friends stay for weeks/months, bringing guests with them who use or sell drugs. Because they are part of an LTH, Veteran or Homeless Teen Program, I give them multiple chances. They might stay housed for a year or two (considered a "good outcome"), but in the meantime, my other residents are terrified and validly complaining – and Market Rate households move out.

b. The effect of a prior criminal offense on a resident's housing outcome declines over time. Felonies that occurred more than five years prior to move-in have no significant effect on housing outcomes; for misdemeanors, there are no significant effects after only two years. I agree that passage of time – and age at criminal offense -- makes a difference. However, if the person cannot get a job due to the criminal offense, the person has a higher likelihood of committing crimes again. Please work with housing placement agencies to help the people they are placing to get jobs at the same time they are getting housing. That could make a huge difference in housing success.

As an Agency, please focus funds to projects that cater 100% to LTH, Veteran and Homeless Households, instead of placing a handful of LTH households into various properties. While some of the LTH households are successful, the damage I have seen unsuccessful LTH households do to a community is significant. I would absolutely support more transitional housing that "graduates" LTH households into these same communities, after they have done well in the transitional housing and have already reached a level of stability.

Thank you for considering these comments as you consider broadening the criteria to apply to additional properties. I hope you have a great weekend!

Juanita Pekay
Janken Housing Solutions, Inc.
7063 Terraceview Lane
Maple Grove, MN 55311
Phone: 763-226-1833
juanitapekay@jankenhs.com

Minnesota HIV Housing Coalition Letter of Support and Public Comment for Minnesota Housing Finance Agency Proposed Tenant Selection Plan (TSP Guidance)

Greetings,

As representatives of the Minnesota HIV Housing Coalition and organizations serving people living with HIV, we are writing in support of the proposed changes to the Tenant Selection Plan (TSP). All units financed with housing tax credits and deferred funding from Minnesota Housing Finance Agency should be included in providing housing with reduced tenant screening barriers.

Affordable housing is one of the greatest needs for people living with HIV and other chronic illnesses. Having safe and affordable housing is critical to allowing a person to have stability and nurture their health and family. Now more than ever, in the midst of the coronavirus pandemic, people need access to supportive and affordable housing with lower barriers.

Research shows that housing is healthcare. People living with HIV who do not have a home are more likely to delay entry to care, be less adherent to medication, have worse overall health outcomes, and are likely to more frequently use costly services like emergency rooms and hospitals. People who are homeless or unstably housed have HIV infection rates as much as 16 times higher than people who have a stable place to live. Housing not only affects an individual's health; it is also a public health issue that affects the entire community.

As organizations driven by racial equity, we believe that overly-strict tenant screening criteria often ends up disproportionately affecting low-income people and especially communities of color – the same populations that already face disproportionate HIV rates and inequitable access to health care. Too often, a person is denied housing due to something that happened long ago or something unrelated to their ability to be a credible tenant and neighbor. Credit scores affected by medical bills or other hardships, a prior loss of housing or a criminal charge inhibit finding a place to rent far into their future. We support the proposed criteria stating applicants should not be screened out for past housing history, including eviction history, references from previous landlords and others, as well as money owed to previous landlords, money owed for utilities, based on credit history, including credit score, or denied due to an income to rent ratio. In addition, housing providers should adopt shorter look-back periods for criminal history, allowing for lenient and flexible criteria, taking mitigating factors into consideration.

Removing barriers to housing will allow all Minnesotans access to the safe and affordable housing we all need.

Thank you,

Jeremy Hanson Willis

Jeremy Hanson Willis, JustUs Health, Chief Executive Officer
Signing Reason: I approve this document
Signing Time: 7/21/2020 | 2:39 PM CDT

Matt Toburen

Matt Toburen, The Aliveness Project, Executive Director
Signing Reason: I approve this document
Signing Time: 7/21/2020 | 12:11 PM PDT

Cheryl Jensen

Cheryl Jensen, Clare Housing, Interim Executive Director
Signing Reason: I approve this document
Signing Time: 7/21/2020 | 2:12 PM CDT

Bill Tiedemann

Bill Tiedemann, Hope House, Executive Director
Signing Reason: I approve this document
Signing Time: 7/21/2020 | 11:56 AM PDT

justus health.

the Aliveness project

clare housing
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HOPE HOUSE
of St. Croix Valley

From: Heather Lindula
To: #MHFA_HTC
Subject: proposed change for filling an HPH unit
Date: Tuesday, July 14, 2020 3:31:34 PM

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I support the changes for filling units.

I am most excited about the proposed changes in the TSP Guidance. The largest barrier to households obtaining housing is the criteria put into place by property management. Housing agencies are willing to accept a household into their program, but the property management doesn't allow them in to the actual housing. We are struggling with finding housing for our highest barriered households. Coordinated Entry has done a great job at reaching those who have struggled with homelessness for years, but we can't get them into housing due to denials by Property Management companies.

Thank you!

Heather Lindula
Housing Advocate
Legal Aid Services of NE MN
820 North 9th Street, Suite 200
Virginia, MN 55792
Phone: 218-735-6003
Fax: 218-741-0706

Join our mail list for information and updates from Legal Aid Service of NE MN
https://lp.constantcontact.com/su/dqS8CPU/LASNEM

From: Michelle Pribyl
To: #MHFA_HTC; Pohlman, Devon (MHFA)
Subject: 2022-23 QAP draft comments
Date: Tuesday, July 21, 2020 2:20:24 PM

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I have a couple of suggestions/questions related to the QAP draft from our office. Thank you, Devon, for pursuing feedback on these based on my previous email. Since comments are due on the draft this afternoon I'm sending these with the information I have currently for your records:

For the Enhanced Sustainability points under Building Characteristics, under Tier 3 it states that project must meet the 2020 Green Communities Certification Plus standards but does not need to be registered with Enterprise. Jerry Narlock confirmed that the project would , however, need to be certified by third party as DOE ZERH, PHIUS, or the appropriate LBC petals. It would be helpful if the QAP language indicated that for clarity. On a related note, it would also be helpful to confirm whether the modeling associated with confirming the project will actually meet those third party thresholds can be done after funding awards. To actually do the modeling at the time of funding application would put a large financial and time burden on the developer and their consultants. It would also be helpful to clarify (assuming this assumption is correct) that fees associated with the modeling and processing of application materials for those certifications would be a separate line item in the development budget from the prime architectural/engineering fees.

Under POCIBE/WBE, partnerships between architects and other entities that are POCIBE/WBE are allocated 1 point. Is this for only partnerships between architectural firms and POCIBE/WBE architects? We typically have only two architects on a project team for most projects, which would make it difficult and financially prohibitive to partner with a different architectural firm for a project. However, we often partner with outside consultants for structural engineering, mechanical/electrical engineering, and sometimes civil and landscape design. Would those partnerships qualify under the POCIBE/WBE partnerships, or is that meant to be for only architect/architect partnerships?

Thank you for requesting feedback on the QAP draft. We appreciate the opportunity.

Michelle Baltus Pribyl, AIA, LEED AP – Senior Architect
701 Washington Avenue North, Suite 200, Minneapolis, MN 55401
Direct 612.766-2809
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Laborers' International Union of North America

LiUNA! MINNESOTA & NORTH DAKOTA
Feel the Power

To: Tamara Wilson
Minnesota Housing

From: Lucas Franco, Research Manager
LIUNA Minnesota & North Dakota

Date: July 22, 2020

Subject: Minnesota Housing Finance Agency QAP Public Comments

LIUNA Minnesota & North Dakota appreciates the opportunity to offer comments on Minnesota Housing Finance Agency's (MHFA) proposed Qualified Allocation Plan (QAP) revisions.

LIUNA Minnesota & North Dakota represents 12,000 unionized construction workers statewide. Like many Minnesotans, our members are acutely aware of our affordable housing crisis. Many, especially in the early years of their construction careers, have struggled to afford decent housing. They also have firsthand experience with a second pernicious crisis that has emerged in our drive to address our housing shortage – a crisis of abuse and exploitation of construction workers that build affordable housing projects including many funded through housing tax credits (HTC) and other public sources. Unscrupulous developers and contractors have been allowed to mistreat workers with few consequences.

Unfortunately, neither past patterns of behavior nor efforts to prevent worker abuse are sufficiently incorporated into the Qualified Allocation Plan (QAP) tax credit application process. We believe the current revisions provide a vital opportunity to correct these shortcomings in the current HTC application process. We recognize that the creation of construction jobs is not a primary objective of MHFA, but we believe that construction job quality and prevention of worker exploitation are relevant to the agency's mandate and mission.

Housing affordability is as much a function of household income levels as of the cost of rent or a mortgage. When construction workers earn family-supporting wages, they are able to secure housing with little or no public subsidy, which frees up affordable housing units and dollars for families with lower household incomes. On the other hand, when developers and contractors use taxpayers dollars for projects that pay substandard wages, or worse engage in wage theft and fraud, they exacerbate the affordability crisis.

We have seen too many instances of publicly-subsidized affordable housing projects that were built with the help of workers who could not afford to live in them due to low pay, lack of benefits, and even wage theft by unscrupulous employers. Further, beyond undermining MHFA's housing mission, awarding public subsidies to developers that facilitate or allow wage theft, misclassification fraud, or other forms of worker exploitation that disproportionately affect Latino and immigrant workers encourages the spread of abusive practices in the construction industry and undermines the State's commitment to equity.

We believe that MHFA has authority and a duty to incorporate procedures and criteria that advance family-supporting career opportunities and assist in the prevention of wage theft and exploitation into the QAP process.

The Problem: Wage Theft and Exploitation on Affordable Housing Projects

Wage theft and exploitation are growing problems in Minnesota's construction industry. Recent media coverage has revealed how construction firms have cut corners and abused workers on projects in Rochester,[1] Thief River Falls[2] and Minneapolis.[3] The problems are especially acute in the multifamily housing industry.

The recent high-profile conviction of Ricardo Batres revealed the horrific practices that are all too common in Minnesota's construction industry. Batres – a labor broker and owner of American Contractors and Associates LLC – has frequently supplied workers and worked as a subcontractor for two prominent Twin Cities developers. He was ultimately charged by the Hennepin County Attorneys' office with "severe abuse of workers including threatening people with deportation when they complained about problems in the workplace, stealing wages by withholding them, failing to take basic safety precautions, and more."[4]

In another high-profile case, a subcontractor on a major affordable housing project insisted on paying a worker in drugs instead of the wages they were owed. The worker, Arturo, shared his story in front of the Minnesota House Labor Committee in February of 2019.[5]

Ricardo Batres' systematic abuse of vulnerable construction workers and Arturo's story of wage theft are unfortunately all too common in Minnesota's multifamily housing construction industry. Intense downward pressures on costs and extreme fissuring of the industry create pressure for developers and contractors to cut corners.[6] Developers frequently claim to have

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[1] Annalise Johnson, "Rochester Wage Theft Law is First Investigation Under New Law," *KIMT 3 News*, July 9, 2019, available here: https://www.kimt.com/content/news/rochester-wage-theft-case-is-the-first-under-a-new-law-512502382.html.

[2] Ann Bailey, "Labor unions say subcontractor on DigiKey project is unfair to cement workers," *Grand Forks Herald*, June 5, 2019, available here: https://www.grandforksherald.com/business/1460754-labor-unions-say-subcontractor-on-digikey-project-is-unfair-to-cement-workers.

[3] Paul Walsh, "He faces charges related to employing, threatening undocumented laborers," *The Star Tribune*, September 28, 2018, available here: https://www.startribune.com/charges-twin-citis-contractor-threatened-to-report-his-undocumented-workers-if-they-complained/494386221/.

[4] Penelope Kyritsis and Sean Sellers, "Building Dignity and Respect: The Case for Worker-driven Social Responsibility in the Twin Cities Construction industry," *Worker-Driven Social Responsibly Network*, November 2019, available here: https://indd.adobe.com/view/ef11f675-0a66-41fb-9146-f673cf999531.

[5] February 6, 2019, testimony by Arturo Hernandez in front of the Minnesota State House Legislature available here starting at 32 minutes and 25 seconds: https://youtu.be/wttVvPg_xI0.

[6] Learn more about workplace fissuring, the challenges of labor law enforcement and the lack of employer accountability in: David Weil, "The Fissured Workplace: Why Work Became So Bad for So Many," *Harvard University Press*, February 17, 2014.

subcontractor certification processes in place to ensure the prevention of criminal exploitation, but these measures have repeatedly proved to be insufficient.[7]

A survey of construction workers in the Twin Cities area by the human rights organization, Centro de Trabajadores Unidos en la Lucha (CTUL), revealed the widespread nature of the abuse and exploitation in the Twin Cities construction market.[8] Among those surveyed by CTUL, 48% reported experiencing wage theft, 44% reported that their employer does not provide them with proper safety equipment and 30% said that they fear retaliation if they complain to their supervisors.[9] While based on a relatively small sample size, the findings corroborate national research on wage theft,[10] workplace safety,[11] and workplace retaliation.[12]

Unfortunately, these forms of worker exploitation happen all too often on affordable housing projects funded through the housing tax credit (HTC) program, where we have found preliminary evidence of wage theft, misclassification and illegal paycheck deductions. Taxpayer money has flowed to project developers that fail to hold subcontractors accountable for disturbing worker exploitation. It is critical that we revise the Qualified Allocation Plan (QAP) to prioritize the protection of vulnerable construction workers and incentivize contractors to recruit, train and empower the next generation of construction workers. With relatively minor modifications to the application process we believe MHFA can root out construction worker exploitation and abuse, and support the creation of high-quality family-supporting construction jobs, without detracting in any way from MHFA's mission.

The Solution: Accountability, Transparency and Workforce Development Incentives

Affordable housing developers that repeatedly allow wage theft and human trafficking and fail to maintain safe workplaces need to be held accountable. It is far too easy for them to pass the buck to construction contractors on HTC funded projects where labor exploitation occurs. We suggest

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[7] Penelope Kyritsis and Sean Sellers, "Building Dignity and Respect: The Case for Worker-driven Social Responsibility in the Twin Cities Construction industry," *Worker-Driven Social Responsibly Network*, November 2019, available here: https://indd.adobe.com/view/ef11f675-0a66-41fb-9146-f673cf999531.

[8] The survey was conducted between January and March 2019. Researchers surveyed 76 construction workers on and off job sites about wages, benefits, training, and workplace health and safety. Respondents worked on a diverse range of project types including commercial buildings, multifamily residences (e.g. apartments, condominiums, senior housing, etc.), single-family residences (remodeling as well as new construction). Additional survey methodology details can be found on page 4 of the previously cited Building Dignity and Respect study: https://indd.adobe.com/view/ef11f675-0a66-41fb-9146-f673cf999531.

[9] Ibid, pages 8-10.

[10] David Cooper and Teresa Kroeger, "Employers steal billions from workers' paychecks each year," *Economic Policy Institute*, May 10, 2017, available here: https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year/.

[11] Beth Braverman, "The 10 most dangerous jobs in America," *CNBC*, December 28, 2019, available here: https://www.cnbc.com/2019/12/27/the-10-most-dangerous-jobs-in-america-according-to-bls-data.html.

[12] Annette Bernhardt et al., "Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities," *Center for Urban and Economic Development, National Employment Law Project and UCLA Institute for Research on Labor and Employment*, 2009, available here: https://www.nelp.org/wp-content/uploads/2015/03/BrokenLawsReport2009.pdf.

the following revised scoring metrics and application requirements to ensure the responsible use of taxpayer money and to maximize the public benefit of these investments:

Disclosures

- **Developers should be required to disclose incidents of wage theft, human trafficking, misclassification fraud, child labor and workplace safety violations.** The developer of a proposed HTC project should disclose as part of any application the existence of any criminal conviction, court judgment, agency finding, legal settlement, ongoing criminal or civil investigation, or lawsuit involving wage theft, employment fraud or illegal use of child labor that was found or alleged to have occurred within the past five years on a construction project owned or overseen by the Project Owner, the intended General Contractor, or their affiliated companies. The developer should also provide the same information for any contractor or subcontractor that the Project Owner or General Contractor intend to employ on the project.

Point Reductions

- **Points should be deducted based on the severity and frequency of past incidents of wage theft, human trafficking, misclassification fraud, and unsafe use of child labor.** MHFA should consider the track record of applicants and their intended General Contractors or Construction Managers with respect to compliance with labor standards and related requirements, as described in the disclosures proposed above. In developing criteria, MHFA could, for example, consider the definition of non-responsible conduct established by Minnesota's Responsible Contractor Act, which defines conduct that can make a contractor ineligible to bid for public works contracts, including serious or repeated instances of wage theft.
    - In order to score and evaluate an applicate, the developer of a proposed HTC project should disclose as part of any application the existence of any criminal conviction, court judgment, agency finding, legal settlement, ongoing criminal or civil investigation, or lawsuit involving wage theft, employment fraud or unsafe use of child labor that was found or alleged to have occurred within the past five years on a construction project owned or overseen by the Project Owner or the intended General Contractor or their affiliated companies; or found or alleged to have been committed by any contractor that the Project Owner or General Contractor intend to employ on the project.

- **Project developers with records that include multiple instances of wage theft, worker misclassification, employment fraud and/or child labor should be barred from receiving HTC funding for a period of time that MHFA deems appropriate.**

Point Incentives

- **Additional points should be awarded to projects that will be covered by a Project Labor Agreement or prevailing wage requirement.** Project Labor Agreements (PLAs) and prevailing wage requirements are legal tools commonly used by construction owners to

ensure an adequate supply of skilled local construction labor, maximize a project's socioeconomic benefits, and avoid problems such as wage theft, misclassification fraud, and use of illegal child labor. PLA and prevailing wage protections may be legal requirements tied to a source of funding for the project, or they may be voluntary conditions adopted by the developer in order to meet business and policy goals. National and local research has shown that projects built under PLAs and prevailing wage requirements deliver greater socioeconomic benefits than projects built without such requirements.[13] Further, PLAs and prevailing wage requirements provide important safeguards against wage theft, misclassification fraud use of child labor, and other construction abuses through enhanced monitoring, reporting, and enforcement that do not require use of MHFA staff resources. A worker-driven social responsibility (WSR) model could also provide safeguards and protections for workers.[14]

- **Additional points should be awarded to developers that commit to employing a General Contractor that participates in construction apprenticeship programs registered with the Minnesota Department of Labor and Industry and employs registered apprentices.** Registered apprenticeship programs have a long track record of successfully transitioning workers into a career in the construction industry -- a fact that was recognized by the U.S. Department of Labor in a recent rulemaking on Industry Recognized Apprenticeship Programs.[15] These educational programs provide a cost effective model to recruit and train skilled workers and they ensure high-quality construction work. Research by Mathematic Politica Research for the U.S. Department of Labor Employing and Training Administration found that participants that complete a registered apprenticeship program "receive an average of $301,533 more in compensation than nonparticipants over their careers."[16] Apprenticeship programs also reduce the probability that workers will suffer long-term unemployment. Further, University of Utah economist, Peter Philips, found that apprenticeship programs create a safer and more productive workforce.[17] Work on HTC projects provides an opportunity to recruit and train the next generation of construction workers.

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[13] Fred Kotler, "Project Labor Agreements in New York State: In the Public Interest," *Cornell University*, March 2009, full report available here: https://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1021&context=reports.

[14] More information on the WSR model can be found in the previously cited report by Penelope Kyritsis and Sean Sellers: "Building Dignity and Respect: The Case for Worker-driven Social Responsibility in the Twin Cities Construction industry," available here: https://indd.adobe.com/view/ef11f675-0a66-41fb-9146-f673cf999531.

[15] Robert Bruno and Frank Manzo, "The Impact of Apprenticeship Programs in Illinois: An Analysis of Economic and Social Effects," *University of Illinois at Urbana-Champaign and the Illinois Economic Policy Institute*, August 2016. See U.S. Department of Labor Final Rule RIN 1205–AB85 for a discussion of the U.S. Department of Labor's decision to exclude construction from new Industry Recognized Apprenticeship Program rules based on the success of the existing system of registered construction apprenticeships https://aboutblaw.com/Pnh.

[16] Debbie Reed, Albert Yung-Hsu Liu, Rebecca Kleinman, Annalisa Mastri, Davin Reed, Samina Sattar, and Jessica Ziegler, "An effectiveness assessment and cost-benefit analysis of registered apprenticeship in 10 states," No. 1b5795d01e8a42239b3c98dcc1e1161a. *Mathematica Policy Research*, 2012.

[17] Philips 2015a - see Bruno and Manzo (2016) - footnote 15.

- **Additional points should be awarded for developers that provide a Workforce Diversity and Inclusion plan including specific details on how project contractors will recruit, train and maintain a diverse workforce.**

General Requirements

- **The Project Owner must commit to maintain, directly or via the General Contractor, a list of every contractor that has been employed, is currently employed, or is expected to be employed on an HTC funded project.** The list must include each contractor's business name, scope of work, Department of Labor and Industry registration number, contracting entity, contact information, and anticipated number of workers on the project. The list must include contractors of any tier, including independent contractors, that have worked or are currently working on the project, as well as any contractor that has been selected for future work. The Project Owner or General Contractor must submit a certified copy of the list to MHFA on the first business day of each month and must make a copy of the list available to interested members of the public in the job site trailer or other reasonably accessible location. This requirement is essential to maintain accountability and transparency on HTC funded projects.

Conclusion

Housing tax credits (HTC) are valuable tools to finance the continued development of critically needed affordable housing. Unfortunately, these public dollars often flow to unscrupulous developers and contractors who exploit vulnerable construction workers. We cannot allow taxpayer money to exacerbate worker exploitation in Minnesota. With a few simple modifications to the Qualified Allocation Plan and to application scoring we can shift the incentives and protect workers. Our proposed modifications will have minimal effect on project costs, but they will have a dramatic impact on the health and safety of construction workers.

Thank you for the opportunity to comment on the revised Qualified Allocation Plan (QAP).

Dated: July 22, 2020

Respectfully Submitted By:

Lucas Franco, PhD
Research Manager
LIUNA Minnesota & North Dakota
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From: Erica Honken
To: #MHFA_HTC
Cc: Leah Paulson; Erica Honken
Subject: Tenant Selection Plan Comments
Date: Tuesday, June 23, 2020 11:48:52 AM
Attachments: image001.png
Redline Copy - TSP Proposed Changes.pdf

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General Considerations
9. Tenant-based Rental Assistance

- Does this requirement apply when project based rental assistance is available for those who qualify? Another concern would be with layered programs where accepting a HCV would potentially cause the property to lose an unused rental assistance unit.

Tenant Screening Criteria

- If this section applies ONLY to supportive housing, we agree with applying these policies for LTH, HPH, PWD, etc. units as it is understood these individuals will have supports in place to provide the best outcome. Would we still like the ability to have an appeal meeting with supportive households to gather all parties (tenant, services, and management) and collaborate on a plan for success before final approval.
- If this section were to apply to units at or below 30% MTSP or any form of rental assistance, PBA Section 8 and RD RA, we are comfortable with the credit history/score but do NOT agree with the housing history and money owed to landlords or utilities.
- If this were to apply to ALL MHFA/affordable housing projects, while we do not currently use credit history/credit scores, many management companies do rely on this information to make their determinations. We would strongly disagree with removing housing history and money owed to landlords and utilities.
- As for income to rent ratio, while we do not have a specific formula we use, we also do not want to place households into housing where they will not be able to pay rent and be a successful resident. This leads to evictions for non-payment of rent, poor landlord histories, etc. and only amplifies their difficulties in the future. Unless rental assistance is guaranteed, there should be some review of income that can be applied to monthly rent and utilities.
- In general, many affordable housing properties already walk a tight rope of financial stability. If we no longer screen for residents that may damage our properties or pay their rent, it puts the sustainability of the project at risk. We believe in second chances and appeals but believe in this instance, it should be something the resident is able to demonstrate. Example: showing they have setup a payment plan to prior landlords or utility companies.

If you would like to discuss any of these comments further, please do not hesitate to contact me. Thank you.

Erica Honken | President

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Proposed redline changes effective beginning with projects selected in 2021 Multifamily Consolidated RFP/2022 HTC Round 1 and for any other projects selected with Minnesota Housing financing beginning in calendar year 2021.

Each property that receives a commitment from Minnesota Housing and that is required to have a tenant selection plan shall use the information below to create the plan.[1] Project funding sources and jurisdictions may also impose additional tenant selection plan requirements. This guidance is not intended to be a complete list or to supersede those requirements. Consult with an attorney to make sure your tenant selection plan complies with all applicable laws and regulations, program requirements, the Fair Housing Act, and the Minnesota Human Rights Act.[2]

General Considerations

1. **Written Tenant Selection Plan.** Housing providers must have a written tenant selection plan. The plan must be readable and accessible to applicants and must be made available to applicants before they apply and/or pay an application fee. The owner must provide meaningful access to the information for people with limited English proficiency, which may include providing interpreter services and/or written materials translated into other languages.

2. **Waiting List.** The tenant selection plan must describe any waiting list process.

3. **Eligibility.** The tenant selection plan must provide clear information on eligibility criteria such as income restrictions and any program-specific requirements. It must also clearly state the processes and criteria that will be used to evaluate applications. If the development receives funding to serve a specific population, such as individuals eligible for supportive housing or senior housing, the tenant selection plan's evaluation criteria must be structured in a way to take into account the specific barriers faced by these households.

4. **Tenant Background/Credit Reports.** Many housing providers use consumer reports, such as tenant background or credit reports, as part of the application process. The Federal Trade Commission (FTC) provides guidance for housing providers who use such reports.[3] The FTC notes that when a housing provider takes an adverse action based on information in a consumer report, the housing provider must provide a notice to the applicant that includes:

    a. The name, address and telephone number of the credit reporting agency (CRA) that supplied the consumer report, including a toll-free telephone number for CRAs that maintain files nationwide;

    b. A statement that the CRA that supplied the report did not make the decision to take the adverse action and cannot give the specific reasons for it; and

    c. A notice of the applicant's right to dispute the accuracy or completeness of any information the CRA furnished, and the applicant's right to a free report from the CRA

[1] A link will be provided to the projects and funding sources that will be subject to this guidance once finalized.

[2] It is Minnesota Housing's policy to affirmatively further fair housing in all programs so that individuals of similar income levels have equal access to its programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, or sexual orientation. Property owners and managers are expected to comply with laws and regulations prohibiting housing discrimination when creating and implementing a tenant selection plan.

[3] Federal Trade Commission, Using Consumer Reports: What Landlords Need to Know, available at https://www.ftc.gov/tips- advice/business-center/guidance/using-consumer-reports-what-landlords-need-know

upon request within 60 days.[4]

5. **Notice of Denial**. Housing providers must give applicants a prompt written notice of denial that states the criteria the applicant failed to meet and the process to appeal.[5]
6. **Appeal Process**. Minnesota Housing requires that all housing providers offer an appeal process. The appeal process must allow an opportunity for applicants to provide information of mitigating circumstances or information that would demonstrate their ability to be a successful tenant, or correct inaccurate background check results. Housing providers must review all information provided to determine if the grounds for denial are a reliable indication of future tenancy performance. The appeal process and timeline must be clearly stated in the tenant selection plan. The housing provider must notify the applicant of the outcome of the appeal in writing.
7. **Domestic Violence.** A number of federal programs, including HOME, Section 811 and the Low Income Housing Tax Credit (LIHTC) program, are subject to the restrictions outlined in the Violence Against Women Act (VAWA). VAWA provides that an applicant "may not be denied admission...on the basis that the applicant...is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission.'[6] Similarly, adverse eligibility factors such as criminal activity or other adverse credit or rental history related to the abuse should not be considered.

   Housing providers that aren't subject to VAWA restrictions are encouraged to adopt similar terms. In addition to VAWA protections, because the overwhelming majority of domestic violence survivors are women, they are protected by the federal Fair Housing Act's prohibition on sex discrimination; therefore, policies and practices that target or otherwise discriminate against women because of their status as domestic violence survivors are likely unlawful under federal law. Examples of circumstances that are related to abuse include:

   a. Poor credit history resulting from the perpetrator using the victim's name to open credit card accounts, loans, utilities, and failing to pay unpaid medical bills resulting from the abuse, or forcing the victim to work without pay.

   b. Poor rental history attributable to the perpetrator's actions such as property damage, noise complaints, missed or late rent or utilities, or drug activity.

   c. Criminal grounds due to the perpetrator forcing the victim to engage in criminal behavior such as sex work, drug use or sale, or crimes committed by the victim to defend themselves or a third party from the abuse.[7]

8. **Applicants with Disabilities and Reasonable Accommodations**. Housing providers must make sure that tenant selection plans do not raise barriers for individuals with disabilities, such as imposing requirements that applicants be able to "live independently." Additionally, housing providers must have a written reasonable accommodation policy and process for handling accommodation requests at application. The housing provider's tenant screening plan must state that the policy

[4] If the rejection is based on a credit score, the housing provider must also inform the applicant of the numerical score used as well as information on the basis of the score. For more information, see 15 U.S.C. §§ 1681m(a), 1681g(f).

[5] See Minn. Stat. § 504B.173.

[6] 42 USC § 14043e(b)(1); 24 CFR § 5.2001. Housing providers subject to VAWA should review HUD regulations and policies regarding how to fully comply with the requirements.

[7] U.S. Department of Housing and Urban Development, Violence Against Women Act (VAWA) Reauthorization Act of 2013 – Additional Guidance for Multifamily Owners and Management Agents (July 30, 2017) available at: https://www.hud.gov/sites/documents/17-05HSGN.PDF

will be made available to applicants upon request.[8]

9. **Tenant-based Rental Assistance**. As a condition of receipt of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident because the prospective resident has a housing choice voucher (HCV) or any other form of tenant-based rental assistance, including income supplements meant to support payment of rent, such as Housing Support or Minnesota Supplemental Aid. In addition, research has shown that tenant-based rental assistance improves housing outcomes.[9] This requirement must be reflected in the tenant selection plan.

10. **Supportive Housing.** The tenant selection plan must clearly state the intended population for supportive housing units, and if applicable, the referral source for these units.

    Supportive housing programs are intended to house people who often have poor credit histories, poor rental histories, criminal histories, or other barriers that may prevent them from accessing housing. Such programs are successful in serving the people for whom they are designed only when these issues do not raise insurmountable barriers to accessing housing. To the extent permitted by the rules and regulations related to the type of housing, housing providers are encouraged to adopt lenient and flexible criteria regarding these common barriers when creating a tenant selection plan. In addition, in the course of tenant screening, consideration of mitigating factors either before or during an appeals process should also consider the extent to which supportive services will help alleviate the real or perceived risk of the negative screening factors.

11. **Records Retention**. Minnesota Housing encourages records retention as a best practice. Providers have found it beneficial to track outcomes to help ensure the process is effective for tenant success. To help ensure that tenancy determinations and appeal processes are being conducted in a non-discriminatory manner, housing providers should retain records regarding applicant denials and appeals in addition to tenant records. Housing providers are encouraged to periodically review such records for consistency and to identify areas where their retention process could be improved.

Tenant Screening Criteria

For all supportive housing units, units at or below 30% MTSP rent limits, and units with any form of rental assistance, tenant selection plans must demonstrate the following:

1. Adherence to Housing First principles, including addressing how tenant screening criteria reduces barriers to accessing housing.
2. Applicants cannot be screened out based on housing history. This includes eviction history, references from previous landlords and others, as well as money owed to previous landlords or money owed for utilities.
3. Applicants cannot be screened out based on credit history, including credit score.

[8] See, e.g., Minn. Stat. § 363A.10 ("[Discrimination includes . . . a refusal to make reasonable accommodations in rules, policies, practices, or services, when accommodations may be necessary to afford a disabled person equal opportunity to use and enjoy a dwelling."); 42 U.S.C. § 3604(f)(3)(B); Joint Statement of the Department of Housing and Urban Development and the Department of Justice, Reasonable Accommodation Under the Fair Housing Act (May 17, 2004), available at http://www.hud.gov/offices/fheo/library/huddojstatement.pdf.

[9] Warren, Cael. *Success in Housing: How Much Does Criminal Background Matter?* Wilder Research 16 (January 2019), available at https://drive.google.com/file/d/1HwYOBFJ_k98C6TT99w2o7ryk2CnAGvgo/view [Wilder Research].

4. An income to rent ratio cannot be required (e.g., "income must be two or three times the rent amount").

Criminal Background Screening

In 2016, HUD issued guidance that provides considerations for housing providers related to the use of criminal history in tenant screening and the Fair Housing Act.[10] The guidance includes the following considerations, which are relevant to all properties funded by Minnesota Housing.[11]

1. **Arrests**. HUD makes it clear that a policy that rejects applicants because of arrests (without conviction) is not valid under fair housing laws.

2. **Convictions**.
   a. While a conviction is usually evidence of criminal conduct, HUD states that a housing provider's screening policy cannot simply exclude all applicants with convictions. Instead, in order to avoid liability under fair housing laws, the policy must accurately distinguish between convictions for criminal conduct that indicate a demonstrable risk to resident safety and/or property and those that do not.[12]

   In addition, HUD recommends a tenant screening policy take into account:

      i. The **nature and severity** of a conviction; and

      ii. The **amount of time that has passed** since the criminal conduct occurred.[13]

3. **Mitigating Factors**. The HUD guidance advises a policy that considers mitigating information (as opposed to a policy with blanket exclusions) is less likely to be in violation of fair housing laws.[14] HUD suggests that housing providers consider the following factors:
   a. The **facts or circumstances** surrounding the criminal conduct;
   b. The **age** of the individual at the time of the conduct;
   c. Evidence that the individual has maintained a **good tenant history** before and/or after the conviction or conduct; and
   d. Evidence of **rehabilitation** efforts.

4. **Consistent Application of Tenant Screening Policy**. HUD stresses the importance of applying the standards consistently to all applicants.[15]

[10] US Department of Housing and Urban Development, Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Reports by Providers of Housing and Real Estate-Related Transactions (Apr. 4, 2016), available at http://portal.hud.gov/hudportal/documents/huddoc?id=HUD_OGCGuidAppFHAStandCR.pdf [HUD Guidance]

[11] Some funding sources incorporate additional criminal screening requirements. Housing providers should consult with an attorney to ensure their plan complies with all program requirements.

[12] HUD makes clear that the Fair Housing Act does not prohibit housing providers from rejecting applicants with convictions of the illegal manufacture or distribution of the controlled substances listed in section 102 of the Controlled Substances Act, 21 U.S.C. HUD Guidance at 8. HUD stresses that the limitation applies only to convictions for manufacturing or distribution of those substances, and does not apply to arrests (without conviction) for those offenses or to convictions for drug possession. Id

[13] The HUD Guidance cites research "reporting that after six or seven years without reoffending, the risk of new offenses by persons with a prior criminal history begins to approximate the risk of new offenses among persons with no criminal record." HUD Guidance at 7 fn 34, citing Megan C. Kurlycheck et al., Scarlet Letters and Recidivism: Does an Old Criminal Record Predict Future Offending?, 5 CRIMINOLOGY & PUB. POL'Y 483 (2006). That research also refers to studies showing that recidivism decreased significantly if the individual avoided engaging in criminal activity for two years. Kurlycheck at 7

[14] HUD notes that by "delaying consideration of criminal history until after an individual's financial and other qualifications are verified, a housing provider may be able to minimize any additional costs that such individualized assessment might add to the applicant screening process." HUD Guidance at 7

[15] HUD Guidance at 9 ("For example, the fact that a housing provider acted upon comparable criminal history information differently for one or more individuals of a different protected class . . . is strong evidence that a housing provider was not considering criminal history

In addition to HUD guidance, recent research by the Wilder Foundation that examines over 10,000 households in affordable housing properties found:

a. Eleven of 15 criminal offense categories examined have no significant effect on housing outcomes;

b. The effect of a prior criminal offense on a resident's housing outcome declines over time. Felonies that occurred more than five years prior to move-in have no significant effect on housing outcomes; for misdemeanors, there are no significant effects after only two years; and

c. The level of impact that criminal backgrounds may have on housing success is small in comparison to other factors such as the make-up of the household and the presence of a rental subsidy.[16]

Minnesota Housing encourages housing providers to read and consider both the HUD guidance and the Wilder Foundation study before developing and submitting a tenant screening policy for review.

information uniformly or did not in fact have a criminal history policy.").

[16] Warren, Cael. *Success in Housing: How Much Does Criminal Background Matter?* Wilder Research 16 (January 2019), available at https://drive.google.com/file/d/1HwYOBFJ_k98C6TT99w2o7ryk2CnAGvgo/view [Wilder Research].

From: Jamie Marshall
To: #MHFA_HTC
Subject: Support for the Proposed MHFA Tenant Selection Plan
Date: Tuesday, July 21, 2020 11:27:00 AM

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Hello,

My name is Jamie Marshall, and I am a resident of Minneapolis and a volunteer for Simpson Housing Services, an organization working to end homelessness. I am writing today to support the proposed changes to the Tenant Selection Plan (TSP). I believe we should be lowering barriers for applicants to supportive housing units to give more people access to a safe, affordable place to live. These kinds of units are often the first step that people have to begin a stable move out of homelessness, so we should be making them as accessible as possible if we really intend to address the growing issue of homelessness in Minnesota. I support the proposed criteria stating applicants should not be screened out for past housing history, including eviction history, references from previous landlords and others, money owed to previous landlords, money owed for utilities, or denied based on credit history, credit score or income to rent ratio. These screening criteria ignore the root cause of homelessness and perpetuate poverty, keeping so many of the people who need supportive housing most in unsafe and undignified situations. As someone who has had the privilege, through my volunteer work, to get to know some amazing people living in supportive housing, I can say with confidence that people who have backgrounds that keep them chronically unhoused have the capacity to be good tenants, neighbors, and members of their community when given the chance and support they deserve.

It is time to remove barriers in order to allow all Minnesotans access to the safe and affordable housing that we know is necessary to live a healthy and dignified life.

Thank you,

Jamie Marshall
Minneapolis, MN 55405

From: Scott McGillicuddy
To: #MHFA_HTC
Subject: Support for Proposed Changes to TSP Guidance
Date: Sunday, July 19, 2020 6:46:14 PM

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To whom it may concern,

My name is Scott McGillicuddy, and I am a resident of St. Paul and someone who works in the homeless service field. In response to Minnesota Housing's request for feedback on the proposed changes to its Tenant Selection Plan guidance for housing providers, I would like to state my support for the new provisions as they promise to help a greater number of people gain access to housing opportunities:

- **Expanding the guidance to more affordable units** will ensure that more housing is made accessible to those who need it most.
- **Requiring translation services** will improve equity for those with a limited English proficiency or other language barriers.
- **The stated Supportive Housing and Tenant Screening Criteria** focus on eliminating barriers to housing that are often faced by those marginalized by American society, especially black, Native, and other non-white people. The importance of challenging the relevance of criminal, financial, and housing histories to a person's success in housing cannot be overstated as those histories are frequently written in the ink of systemic racism.

I hope that Minnesota Housing will continue to work with its housing partners to implement new strategies to increase Minnesotans' access to permanent homes.

Thank you,

Scott McGillicuddy

July 22, 2020

Commissioner Jennifer Ho
Minnesota Housing
Saint Paul, MN 55102

Dear Commissioner Ho,

Thank you for the opportunity to comment on the draft 2022-2023 Qualified Allocation Plan. Metro Cities represents the collective interests of cities across the seven-county metropolitan region. Metro Cities appreciates its partnership with you and your staff in addressing local housing needs.

Metro Cities supports housing that is affordable and appropriate for people at all stages of life. A range of housing is vital to the economic and social well-being of communities and the region. Elected city officials and staff work to support housing to meet current and future needs through land use and planning authorities as well as fiscal policy.

The region faces challenges in providing adequate housing to serve low and moderate-income residents. Cities work with the private and nonprofit sectors and their government partners to produce new housing and to preserve existing affordable housing.

State dollars are a critical source to address a variety of housing needs. Some cities use local resources to support new construction and housing preservation, but they are not a replacement for state support. State funding continues to be a critical element in addressing these needs.

The draft 2022-2023 QAP includes many important considerations. Metro Cities concurs with previous feedback that cost containment standards should allow for differences in city geographies, including topography, soil type, and water features. Scoring should also recognize local infrastructure costs and design standards that support durability. In the cases of redevelopment, scoring should recognize a building's context in existing neighborhoods.

Points for transit should not be uniform for projects in the metropolitan region. Transit service in the region varies, with many cities receiving minimal regular route service and others high-frequency service. Applications should recognize various transit frequencies and not apply a uniform metro score.

Cities with multiple applications in a single round should not be penalized for working on multiple projects simultaneously. Cities work diligently to advance projects under varied stakeholder timelines. Delays in state awards may mean site control will be lost and a proposed project may not proceed.

Metro Cities supports preservation projects. These projects maintain existing affordable units for residents and reinvest limited public resources efficiently.

Thank you for soliciting feedback on the draft QAP. Please contact me with any questions.

Respectfully,

Charlie Vander Aarde
Government Relations Specialist

METROPOLITAN INTERFAITH COUNCIL ON AFFORDABLE HOUSING

"Do Justice, love mercy, walk humbly with your God." Micah 6:8

MICAH

July 30, 2020

MICAH's public comments on the 2022-2023 QAP Plan: Low Income Housing Tax Credits

Thank you for the opportunity to comment

Local stakeholders must include people impacted by the housing crisis and/or in need of affordable housing at all decision making tables. We are pleased that the 2022-2023 QAP process included more engagement with community stakeholders including people most impacted by affordable housings needs. (Who want and need to decide the types of housing they want developed.)

We strongly encourage developers meet with potential residents in the community, where they plan to develop housing prior to submitting applications, so the development may address the residents' needs.

MHFA should continue to expand the interactive listening sessions on the Sect 42 program and opportunities for QAP public comments with groups including Street Voices of Change, Freedom from the Streets, and One Family One Community, Youth and other homeless programs in the metro area and to partner with other groups organizing people impacted by the housing crisis and/or homelessness in greater Minnesota.

Specific Comments on the 2022-23 Qualified Allocation Plan
MICAH supports these proposed changes- **additional recommendations in bold and underlined)**

MICAH supports these Changes to the Self-scoring Worksheet Preferences

•1. Eventual Tenant Ownership – **(Strongly support**) HTC projects are eligible for conversion to ownership and projects intending to convert to homeownership at the time of application will receive selection review preference, consistent with the IRS Section 42 preferences.

2. Innovative Construction Methods – A project that uses an innovative construction technique to achieve, or has the potential to achieve, one or both of the following goals will be eligible to receive selection review preference. The goals are:
o Reduce total development costs by at least 10%
o Reduce the time the project is under construction by at least 20% 2022-2023

3. Increase the incentive to serve larger family sizes. For point eligibility: **(Strongly support- encourage more points and includes intergenerational housing)**
o At least 75% of the assisted units must contain two or more units; add a requirement that one-third of the 75% must contain three or more bedroom.
o A smaller number of additional points are available if one-third of the 75% contain four or more bedrooms

4. Permanent supportive housing: **(Support expanded prioritization for these units- these units often sit vacant if only utilizing limited and often dysfunction Coordinated Entry System)**

o Permit communities to use a dynamic prioritization process (populations could come from Coordinated Entry (CE) waiting list households further down on CE scoring such as Rapid ReHousing (RRH), referrals from county and/or institutions, referrals from housing choice voucher (HCV) waiting lists for households in housing search status, etc.).
o People with Disabilities – Create a second point option for projects that will use Section 811 project-based rental assistance if Minnesota Housing receives an award of additional Section 811 funding by HUD in mid-2020.

o Tenant Selection Criteria – Minnesota Housing currently requires a written tenant screening plan for all HTC projects selected for funding. The tenant selection plan for supportive housing, 30% MTSP rent units, and units set aside at the HAP payment standard must be written to adhere to housing first principles, may not screen out individuals based on only credit or housing history (including evictions), and must implement criminal background screening procedures that reduce barriers to obtaining housing following Minnesota Housing's proposed Tenant Selection Plan guidance. **Minnesota Housing may want to look at recent tenant screening past by City of St. Paul**

• Add new scoring criterion for serving seniors for projects where 100% of units will be restricted and marketed to seniors age 55 and older. Additional points are available for further restricting units to 30% income levels consistent with the Housing Infrastructure Bond statutory preference.

5. Serves Lowest Income for Long Durations(**STRONGLY SUPPORT)**
• Add deeper rent targeting for 30% MTSP rents with **or (Strongly support) without a services requirement:**

6. Increasing Geographic Choice **(Strongly Support)**
• Eliminate High Performing School and Economic Integration criteria.
• Create a new category (two tiers) based on the need for more affordable housing options as a result of:
o Either a low share of affordable rental housing compared to all housing options in a community or a large share of renters that are cost burdened by their rent.

7. Rename Location Efficiency to Transit and Walkability. Recommended changes within Transit and Walkability include (**STRONGLY SUPPORT)**
o Update the 7-County Twin Cities Metropolitan Area and Greater Minnesota Rural Small Urban Areas by:
♣ Merging the light rail transit (LRT) and high-frequency network/bus rapid transit (BRT) into one criterion.
♣ Adding an option for projects with access to dial-a-ride in the 7-County Metropolitan Area.
♣ Lowering the minimum hours of service for transit operations in Greater Minnesota Rural and Small Urban Areas from 10 to 8.
o Recalibrate the tiers for walkability in the 7-County Twin Cities Metropolitan Area and Greater Minnesota Rural and Small Urban Areas, with new tiers for the core cities in the Twin Cities 7-Couny Metropolitan Area and different tiers for suburban locations.

8. Supporting Community and Economic Development **(Strongly support increasing points for this section)**
• Add a point incentive for Equity and Inclusion to the Community Development Initiative for projects committed to equity and inclusion.
• Add projects located in Opportunity Zones as a pointing preference.
• Incentivize projects with No Recent Multifamily Award (within the last five years) as a new pointing category.

•(**STRONGLY SUPPORT**) Rename Minority Business Enterprise/Women Business Enterprise to People of Color and Indigenous-owned/Women-owned Business Enterprise (POCIBE/WBE) and add two additional opportunities for points for projects that meet one, or both, criteria: **We support adding more than 2 points to expand diversity of developers so they are more representative of our State's population)**

o Two or more key members of the development team are POCIBE/WBE.

o The project sponsor, general contractor, architect or management agent partners with a POCIBE/WBE entity with the goal of building the entity's capacity to develop, manage, construct, design or own affordable housing in the future. Preservation

9. Summary of Proposed Changes to the QAP and HTC Procedural Manual

*Combine the QAP and HTC Procedural Manual into one document and establish a two-year QAP (2022-2023), which sets the priorities and requirements for multifamily projects that will request funding in the 2021 and 2022 Consolidated RFPs.•

- Increase the per development HTC limit to $1.35 million in 2022 and $1.4 million in 2023.
- Increase the Rural Development set-aside to $375,000 in both years.
- Incorporate the concept of dynamic prioritization (refer above) for High Priority Homeless (HPH).
- **Implement the average income test policy on all projects**

Additional QAP 2022-23 Comments (please also see letter we signed with other organizations prioritizing children and youth experiencing homelessness as a targeted populations).

MICAH's comments made on the 2021 plan

1. We continue to support long term affordability as a preference priority.
2. We continue to support the point increase for minority owned/women-owned (MBE/WBE) business enterprise but we support an **increase from 3 to 20 points (at least), not 3 to 4 points.** The only way our smaller diverse developers can compete with organizations with 15-40 plus years of experience is by providing them opportunities through a greater number of points. An additional way is to increase to MBE/WBE organizations' involvement is by awarding additional points to non- MBE/WBE organizations that contract with minority owned/women-owned business enterprises in the community and hiring diverse people in the community where the housing development is being placed.
3. We continue to have concerns about the increase in per developer or general partner tax credit limit and the impact that may have on the ability of newer diverse organizations attempting to access tax credits.
4. Revise the State Designated Basis Boost: We continue to support Preservation Basis Boost. We have concerns about the strategic priority of supportive housing without the requirement that residents be involved in supportive services. Only residents with chemical health issues are required to be involved in supportive services in the 2020 and 2021 QAP as indicated in Article 5.4c. We are concerned with the potential new mandates in Medicaid to work and volunteer, that many in supportive housing not involved in services, will not be able to successfully complete the requirements or be waived from participating. This may put their Medicaid resources at risk, thus potentially destabilizing their lives and their ability to live independently in a tax credit housing unit.
5. Greater Minnesota Housing Work force Housing: We continue to encourage a change to allow the letter of support may come from **more than one business employing a total of** 20 or more full time employees. This would allow communities with small growing businesses to provide

the employer's support letter through a joint letter of more than 1 employer. This could also support the housing needs of smaller communities with a more diverse employment base (not dependent on one major employer) to access tax credits. Suggest changing Article 9.0 b 1 and 2)

6. Rural Development / Small Project Set Aside of Funds- We s continue to upport this set aside for small projects of 12 units or less to help preserve and develop housing in Rural Development Service areas.
7. Community Development Initiative: Local stakeholders must include people impacted by the housing crisis and/or in need of affordable housing at all decision making tables. (Article 9.0e). We are excited that the 2022 QAP will include sustained engagement with community stakeholders including people most impacted by affordable housings needs. (Who want and need to decide the types of housing they want developed.) We encourage basic interactive listening sessions on the Sect 42 program and QAP public comments with groups including Street Voices of Change, Freedom from the Streets, and One Family One Community in the metro area and to partner with other groups organizing people impacted by the housing crisis in greater Minnesota. MICAH will begin interactive listening sessions on a monthly basis this fall on local, state, federal policies and history of homelessness as a part of national Housing Now 2020.
8. We continue support Article 10.3b Scoring- Tiebreaker. This gives priority to a community that has not received tax credits in the last two years.
9. Article11.1 Record Keeping- Number 2. Please add race and national origin as information collected about the tenant in addition to ethnicity.
10. Article 11.2 number 7 Certification and Review Provisions: In addition to no finding of a discrimination act. Please identify any discrimination claims made about the property.
11. Article 11.2 number 8 Safety: Please include in preservation units built before 1968 that they must be Lead Safe.
12. Access to Higher Performing School Methodology. We continue to support locating tax credit units in these areas. We do have concerns, that some school districts have redrawn school district boundaries after affordable units have been developed in their community which may segregate students from tax credit and other affordable units into a specific school. We recommend a binding agreement with community and school district that this will not occur as a condition of receiving tax credits.
13. Economic integration: We continue to support housing choice and opportunities throughout the Twin Cities Metropolitan area and State. Local stakeholders must be involved including people impacted by the housing crisis and/or in need of affordable housing at all decision making tables.
14. Location Efficiency Methodology. We encourage higher points (at least 7) for walkability and short commutes (under 5 miles). We have large industries such as FedEx in Rogers and Amazon in our South Suburbs where land may be available for development for housing in close proximity for workers to walk or a short drive to work. Projects attempting to develop units in these locations currently cannot score high enough to access tax credits because of the current priorities given to public transportation lines in this section. We believe this is also true in Greater Minnesota where many of our rural public transit systems have seen dramatic reduction in services and cannot score enough points to make projects eligible for tax credits. We appreciate the change from access to public transportation/ dial a ride from within 2 hours to within the same day.
15. Please identify sub allocators that have entered into Joint Powers agreement with Minnesota Housing under which Minnesota Housing will perform the HTC award and compliance monitoring.

Ongoing Concerns:

1. MICAH continues to disagree with MHFA about its role with sub-allocators. Minnesota has a unique manner of distributing Low Income Housing Tax Credits through the allocation to MHFA and sub-allocation to other entities. MICAH believes that MHFA has obligations under the Fair Housing Act to ensure that all resources it has, it is appropriated, allocated, or sub-allocates or grants are used in a manner that decreases segregation and promotes housing choice, opportunities and choice throughout the metropolitan area and State. The 2020 and 2021 QAP plan, Article 3.4, clearly identifies the Metropolitan Council as having a role in the determining the distribution of LIHTC in the Metropolitan area.

2. MICAH continues to be concerned about the potential segregation in communities that receive the 10% set aside for non- profits and additional resources that are provided to projects in sub-allocators communities. We believe that without further review by MHFA of both the non-profit site location and its proximity to other affordable housing in that community, that MHFA may be promoting segregation through the non-profit set aside. We recognize and support the critical need for reinvestment and renovation of properties in highly segregated, high poverty areas. We encourage specific investment in those communities with minority owned developers that are community based, who will hire people, especially minorities, within the community and contract with minority and women businesses in that community to keep the investment and wealth in that community. Local stakeholders must be involved including people impacted by the housing crisis and/or in need of affordable housing at all decision making tables.

Thank you for the opportunity to comment

Sincerely,

Sue Watlov Phillips

Sue Watlov Phillips, M.A.

Executive Director, MICAH

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MID-MINNESOTA LEGAL AID
MINNEAPOLIS
Dorinda L. Wider · Phone/Fax: 612-746-3762 ·dlwider@mylegalaid.org

July 22, 2020

Via Email: **HTC.MHFA@state.mn.us**

Minnesota Housing
400 Wabasha Street North
Suite 400
St. Paul, MN 55102
Attention: Tamara Wilson

RE: Proposed 2022-2023 Housing Tax Credit Qualified Allocation Plan (QAP);
Housing Tax Credit (HTC) Procedural Manual;
Housing Tax Credit Program Compliance Guide;
Proposed Tenant Selection Plan (TSP Guidance); and
Resident Notification Letter and Low Income Housing Tax Credit Lease Rider

Dear Sir or Madam:

Mid-Minnesota Legal Aid (MMLA) is a nonprofit organization providing legal representation to people with low incomes in 21 central Minnesota counties, from the City of Minneapolis to farm country. The 14,674 square mile area, larger than nine states, stretches across Minnesota from east to west. Outside the Minneapolis area, only one city (St. Cloud – 67,093) has a population above 25,000. According to the 2017 ACS survey, there are 207,893 people living below the poverty line in the MMLA service area. MMLA's mission is to advocate for the legal right of disadvantaged people to lead safe, healthy, and independent lives in their communities. In 2018, MMLA provided representation and advice to 10,651 low-income households and reached tens of thousands more through its online legal information services.

Housing cases were 28.56% of MMLA's 10,651 cases in 2018. I am an attorney in the MMLA housing unit working in Minneapolis and the surrounding Hennepin County. Our work involves the use of the full range of legal advocacy on behalf of our clients to: help them avoid homelessness; ensure the housing stock includes housing affordable to those with the lowest incomes; ensure that their housing is well maintained; and ensure stability of their tenancies so they, their children and their communities thrive.

The Tax Credit program administered by the MHA is a vital resource for the health, safety, and development of meaningful futures for the clients of MMLA. On behalf of our client community,

we write in response to Minnesota Housing Agency's (MHA's) request for comments on its proposed QAP, proposed Procedural Manual and proposed TSP Guidance. Based on our clients' needs, our comments are primarily focused on equity, "good cause" terminations, and protections for survivors of gender violence. Some of the changes we suggest to the proposed documents will also require revisions to the HTC Compliance Guide and to the Resident Notification Letter and Lease Rider for consistent application and direction to housing providers.

As the MHA knows, our housing market is extremely harsh for low-income people:

- The housing wage, assuming a 40-hour work week for 52 weeks per year, the level of income needed to afford a two-bedroom apartment at the HUD Fair Market Rent (FMR) for Minnesota $20.53.[1]
- One must work 2.21 full-time jobs at Minnesota minimum wage to afford a two-bedroom rental home at the HUD determined Fair Market Rent ($1,068) in Minnesota.[2]

In addition to the economic barriers limiting the housing options of our clients, this is an extremely segregated area. *See* Myron Orfield and Will Stancil, *Why Are the Twin Cities So Segregated?*, 43 Mitchell Hamline L. Rev. 1 (2017). The Minneapolis-Saint Paul metropolitan area is known for its progressive politics and forward-thinking approach to regional planning, but these features have not prevented the formation of some of the nation's widest racial disparities and the nation's worst segregation in a predominantly white area." *Id.* Racial and economic inequities have not improved since this 2017 statement.

Many of our clients face additional barriers to finding and keeping safe housing due to their status as survivors of domestic violence, dating violence sexual assault, and stalking. Most survivors are women. Many of our clients are not only survivors of gender violence, but also members of the classes protected by the Fair Housing Act. In 2018, women comprised 62.36% of MMLA clients. MMLA's 2018 clients in 2018 were 51.50% non-white. In 90% of MMLA cases where physical safety was an issue, our clients were better off because of our intervention. In 87% of MMLA cases where remaining housed was an issue, our clients were better off because of our intervention. To continue to help our clients achieve and sustain safe and stable housing, we need MHA to make the revisions suggested below to its policies related to gender violence.

Our clients are frequently forced to leave their homes for safety from physical and psychological abuse. They meet resistance from landlords when they try to use the protections provided to them in the Violence Against Women Act, 42 U.S.C. § 13925, *et seq.* (VAWA). Survivors are shut out of housing options in our already tight market when screening criteria are used to deny their applications because: they are survivors of crimes against them in their former tenancies; they are deemed rental risks because they have poor credit as the result of their abusers' conduct; they are deemed rental risks because the conduct of their abusers in their former tenancies resulted in damage to property or disturbed neighbors. Many landlords use tenant screening companies to

[1] "Out of Reach 2020," National Low Income Housing Coalition, July 14, 2020, www.nlihc.org/oor, p. 134.

[2] *Id.*, p. 135.

evaluate applications in a process that involves the third-party gathering information, often of questionable accuracy or relevance, and apply statistical models to the data to pronounce the applicants worthiness as renters in a process that lacks any transparency to the applicant. Survivors are challenged to maintain safe, stable housing when local jurisdictions enact crime-free or nuisance ordinances that require that landlords evict survivors for calling for police protection. The ordinances demand that landlords, including those funded with MHA tax credits, evict survivors to retain their licenses to operate rental property in that jurisdiction. The ordinances are enacted and enforced despite Minn. Stat. § 504B.205, which prohibits lease terminations for police calls for gender violence.

To continue to help our clients achieve and sustain safe and stable housing despite these barriers, we need MHA to make the revisions to its policies related to gender violence suggested below so housing providers in the Tax Credit program make their decisions that properly implement VAWA and the Fair Housing Act. All of MHA Guidance documents should now also include not only the guidance principles provided by *HUD Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions*, April 4, 2016, but also the guidance in *HUD Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Enforcement of Local Nuisance and Crime-Free Housing Ordinances Against Victims of Domestic Violence, Other Crime Victims, and Others Who Require Police or Emergency Services*, September 13, 2016.

Equity

MHA notes in its "Summary of Engagement and Proposed Changes" that it heard in its community feedback about the importance of application of racial equity values in its work. It is evident that principles of racial equity have been considered in the priorities and evaluation of needs that the MHA has included in the proposed QAP and proposed TSP. We commend the MHA for this work thus far. We urge it to continue to expand the use of equity analysis in every facet of its work, continue its commitment to affirmatively furthering fair housing, and continue to prioritize providers who use admission screening tools that reduce barriers for applicants with negative credit, rental or criminal histories. While the Worksheet allows points for Equity and Inclusion, there is no clear definition of what that really requires – the MHA must provide a clear definition to make this point allocation operational.

"Good Cause" Termination of Tenancy

A key feature of tenancy in a Tax Credit property is the security provided by the requirement of "good cause" for termination of tenancy. The proposed QAP, p. 33 Paragraph P, refers to the requirement of "good cause" for termination tenancy which must be in the LURA, and is in the Compliance Guide as well as the Resident Notification Letter and Low Income Housing Tax Credit Lease Rider. The QAP and the subsequent documents affecting compliance and information to tenants should be revised to describe a process for housing providers to use "good cause" as a method of conflict resolution that can result in enhanced livability and housing stability.

The QAP should contain a "good cause" process for implementation of this essential tenant protection that includes in the notice of termination to the tenant the option to meet with the provider within ten days of receipt of the notice to try to resolve the problem so an eviction complaint is not filed. This meeting between tenant and housing provider will allow discussion of mitigating circumstances surrounding the alleged "good cause" for termination. The "good cause" notice should refer to the tenant's rights to reasonable accommodation if the "good cause" is related to disability. This meeting will allow the tenant and the housing provider to engage in the interactive process of reasonable accommodation before any eviction complaint is filed. The "good cause" notice should refer to the tenant's right to protections from termination of her tenancy if the "good cause" alleged is the result of domestic violence, dating violence, sexual assault, or stalking. The "good cause" termination notice will already contain the required VAWA notice and VAWA certification forms. The meeting will provide an opportunity for the housing provider to receive the documents and further explain the VAWA Emergency Transfer Plan if the tenant chooses. The meeting between tenant and housing provider if requested by the tenant will facilitate resolution of many disputes that will ultimately result in settlement when they reach housing court. The meeting will save the provider's resources, eliminate unnecessary filing against a tenant that will require expungement after settlement, facilitate community buy-in by tenants, and result in continued stability of the tenant's housing.

Many providers will already be familiar with such a meeting process since it is required in many of the HUD programs that are already part of the project's funding stream or the provider's portfolio. *See*, HUD Handbook 4350.3, REV. 4, Chapter 8,
https://www.hud.gov/sites/documents/43503C8HSGH.PDF

The requirement to meet and try to resolve problems give the tenant and the housing provider a space in which to include dispute resolution, relationship building, discussion of reasonable accommodations, or completion of VAWA certification that is advantageous to all involved. This requirement for a pre-filing dispute resolution step in "good cause" terminations should be not only be in the revised proposed QAP, but also in *every* place in the MHA's Tax Credit policies where "good cause" terminations appear, including, but not limited to, the HTC Compliance Guide, pp. 21, 32, 79 and 82, and the Resident Letter of Notification and Lease Rider.

Proposed TSP

The proposed TSP should adopt the proposed improvements to screening guidelines to be used in all LIHTC properties, with all MHA funding sources, not just Supportive Housing properties. The proposed changes in how applications will be reviewed support the MHA's fundamental values of racial and economic equity.

We suggest the following revisions:

- The proposed TSP, pg. 1, should advise housing providers to include compliance with VAWA, as well as the Fair Housing Act and Minnesota Human Rights Act, in their discussions with their legal counsel.

- In Paragraph 1, include the requirement for meaningful access to the contents of the TSP before applying for those who are deaf or hard-of-hearing, as well as Limited English Proficiency (LEP).

- The proposed TSP should refer to "tenant screening reports," as well as "tenant background/credit reports." Many applicants will be more familiar with the phrase "tenant screening reports," which should be similarly handled.

- Paragraph 5 should require written notice of denial within ten days rather than "prompt."

- Revise Paragraph 6 to include the requirement that the review of the application in the appeal process be done by someone other than the person who made the initial determination to deny the applicant.

- In Paragraph 6, require the housing provider to provide the applicant with access to her application file at least three days prior to the appeal review in order for the applicant to review the contents and make copies of any of the materials used in her application determination, at her expense.

- In Paragraph 6, include the right of the applicant to choose to submit their appeal information orally or in writing or a combination of both.

The discussion of the criteria and circumstances to be considered in the review of an application in which VAWA and gender violence is implicated should be included throughout all MHA policies and not just limited to instances of application or eligibility determinations. The description in the Proposed TSP is just as useful and should be required when considering a tenant for possible termination for "good cause."

Revisions for Implementation of VAWA Protections

In addition to requiring use of HUD 91067, the MHA Compliance Guide, p. 40, should include the link to H Notice 2017-05 "Violence Against Women Act (VAWA) Reauthorization Act of 2013 – Additional Guidance for Multifamily Owners and Management Agents" – for valuable examples of how to fully implement VAWA protections. This HUD Guidance should be familiar to many MHA housing providers who already work with HUD Multifamily programs. The Guidance provides useful examples showing how gender violence is manifested in survivors' lives that may affect their housing. It also offers suggestions for ways to approach issues of gender violence with tenants and some information about outreach to domestic violence and sexual assault services providers in their communities that housing providers might find useful.

We strongly urge the MHA to adopt all of the following VAWA Compliance recommendations of the National Council of State Housing Agencies (NCSHA) in its "NCSHA RECOMMENDED PRACTICES IN HOUSING CREDIT ADMINISTRATION 2017, https://www.ncsha.org/resource-center/housing-credit-recommended-practices/.

The MHA has done some of the items on the NCSHA list, but all should be put in place throughout the MHA's policy and oversight documents. "To strengthen Housing Credit administration and continue to merit and maintain congressional confidence in it, states have developed through NCSHA recommended practices in Housing Credit administration. These practices—created by states for states—not only help states meet their responsibilities, but also preserve, to the maximum practical extent, the individual state flexibility that is at the heart of the Housing Credit program and its great success." *Ibid.*, p. 3.

42. Violence Against Women Act (VAWA) Compliance

Recommendation

Agencies should adopt Housing Credit policies and procedures that support Violence Against Women Act (VAWA) compliance, including:

- Referencing victims of domestic violence, dating violence, sexual assault, or stalking under the QAP selection criterion for tenant populations with special housing needs;

- Clarifying that a domestic violence incident does not constitute "good cause" for eviction of the victim if the victim otherwise meets tenant occupancy rules;

- Notifying Housing Credit development owners and property managers about victims' rights under VAWA, including providing tenant notice, establishing an emergency transfer plan, and formalizing transfer request requirements;

- Amending extended use agreements to explicitly reference VAWA requirements; and

- Modifying compliance monitoring procedures to identify VAWA noncompliance.

In addition, Agencies should require owners of Housing Credit developments to implement the following practices to ensure VAWA compliance:

- Prohibiting denial of assistance and/or eviction from housing (consistent with state eviction laws) on the basis that an applicant or resident is a victim of domestic violence, date violence, sexual assault, or stalking, if the application or resident otherwise qualifies for admission;

- Providing notices similar to HUD-5380 (Notice of Occupancy Rights Under VAWA) and HUD-5382 (Certification of Domestic Violence) to all tenants in existing developments;

- Utilizing a lease addendum to inform tenants they are in a Housing Credit unit and that they are protected by VAWA;

- Allowing bifurcation of tenant leases in order to evict or terminate assistance of the perpetrator and continue housing assistance for the victim;

- Developing policies on acceptable unit transfers, referencing guidance from HUD-5381 (Model Emergency Transfer Plan) and HUD-5383 (Emergency Transfer Request); and

- Training property management staff that interact with applicants and tenants on VAWA requirements.

Ibid., pp. 41-42.

The MHA and its programs are essential to helping meet our clients' needs for affordable and stable housing in communities that will allow them and their families to thrive. The suggestions we have made here for revisions to the Proposed QAP and Proposed TSP, as well as the other policy documents that MHA uses to fully implement its Tax Credit programs, will uphold the values that the MHA has identified for its work. Our suggestions will also ensure that legal protections for our clients, as applicants and tenants in MHA programs, are fully realized.

Please contact me is there are any questions I can answer for you concerning our comments.

Respectfully submitted,

/s/ Dorinda L. Wider

Dorinda L. Wider
Attorney at Law

DLW/arh

July 14, 2020

Hon. Commissioner Jennifer Ho
Minnesota Housing Finance Agency
400 Wabasha Street North
St. Paul, MN 55101-1998

Dear Commissioner Ho:

We appreciate the opportunity to comment on MHFA's draft 2022-2023 Qualified Allocation Plan and associated application documents. On behalf of Mille Lacs Corporate Ventures, please accept the following comments on the proposed 2022-2023 changes.

Greatest Need Tenant Targeting
We support MHFA's proposed increase of available points in the Greatest Needed Tenant Targeting Category. In Greater Minnesota markets, we see the highest level of demand for two-bedroom units followed by demand for three-bedroom units. Four-bedroom units would likely be hard to fill because the rents would be cost prohibitive for many families.

Permanent Supportive Housing
We are supportive of the proposed alternative methods for Coordinated Entry selection.

Rental Assistance
In order to be competitive, we commit to ongoing privately funded Rental Assistance for a portion of our units. While we understand the important of this commitment, the points related to Rental Assistance create a burden on LIHTC developers like ourselves and can adversely impact the ongoing operations of the project. We would recommend setting Rental Assistance maximums or finding additional ways to mitigate any operational losses due to rental assisted properties. As an example, we had a tenant in our existing project, Lady Luck Estates, that chose to retire from her job. She was in a unit receiving Rental Assistance so we reduced her monthly rent by $150. This reduction equates to $2,400 less in revenue – creating a significant impact on a small project that barely cash flows. We have to ask ourselves "What if a recession hit and we had a large number of tenants qualify for higher subsidies?" Our project and other projects like it would be in tough operational shape.

Further, as income averaging is new to Minnesota, we fear it may be tough to maintain compliance with rental assistance agreements as the subsidies may change regularly. Our goal is to ensure that our projects cash flow in order to ensure ongoing, high quality operations for all of our tenants. These fluctuating commitments are a challenge. We respectfully ask that MHFA consider how we can all mitigate these concerns for privately funded Rental Assistance while still putting forth a competitive 9% application.

Long-Term Affordability
We suggest that MHFA maintain the existing points for 35 years of affordability (8 points) and 40 years of affordability (9 points) and add additional points in this scoring category for 50 years of affordability. Maintaining LIHTC rent limits and compliance is taxing on the financial health of the business. MHFA should increase the score if restrictions are being extended.

Increasing Geographic Choice
We support MHFA's elimination of the High Performing School and Economic Integration criteria. Regarding the proposed new category (Need for More Affordable Housing Options), we strongly support the inclusion of all Tribal Reservations in Tier 1. However, we do not support the methodology that only communities with 500 or more household respondents are eligible. Our mission is to develop workforce housing in very rural communities, many of which have less than 500 household respondents in the datasets used in MHFA's methodology. Can MHFA revise their methodology to include very small communities (perhaps by using the community's Census Tract)? Small communities also have a need for more affordable housing, and the cut off of 500 household respondents is unnecessary.

Workforce Housing Communities
If a project is located in a community where an individual employer has 100+ net job growth over the past five years, the application earns six valuable points in this category. However, this scoring category fails to consider communities with severe housing need and significant job openings. We work in communities where there are a far more than 100 job openings with an individual employer. This sort of demand for workers should earn the same number of points as a high job growth community.

Additionally, the Long Commute Communities points are still only intended for projects located in communities with 2,000 jobs or more in 2018. This cut off is arbitrary and unnecessary. If a community has a large proportion of people commuting long distances into the town for work, there is a strong demand for workforce housing. We recommend that MHFA award these points for any community where more than 15% of the workforce travels 30+ miles into the community for work (as evidenced by LED on the Map).

Location Efficiency - Greater Minnesota – Access to Transit and Walkability
We support the revised minimum Walkscore for points. Further, we recommend that MHFA institute a "lookback" period of one year for a site's Walkscore. A project site's Walkscore can change periodically and without notice. A "lookback" provision would ensure that applicants aren't surprised right before an application deadline by a decrease in their site's Walkscore. Developers need to be able to rely on those scores prior to application submission.

Supporting Community & Economic Development – Equitable Development
Can MHFA clarify if letters of support from community groups that represent stakeholder groups most impacted by housing disparities, along with the associated narratives addressing the scoring criterion, would be sufficient evidence of these points?

Rural/Tribal
We do not support the reduction in points possible for Rural/Tribal communities from 7 points to 4 points. Tribal and truly rural communities consistently are at a disadvantage when it comes to several other scoring categories (Access to Transit, Walkscore, etc.) so the full 7+ points are necessary to ensure a diverse array of projects. Actually, we argue that tribal projects should receive additional points because of the urgent need for additional public & private investments. As an example, the Mille Lacs Tribal Economy (TE) encompasses the three districts of the MLBO's territory that include Census tracts 9504, 9505, 7704, 9703, 9701, 9702. Prior to the Pandemic, the TE has consistently fallen behind Greater Minnesota communities as well as the State of Minnesota in many economic metrics including median

household income, unemployment, poverty. In addition to the region lagging overall, American Indian populations have skewed even more unfavorably in the TE. According to Minnesota Compass, the TE encompasses 20,171 people with 8.9% being American Indian, compared to American Indian populations of 1.5% in Greater MN and 1% in the State of MN. The TE median household income (in 2017 dollars) was $43,594 compared with $61,873 in Greater MN and $65,699 in the State of MN. The poverty rates are also shockingly disproportionate in the TE at 15.4% (for populations with income below poverty) compared to 11.2% in Greater MN and 10.5% in the State of MN. Additional affordable housing investments are desperately needed in tribal communities across the state.

QCT/Community Revitalization and Tribal Equivalent Areas

The proposed language states "The proposed housing is located in a QCT/ Community Revitalization Area, Tribal Equivalent Area, and Opportunity Zones". Should it instead state "…or Opportunity Zones"?

No Recent Multifamily Awards

We support the inclusion of this category but disagree with the methodology for Greater Minnesota. We suggest determining these points by Census Tract instead of county in Greater Minnesota. The current methodology is problematic because the population characteristics and development factors vary widely within rural counties. As an example, southern Mille Lacs County is a lot more populated with more resources than northern Mille Lacs County. The northern half of the county also has lower socioeconomic indicators and more disadvantaged populations of color. The same goes for Pine County with wealthier populations in the southern portion. A LIHTC development in the higher income, more populated areas of the county should not eliminate the possibility of these points for a LIHTC development in a lower income, less populated area of the county.

Minority-owned/Woman-owned Business Enterprise (MBE/WBE)

We fully support the increase in POCIBE/WBE points. As a point of clarification, can MHFA confirm that that POCIBE/WBE entities that serve as both project sponsor and management agent are also eligible for the point in subsection F(3)?

Cost Containment

We support MHFA's removal of the cost containment points. This will allow developments to be more innovative and incorporate higher durability features.

Thank you for the opportunity to provide comments on the 2022-2023 draft QAP documents. If you have any questions regarding the suggestions above, please do not hesitate to contact me directly.

Sincerely,

Dustin J. Goslin
VP of Business & Economic Development

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

Comment on the Minnesota Housing 2022-23 Qualified Allocation Plan (QAP)

The Minneapolis Public Housing Authority is Minnesota's largest single provider of permanent housing for the lowest-income renters. The average annual household income of those we serve is around $16,000. Ninety percent of people in our programs are people of color, including many seniors, children, and people with disabilities.

MPHA takes a stakeholder's interest in the QAP from three perspectives:

- An owner/developer/manager of deeply affordable housing, facing significant capital backlog and preservation needs. *(MPHA expects we will typically engage with the HTC process via a suballocator. However, there may be circumstances in which we are scored directly under the Minnesota QAP.)*
- A strategic provider of project-based vouchers to other developers of affordable housing, through which we fund and incent the creation of new housing and assure a proportion of units reserved for renters below 30 percent of Area Median Income (AMI).
- One of few major providers of homes at the base of the state's housing continuum, with a general interest in widespread, equitable, and long-lasting creation and preservation of affordable homes for all Minnesotans.

As we have reviewed and commented upon draft QAPs in recent years, we have been pleased to observe the shift in overall priorities. We strongly endorse and applaud Minnesota Housing's top three ranked priorities, as articulated with this year's draft:

1. Serves Lowest Income for Long Durations
2. Greatest Need Tenant Targeting (including large family housing)
3. Preservation

These priorities reflect the needs that MPHA hears and sees in our daily work: from the voices of families we serve, the staggering length of our waiting lists, and financial challenges of developing/rehabilitating housing when tenant rent payments will be limited.

We also add our support this year for the proposed updates and expansion of the Tenant Screening Criteria, with their emphasis on the "Housing First" principles that MPHA already believes and practices in our own tenant selection.

MPHA nonetheless continues to urge Minnesota Housing to assure that its actual scoring fully aligns with its values and priorities—and particularly that preservation scoring does not disadvantage public housing authorities in its approach to HTC awards.

Implement Proposed Tenant Screening Criteria

(…while mindful of potential "tenant-path-to-ownership" exceptions)

Tenant screening practices can perpetuate cycles of structural racism in housing, closing the door to those most in need of a stable, affordable home. Like all public housing and voucher programs, those administered by MPHA are highly welcoming compared to what prevails in the private sector. We believe that past rental or credit challenges are not determinative of future success. We also believe that government subsidies of affordable housing—including HTCs—exist to *close* gaps, not perpetuate them.

The proposed Tenant Screening Criteria advance these values, and we support them on behalf of the tens of thousands of Minnesota families whom public housing cannot reach. The new opportunities created by Minnesota Housing through the QAP should hold developers and managers to the principle that stable housing is a basis upon which to build a new future for low-income families.

We do want to note one area of potential overlap with another Minnesota Housing priority, and suggest that you look closely to avoid a conflict in certain cases. Projects that feature a path to tenant ownership (e.g., "lease to own" affordable housing) face a complex challenge when assessing potential tenants for affordable housing *who will also* be expected to qualify for mortgage financing in the near future. MPHA's own experience with its limited lease-to-own program is informative: what it takes to thrive as a tenant of subsidized housing can be quite different than what lenders and first-time-homebuyer assistance programs consider suitable history upon which to extend credit. While we strongly support the tenant screening criteria for rental housing, we would not want to see a chilling effect on development of other lease-to-own affordable housing developments. Minnesota Housing should conduct further analysis to determine whether an exception might be appropriate here.

Create Fair Scoring for Public Housing in QAP Preservation Tiers

In 2021, Minnesota Housing introduced two tiers, with different point systems, for Preservation of federally assisted housing. In our comments, MPHA applauded the explicit introduction of public housing preservation into to the QAP (via reference to the Rental Assistance Demonstration program, or RAD).

We objected, however, to a wide point differential between public housing that had been converted through RAD (RAD "Component 1") and the preservation of certain other types of federally assisted housing. The scoring in the current QAP disadvantages RAD-converted public housing by a factor of five (a maximum of just six points, versus 30 for other projects).

The proposed 2022-23 scoring sheet improves upon this: PHA projects can now score a maximum of 15 points, versus 40 for other projects. The PHA disadvantage has shrunk to a factor of less than three.

This is progress! However, we do not believe there is justification—nor has Minnesota Housing articulated its reasoning, that we have seen—for retaining its difference in the scoring of these projects. Given the dismal record of federal funding for public housing capital investment, we can

be under no illusions about the long-term financial viability, under the status quo, of this housing—which is, given the demographics we serve, largely irreplaceable by any other form of private or nonprofit development.

The QAP should even the playing field by **awarding all types of federally assisted housing the same maximum of 40 points.** The properties preserved by PHAs under RAD will almost universally serve the lowest-income households (often well below 30 percent of Area Median Income), including many seniors and people with disabilities. Given the mission of PHAs, the structure and resident protections built into RAD transactions, and the long-term federal subsidy contracts involved, we can also expect these properties to remain deeply subsidized housing for a much longer term than other types.

Create a PHA Set-Aside

There is yet another, superior approach that exceeds the scope of the specific QAP draft. As we have in past comments, we ask Minnesota Housing to work with state lawmakers to explore an HTC set-aside specifically to advance preservation (and expansion) of the state's critical public housing. Other states have done so; for example, Texas's "At Risk Set-Aside," which sets aside 15 percent of the state's ceiling for a category explicitly including PHAs using RAD.

This approach not only serves PHAs like MPHA who are eager to reinvest; it actively invites all PHAs statewide to act to preserve their housing. Establishing a set-aside would acknowledge the deep extent to which PHAs in Minnesota align with the goals articulated under the QAP: service to very low-income households; high proportions of people with disabilities; safe shelter for families at immediate risk of homelessness. The federal public housing subsidy administered by PHAs makes us the only affordable housing providers and developers in the state who can house the lowest-income Minnesotans on any significant scale.

Support for Multiple Proposed Changes to Preferences

MPHA sees a great deal to appreciate in the preference changes proposed for 2022-23, including items that reflect our past comments. These include incentives for:

- Serving larger family sizes
- Using innovative construction methods
- Serving more renters of lower incomes
- Longer-term affordability (including a 30-year minimum and points for durations up to 50 years)
- Equity and inclusion elements
- Building where affordable options are needed or cost-burden is high.
- Environmentally sustainable building methods and ongoing operations.

MPHA also is glad to see the de-emphasis of school performance and economic integration. MPHA has felt that awarding points in these areas worked at cross-purposes with the need to invest where housing is most needed and to invest in neighborhoods in need of revitalization.

Note: Inaccurate Regulatory Reference

On the self-scoring sheet, "Selection Criteria" Section 2.B.1. ("Serves Lowest Income…→ Rental Assistance") references "project-based rental assistance awarded in accordance with *24 CFR Ch. IX, Section 983.51*." As we commented last year, we believe the regulatory reference here is incomplete or incorrect, and may be confusing to new construction applicants. The given regulatory citation 983.51 refers to a section of the federal code covering only HUD's Project-Based *Voucher* (PBV) program—not its Project Based Rental *Assistance* (PBRA) program. These programs are often confused, but the distinction is very important. Minnesota Housing might intend to reference *both* PBV and PBRA here, in which case additional citations are needed. For regulations pertaining to the PBRA program, see 24 CFR Ch. VIII (Parts 880-881, for example).

* * *

Thank you for your careful consideration of these comments on the 2022-23 Draft QAP, and for your work toward our shared goal of affordable housing for all Minnesotans.

CONTACT:

Jeff Horwich, MPHA Director of Policy & Communications *jhorwich@mplspha.org*

From: Charlotte Kinzley
To: #MHFA_HTC
Subject: Support for TSP changes
Date: Thursday, July 16, 2020 4:37:10 PM

This message may be from an external email source.
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Greetings,

My name is Charlotte Kinzley, I am writing today to support the proposed changes to the Tenant Selection Plan (TSP). I believe we should be lowering barriers for applicants to supportive housing units, so they have access to a safe and affordable home. I support the proposed criteria stating applicants should not be screened out for past housing history, including eviction history, references from previous landlords and others, as well as money owed to previous landlords, money owed for utilities, based on credit history, including credit score. or denied due to an income to rent ratio (e.g., “income must be two or three times the rent amount”).

Removing barriers to housing will allow all Minnesotans access to the safe and affordable housing we all need.

Stable housing is critical for our young people to develop to their full potential and as someone who works in the school district, I support these protections for our students and families!

Thank you,

Charlotte Kinzley
Manager, Homeless/Highly Mobile Student Services
Minneapolis Public Schools
Student Support Services Department
she/her/hers
cell 612-607-9313
office 612-668-5480

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July 22, 2020

Devon Pohlman
Manager of Multifamily Programs
Minnesota Housing
400 Wabasha St N #400
St Paul, MN 55102

Re: MHP Comments on Minnesota Housing 2022-23 Qualified Action Plan (QAP)

Dear Ms. Pohlman:

On behalf of the Minnesota Housing Partnership, thank you for the opportunity to provide comments on the Minnesota Housing 2022-23 Qualified Action Plan. To inform our comments, MHP solicited feedback from housing partners throughout the state, including hosting an engagement call in June 2020 and soliciting one-on-one discussion.

Minnesota Housing Partnership (MHP). MHP convenes, guides and mobilizes diverse partners working to improve conditions of home and community, from private developers and tribal leaders to elected officials. Crossing boundaries to forge broad coalitions, we amplify a common vision: Building strong, equitable communities that provide opportunity for everyone, especially those with lower incomes. We provide capacity building and technical assistance in rural areas and Native nations, produce original research, and advocate for policies that advance affordable housing and strengthen communities.

****

MHP supports many of the changes made in the 2022-23 QAP and appreciates that this year has been identified, for some time, as an opportunity for a broader engagement process, resulting in more extensive modifications to the QAP than for the 2021 QAP. As there are many significant changes in the proposed 2022-23 QAP, for which there may be unknown results and unintended consequences, MHP encourages Minnesota Housing to implement a transparent and robust tracking and evaluation mechanism to help guide adjustments as needed. As well, if there are major impacts on scoring, MHP encourages Minnesota Housing to potentially delay implementation so as not to harm projects already in the pipeline.

Process Change: Multiyear QAP

- MHP appreciates the **change from one to two-year QAP**, allowing more time to plan for projects and mitigate risk. As described in comments on the 2021 QAP, MHP supports this change and would appreciate the opportunity to be a partner in evaluating its impacts.

Cost containment points eliminated

- MHP supports the elimination of cost containment points, as proposed in the draft QAP. MHP has identified cost containment as a concern in previous years, as this methodology creates some unintended consequences for projects and may create a “race to the bottom” for some project components.

Cost of Units

- MHP notes that many of the changes proposed in the 2022-23 QAP may require spending more upfront costs to achieve intended goals. These goals may include targeted outcomes such as most affordable units, long term affordability, sustainable and healthy housing, and economic opportunity for Black, indigenous, people of color communities and developers. MHP supports these goals while encouraging Minnesota Housing to ensure the true cost of these outcomes is recognized and accommodated.

Policy Changes:

- **Tenant Selection Criteria, including new standards for screening criteria** . MHP supports enhancements to tenant selection criteria, including restrictions on use of credit, housing history, and criminal background as screening mechanisms, in order to reduce barriers to housing. The 2018 Minnesota Task Force on Housing (https://www.mnhousingtaskforce.com/), as well as many other Minnesota data sources, have identified that tenant screening criteria can have an unintentionally discriminatory impact and recommended strengthening protections for renters in the private market. With an economic recession, rising unemployment, and continued critical need for housing stability, enhancing renter protections in units with public funding, especially supportive housing units, is an appropriate priority. MHP does note that it has received a wide range of feedback on the tenant selection criteria modifications from partner organizations, from full support to concerns, with concerns primarily focused on application of screening criteria restrictions to units other than supportive housing units. Property managers are concerned that additional funds for staffing and other support must be available to ensure best implementation of these changes; some property managers are also concerned that their ability to manage their properties will be negatively impacted by eliminating their ability to rely on traditionally used criteria without an alternative they recognize. MHP also notes that some property managers have outstanding questions about how the new tenant selection criteria will impact their ability to review potential personal and property damage risks and remain in compliance with required guidance.

- **Incentivizing energy efficiency and healthy housing**. MHP supports the proposed changes to further incentivize energy efficiency and healthy building, by providing points for alternative building performance pathways, including SB2030 Enterprise Green Communities. MHP appreciates this change in addition to the 2021 QAP changes to incent Optional Green Communities points.

- **Eventual tenant ownership**. MHP supports adding a preference for projects intending to convert to ownership at time of application, although notes it is unclear how the preference may impact the likelihood of projects planned to convert to tenant ownership. MHP is supportive of further exploration by Minnesota Housing of support for tenant ownership and encourages attention to current efforts in the City of Minneapolis to develop a tenant opportunity to purchase ordinance.

- **Points for People of Color and Indigenous-owner/Women-owned Business Enterprise (POCIBE/WBE).** MHP strongly supports the changes to add points in this area; MHP has previously advocated that such changes to incentivize economic opportunity for developers of color should be a policy priority. MHP has these additional comments:

  - Considering retitling to ensure focus clearly includes Black business enterprises.
  - Build and maintain a more robust practice of disaggregating data below the level of major racial groups for POCIBE/WBE; use information to modify policies and programs.
  - Consider incentivizing fee-based partnerships with developers of color and subs based on scope of work and effort, in addition to the points currently suggested for incentivizing work with POCIBE/WBE.
  - Invest in capacity building, in partnership with organizations already working to support increasing the number of and areas of expertise of BIPOC developers; capacity building programs should be offered in combination with defined pathways to ensure POCIBE/WBE developers can be competitive for development resources.
  - Identify resources to support POCIBE/WBE developer applications for Minnesota Housing funding awards. One idea it to develop a revolving fund for pre-development grants to assist those without pre-development capital.
  - Create exceptions to the "last in" funding source theory of the Super RFP, which often places BIPOC developers at a disadvantage. Developers with existing project resources are more competitive for Minnesota Housing funding awards, a practice that favors developers that are on balance large and have existing resources and set relationships with lenders and local government.

- **Long term affordability.** MHP applauds Minnesota Housing for prioritizing long term affordability through point incentives. Long term affordability is becoming a higher priority in many states across the country, as an appropriate goal for scarce public resources.

- **Prioritize Affordable Rents.** MHP supports changes made to broaden the opportunities for points for deep affordability, not specific to supportive housing. In addition to the changes made, MHP notes that Minnesota Housing could further clarify deep affordability as a priority; such focus is necessary as the State of Minnesota's most significant gap in housing production is for units serving extremely low-income Minnesotans. As the draft QAP has multiple priorities in its definition of greatest need tenant targeting, and the addition of multiple tiers, points awarded do not always follow deep affordability. Simplifying the QAP in future years to clarify priority for deep affordability, however achieved, should be a priority.
  - MHP notes that rental assistance is required in almost every circumstance to develop units serving 30% AMI households. In some locales, particularly in Greater Minnesota, it is difficult to secure HAP contracts in the early stages of a development project, thus negatively impacting application competitiveness.

- **Multifamily Award History.** MHP enthusiastically supports the addition of this category, awarding points for projects in communities that have not received an award or allocation in the last five years. MHP will work with partners to evaluate the impact of these points on incentivizing development in Minnesota, particularly rural and Greater Minnesota geographies.

- **Increasing geographic choice.** MHP supports the changes made to allow greater geographic choice, particularly changes that eliminate high performing school criteria and modify transit

and walkability to better align opportunities for points to realities in unique Minnesota geographies.

- **Review Impacts of reliance on strict boundaries of Qualified Census Tracts**. While MHP supports changes that better incentivize projects in a variety of geographies, we are alert to some concerns over the intended impact of strict census tract boundaries on identified priorities such as projects with deep affordability and supportive housing units. MHP encourages Minnesota Housing to review alternatives to strict census tract boundaries that may discourage use of best available land and create unintended "across the street" point incentives.

MHP appreciates the opportunity to provide feedback on the proposed changes to the 2022-23 QAP.

Sincerely,

Elizabeth Glidden
Director of Strategic Initiatives and Policy

July 22, 2020

Tamara Wilson
Minnesota Housing
400 Wabasha Street North, Suite 400
Saint Paul, MN 55102

Re: Minnesota Draft 2022-23 Qualified Allocation Plan

Dear Ms. Wilson,

These comments are submitted by Fresh Energy, Minnesota Housing Partnership, National Housing Trust, and Natural Resources Defense Council.

Together, these partners help lead the Minnesota Multifamily Affordable Housing Energy Network (MMAHEN), part of the national Energy Efficiency for All project, which was started in 2013 with a goal to scale up energy efficiency investment in affordable multifamily housing.

We commend the Minnesota Housing Finance Agency ("Minnesota Housing") for its longstanding commitment to increasing the energy and water efficiency and sustainability of affordable housing, including its leadership in creating the Energy Rebate Analysis to help owners access utility-sponsored energy efficiency resources. In Minnesota Housing's 2022-23 draft Qualified Allocation Plan (QAP) we applaud the following proposed changes:

- Intent to adopt the latest Enterprise Green Communities version, including its provisions to limit exposure to toxic building materials with health impacts including asthma, cancer, and developmental and reproductive harm.
- New enhanced sustainability tiers, including the leveraging of the Enterprise Green Communities PLUS standard, to encourage developers to pursue even deeper levels of efficiency and sustainability.
- A focus on "Eventual Tenant Ownership" as a preferential criterion during the selection process and on "Equitable Development" as a way to ensure that communities most impacted have a role in the project proposal and qualifying stakeholder groups. Providing specific steps to take in these areas can help motivate concrete action.
- More intentional incorporation of racial equity goals, including points for a redefined "People of Color and Indigenous-owned/Women-owned Business Enterprise" opportunity.

Below, we list several recommendations to help Minnesota Housing build on past success and its proposed changes for the latest QAP.

1. Consider adjusting the proposed methodology for encouraging higher levels of achievement via points for "enhanced sustainability tiers" (in the Self-Scoring Worksheet). We appreciate that Minnesota Housing proposes requiring properties to meet 2020 Enterprise Green Communities mandatory criteria to establish baseline energy and water efficiency. However, for the highest "enhanced sustainability" tier 3 (b) "Energy Rater Index" pathway for rehab projects, the proposed HERS levels are too modest. The proposed thresholds are a HERS Score of 80 or less for properties built on or after 1980, a HERS Score of 100 or less for properties built before 1980, or a post-rehab HERS Index Score of at least 15% less than the pre-rehab HERS Index. Other state housing finance agencies are setting more rigorous standards. For example:

- The **Delaware State Housing Authority** awards three base points for achieving a third-party green building standard (Enterprise Green Communities, NGBS, or LEED) and then acquisition/rehab can receive an additional two points for a HERS rating of 75 or less.
- The **Pennsylvania Housing Finance Agency** awards five points to developments that exceed the requirements of ENERGY STAR Version 3.0 by achieving a lower HERS Index.
    - For substantial rehab, this is set at:
        - 70 or less for 100% electric buildings and
        - 60 or less for buildings utilizing gas (without solar PV).
    - For preservation (moderate rehab) this is set at:
        - 80 or less for 100% electric buildings and
        - 75 or less for buildings utilizing gas (without solar PV).

2. Include the 2020 Enterprise Green Communities *Criterion 8.5 Energy and Water Data Collection and Monitoring: Collection of a Sample of Tenant-Paid Utility Data* as mandatory in the agency's upcoming revision of the Minnesota Overlay to Green Communities. Frequently, energy is the highest variable operating cost in affordable housing, materially affecting both owners and residents. Benchmarking can assist owners with ongoing monitoring of a property's energy and water use. A recent study by the U.S. Environmental Protection Agency found that organizations that benchmark energy and water consumption consistently have achieved average energy savings of 2.4% per year.[1] Benchmarking also helps owners make data-driven decisions about energy and water efficiency investments. For HFAs, benchmarking can help ensure that the properties in which they invest stand the test of time and inform future energy and water efficiency policies and priorities. Xcel Energy and CenterPoint Energy now have established customer-facing energy data portals, which would help streamline access to whole-building data for many owners.

3. Work toward the inclusion of an Integrated Physical Needs Assessment in future funding rounds. Minnesota Housing is a leader in working with its developers to identify and leverage unique sources of funding, specifically through the use of the Energy Rebate Analysis. Refinancing is often the only time that sufficient capital is available to incorporate efficiency upgrades, renewable upgrades, and healthy building materials into affordable housing properties. To maximize the refinancing opportunity, we recommend Minnesota Housing consider convening a working group with representation from area lenders, utilities, renewable energy providers, and others to evaluate the need for, and develop, an Integrated Physical Needs Assessment for future funding rounds, including grant assistance and pre-development funding components, as needed.

An IPNA integrates an evaluation of energy and water efficiency and health upgrades, the costs associated with those upgrades, and expected utility bill savings into a traditional Capital Needs Assessment. This provides the necessary information for lenders to appropriately underwrite to energy and water savings, helping to unlock sufficient capital to complete the full scope of capital improvements and comprehensively upgrade those properties.

- **In 2017, the New York City Department of Housing Preservation and Development (HPD), New York City Housing Development Corporation (HDC), and New York State Homes and Community Renewal (HCR)** developed an Integrated Physical Needs Assessment, which is now required for all preservation projects accessing tax credits, subsidies, or special loan products offered by these three agencies. To develop the IPNA, the local Energy Efficiency for All coalition led a collaborative effort with HPD, HDC, HCR, city and state government representatives, the New York State Energy Research and Development Authority (NYSERDA), utilities, and financing organizations to develop a more advanced and comprehensive Green Property Needs Assessment (GPNA).

  The first of its kind IPNA that came out of that process provides information in a useful format for owners and lenders and allows them to participate in NYSERDA and utility incentive programs. It includes an improved energy efficiency audit, a water efficiency audit, a health assessment developed by Local Initiatives Support Coalition (LISC) and Enterprise Community Partners, and a solar potential evaluation tool developed by Solar One. Streamlining this process ensures HFAs, owners, and lenders understand the full range of needs and opportunities in each property at a time when sufficient capital is on the table to enable deeper, whole-building energy and health upgrades.

4. Diversity, Equity, and Inclusion. We are pleased to see the robust "Supporting Community and Economic Development" section in the draft 2022-2023 QAP which incorporates various strategies, as called out above, to advance diversity, equity, and inclusion. Minnesota Housing should consider opportunities to expand these efforts and might also consider how certain categories and point allocations align with the stated goals of the QAP.

We support renaming the MBE/WBE section; however, Minnesota Housing might consider revising the new category name to "Black, Indigenous, and People of Color-owned/Women-owned Business Enterprise (BIPOCBE/WBE)." We believe "BIPOC" is a more commonly used and understood term (and preferred over "minority"), and it is important to clearly name "Black" as related to but distinct from "People of Color."

As an example of related efforts on these topics, one goal of the **Oregon Housing and Community Services'** (OHCS) 2019 QAP was to reflect the priorities, goals and strategies in the Oregon Statewide Housing Plan, which includes equity and racial justice. Specifically, we encourage Minnesota Housing to put in place a framework for collecting data and tracking progress toward its equity goals, in the spirit of what OHCS has outlined in the second strategy bullet below:

- "Adopt an approach to advancing equity and racial justice, informed by national promising practices and lived experience of communities of color.
- Improve OHCS's ability to track, analyze, and measure performance and progress towards equity goals through standardization of data collection and enhancing data analysis of program utilization.

- Provide statewide leadership by using OHCS's Internal Diversity, Equity and Inclusion Committee to solicit and adopt a Diversity, Equity and Inclusion framework as a piece of the core value system of the agency and to serve as a model for the state."

To operationalize this goal, OHCS' 2019 Draft QAP included language requiring both 4% and 9% LIHTC applications to sign a Diversity, Equity, and Inclusion (DEI) Agreement. This agreement commits the organization to doing work and reflection to enhance diversity, equity, and inclusion practices.

5. Consider applying the new tenant screening guidance or portions of the guidance more broadly to reduce barriers across all housing types funded by Minnesota Housing.

- The **Florida Housing Finance Corporation** awards points for outlining an approach to tenant application and screening that lowers barriers to tenancy. The application and screening process must account for conditions in employment, credit, income, criminal and rental history that affect an applicant's ability to meet traditional requirements for tenancy in safe and decent rental housing. The approach must address tenant screening policies that improve a prospective tenant's opportunity to qualify for tenancy and application policies that improve a prospective tenant's ability to access rental housing by reducing barriers such as application fees, security deposits and other related move-in fees.
- In **Minnesota**, the 2018 Minnesota Task Force on Housing[2] identified that tenant screening criteria can have an unintentionally discriminatory impact and recommended strengthening protections for renters in the private market. To date, the **City of Minneapolis** and **City of St Paul** have both adopted ordinances prohibiting the disqualification of applicants based on certain credit history, income, rental history, and criminal history indicators. The City of St Paul also requires "just cause" in writing from a landlord for non-renewal of a lease.

6. Adopt a new Minnesota Overlay to the 2020 Enterprise Green Communities with the modifications to *Categories 6 (Materials)* and *7 (Healthy Living Environment)* detailed here. The *Materials* and *Healthy Living Environment* categories support healthier indoor environments by using an integrated approach to the root causes and sources of harmful exposures, including addressing radon and lead hazards, moisture, ventilation, pest management, and other major sources of hazardous chemical exposures, such as garages, smoking, combustion equipment and building materials. Low-wealth communities suffer disproportionately from indoor environmental exposures such as these, which are linked to poor health outcomes, including asthma, especially in children. Additionally, low-wealth individuals are likely to live in communities with higher levels of toxic pollution and in proximity to facilities that are sources of hazardous emissions. Together, these many environmental exposures contribute to the significant health disparities observed in low-wealth and communities of color.

We recommend adoption of EGC 2020 *Categories 6 and 7* in the Minnesota Overlay with the following modifications:

Make *Criterion 6.1. Ingredient Transparency for Material Health* mandatory rather than optional, with compliance possible through any of the four options or a combination of options. Those responsible for the design, construction, and operation of buildings have the right to make informed decisions on what chemicals and what health hazards they want to avoid. The public disclosure of material contents

[2] https://www.mnhousingtaskforce.com/

provides the information necessary to make responsible decisions to avoid known and potential hazards to building occupants, workers, and fenceline communities.

Make parts of *Criterion 6.4. Healthier Material Selection* mandatory rather than optional. Specifically:

- Where carpet is specified, require that it not contain a fluorinated (PFAS) stain repellant, which is linked to cancer and developmental problems in babies. The Minnesota Pollution Control Agency has worked for decades to address these persistent and toxic chemicals in drinking water, contaminated sites, lakes, fish, and the Minnesota environment. PFAS are not needed in carpets and major retailers including Home Depot and Lowe's have discontinued sale of PFAS-treated carpets and rugs in favor of safer alternatives.
- For insulation, ban the use of two-part spray polyurethane foam, which contains isocyanate chemicals. According to the National Institute for Occupational Safety and Health, isocyanates are powerful respiratory irritant and sensitizer chemicals that can cause chronic, debilitating respiratory diseases including asthma, with deaths reported in workers after severe asthma attacks.

Consider directing developers to the San Francisco Department of the Environment pest prevention by design checklist in support of *Criterion 7.5. Integrated Pest Management*. This resource can help projects adopt pest prevention by design principles that stop pest infestations over a building's lifetime, reducing resident exposures to pest allergens and pesticides.[3]

Fresh Energy, Minnesota Housing Partnership, National Housing Trust, and Natural Resources Defense Council commend Minnesota Housing for its support of sustainable communities, and we appreciate the opportunity to comment.

Sincerely,

Ben Passer
Director, Energy Access and Equity
Fresh Energy

Annika Brink
Midwest Director of Energy Efficiency Policy, EEFA
National Housing Trust

Elizabeth Glidden
Director of Strategic Initiatives & Policy
Minnesota Housing Partnership

Laura Goldberg
Midwest Regional Director, EEFA
Natural Resources Defense Council

[3] Resource available at: https://sfenvironment.org/download/checklist-on-pest-prevention-tactics.

July 2020

Minnesota Housing Finance Agency
ATTN: Tamara Wilson
400 Wabasha St North, Suite 400
St Paul, Minnesota 55102

Sent via email to htc.mhfa@state.mn.us

RE: Comments on the Proposed 2022-2023 Qualified Allocation Plan (QAP)

To Whom It May Concern:

On behalf of Minnesota NAHRO and its members, thank you for the opportunity to provide comment on the Proposed 2022-2023 Qualified Allocation Plan (QAP). Minnesota NAHRO members own, manage or administer the majority of subsidized rental housing in Minnesota including all public housing plus the administration of the Housing Choice Voucher/Section 8 program. In addition, our members work with developers on a regular basis regarding affordable housing developments that need tax credits. Please consider this letter our comments to the 2022-2023 QAP.

Overall Concerns - Complexity
Minnesota Housing has done a commendable job in explaining the QAP scorecard and providing an opportunity for input. However, the scorecard and the work required to understand it continues to reach a very high level of complexity. As a result, there exists a significant cost to applicants prior to award which is a barrier especially since many first time applicants are not successful in their first applications due to the competitiveness of the program.

The complexity of the scorecard also creates a barrier to entry for new developers, small agencies and/or those with small staff capacity. Minnesota NAHRO supports the addition of points for applications from developers who have not recently received an award. The inclusion of this incentive in the QAP as a first step to addressing this on-going concern.

Long Term Affordability
Minnesota NAHRO and our members support the proposals in the QAP to support longer terms of affordability for projects awarded through the QP.

Preservation Priority & Equity in Scoring
Minnesota NAHRO strongly supports the prioritization of preservation in the QAP. However, the proposed 2022-2023 scoring sheet continues to disadvantage public housing projects by limiting the number of points that can be taken compared to other federally subsidized preservation projects. Under previous QAPs, the scoring system established two tiers of preservation which inexplicably penalized public housing by limiting the points available compared to other preservation projects with federal subsidy.

Once again in 2022-2023, the QAP continues this disparity although the gap has shrunk. Public housing preservation should be able to compete on an even playing field and be allowed to

compete for the same maximum points available to other federally assisted housing preservation projects.

Tenant Screening Criteria
Minnesota NAHRO on behalf of its members is concerned with the proposed changes to the tenant screening criteria in the QAP.

Two Year Cycle & Unintended Consequences of the Proposed Changes
It is laudable and understandable that Minnesota Housing is considering a QAP with a two year life cycle compared to an annual approach. Such a change will promote consistency plus reduce the time and costs necessary to undertake an annual rulemaking. During a more stable time in the housing market, moving to a two year cycle for the QAP would be advisable. However, during this unprecedented period of disruption to the housing market, the number of unknowns in the economy and the ongoing impact of the coronavirus, caution should be taken before proceeding with a two year cycle at this juncture.

Moreover, this QAP incorporates many policy and scoring changes that may have unintended consequences. This along with the unprecedented issues facing the housing market, the agency may need to make adjustments to the QAP in order respond in a timely fashion. Thus, Minnesota Housing should consider adopting a multi year approach later so that the agency may have a mechanism to respond to changing market dynamics within the year.

Thank you for the opportunity to submit these comments on behalf of Minnesota NAHRO member agencies. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Shannon Guernsey, JD
Executive Director
Minnesota NAHRO

Diane Larson
Minnesota NAHRO Legislative Chair
Executive Director, Itasca County HRA
Interim Executive Director, Grand Rapids HRA

From: Pohlman, Devon (MHFA)
To: Narlock, Gerald (MHFA)
Cc: Wilson, Tamara (MHFA); Keniski, Aaron (MHFA); Viana, Nicola (MHFA); Jefferson, Summer (MHFA)
Subject: RE: Clarifying questions re: proposed enhanced sustainability changes in 2022-23 QAP
Date: Thursday, June 18, 2020 5:20:04 PM
Attachments: image003.png
image004.png
image005.png

Jerry – I'm going to have Tamara and Aaron enter these as comments into our record for tracking purposes.

Thanks!
Devon

From: Narlock, Gerald (MHFA)
Sent: Thursday, June 18, 2020 3:55 PM
To: Annika Brindel <abrindel@nhtinc.org>
Cc: Dana Bartolomei <DBartolomei@nhtinc.org>; Arms, Erika (MHFA) <erika.arms@state.mn.us>; Thomas, Mike (MHFA) <mike.thomas@state.mn.us>; Pohlman, Devon (MHFA) <devon.pohlman@state.mn.us>
Subject: RE: Clarifying questions re: proposed enhanced sustainability changes in 2022-23 QAP

Hi Annika – thanks for reaching out to me with QAP questions regarding sustainability standards proposed for 2022-2023 QAP. Before you read my responses (below) highlighted in green, it is important for you to understand the national Enterprise Green Communities Criteria (EGCC), which our sustainability standards are modeled after, typically get updated every 3-5 years. A new set of national criteria were released in January 2020, which will result in 2015 EGCC being sunset. We plan to adopt the new national 2020 EGCC standards next year via a 2021 MN Overlay. You can review these new criteria by visiting the EGCC Website. Therefore, all sustainability standards referenced in 2022-2023 QAP will be required to conform to 2020 EGCC, which must not get confused with the current 2020 MN Overlay. We are currently developing the 2021 Minnesota Overlay to the 2020 EGCC and have assembled a technical advisory committee made up of stakeholders to assist us. A draft of the 2021 MN Overlay is not expected to be completed until this winter. We envision the new 2021 MN Overlay's building performance language applicable to rehabilitation will be very similar to current 2020 MN Overlay language, which permits either a prescriptive or performance approach. The Tier 3, Pathway 3 option applicable to rehabilitation requires compliance with the performance approach (cannot select optional prescriptive approach). With that said, please see my responses below in green:

Gerald (Jerry) Narlock
Licensed Architect | Construction Supervisor | Multifamily Division
Minnesota Housing
400 Wabasha Street North, Suite 400 | Saint Paul, MN, 55102
Direct: 651.215.6239 | Main: 800.657.3647 | TTY: 651.297.2361

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MINNESOTA HOUSING

To practice social distancing and protect the health of our partners and Minnesota Housing staff, many agency employees are working remotely at this time. Our work with you and all of our partners remains our focus. Please watch for updates on possible changes to upcoming meetings with Minnesota Housing. Thank you

Technical assistance provided by Minnesota Housing staff is only advisory and does not guarantee that a development will receive points under a particular category or be selected for funding. While every effort is made to ensure the accuracy of the technical assistance, such assistance is subject to, and does not modify or override, the requirements of Minnesota Housing's Qualified Allocation Plan, Housing Tax Credit Manual, the Self-Scoring Worksheet, Multifamily Requests for Proposals, Multifamily Common Application or other documents related to applications for funding. Applicants are encouraged to review the materials available on the Minnesota Housing website and consult with legal counsel, and if applicable, a knowledgeable tax professional, to ensure compliance with all applicable application, submission, and project requirements

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From: Annika Brindel [mailto:abrindel@nhtinc.org]
Sent: Thursday, June 18, 2020 12:11 PM
To: Narlock, Gerald (MHFA) <gerald.narlock@state.mn.us>
Cc: Dana Bartolomei <DBartolomei@nhtinc.org>
Subject: Clarifying questions re: proposed enhanced sustainability changes in 2022-23 QAP

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Hello Gerald,

I work with Katherine Teiken on the Minnesota Multifamily Affordable Housing Energy Network (MMAHEN) and she shared your contact information with me before going on maternity leave. I think you may have been expecting you might hear for me or from other MMAHEN partners! I am an advocate with the National Housing Trust.

I'm hoping you can help answer a few questions for me that will enable me, along with a small group of partners, to provide informed feedback on the sustainability portions of the Draft 2022-23 QAP. Here are some questions that have come up. We would appreciate any clarification you may be able offer to us so that we can better respond to the proposed QAP changes.

1. Has the Multifamily Intended Methods Worksheet been updated for this QAP revision? No. If so, where is it available? A new version of Intended Methods Worksheet for newly released 2020 Enterprise Green Communities Criteria has not yet been created and likely won't be available until early 2021.
2. Has the Minnesota Overlay to Enterprise Green Communities been updated for this

QAP revision? No. If so, where is it available? A 2021 MN Overlay to the 2020 Enterprise Green Communities is currently being developed with assistance from a technical advisory group made up of stakeholders. We typically update the Minnesota Overlay every year so there will likely be a 2022 MN Overlay applicable to tax credit year 2023.

3. When the QAP says *"All completed developments **must** comply with the Minnesota Overlay to the Enterprise Green Communities Criteria"* does the overlay now reference to the 2020 Enterprise Green Communities Criteria, or does it still reference the 2015 Enterprise Green Communities criteria? Minnesota Overlay in this sentence means 2021 or 2022 MN Overlay to 2020 Enterprise Green Communities Criteria
4. Related question: it seems that the 2015 EGC is being referenced for the baseline and that the 2020 EGC is being referenced for the enhanced sustainability Tiers 1-3, is that correct or is 2015 EGC envisioned throughout except for the 2020 EGC "Plus" Pathway in Tier 3? The 2020 EGCC as amended by applicable MN Overlay will be the baseline and be applicable for the enhanced sustainability options, except for SB2030 option (Tier 3/Pathway 1).
5. If a development chooses Tier 3 Pathway 3 a. what does it mean that the project *"conforms to 2020 Enterprise Green Communities Criteria – Criterion 5.1b "prescriptive pathway," which is equal to the current MN Overlay"*? You need to look at the new national 2020 Enterprise Green Communities Criteria – Criterion 5.1b.
    a. The footnote states that *"Prescriptive pathway for rehabilitation projects as described in Minnesota Overlay is not an option available to this pathway"*?
    b. There is no prescriptive pathway in 2020 Enterprise Green Communities? You need to look at the new national 2020 Enterprise Green Communities Criteria – Criterion 5.1b.
6. For Tier 3, Pathway 3 a. what does it mean that this pathway yields "zero points"? Tier 3 is supposed to yield 3 points. So does Tier 3, Pathway 3 a. yield zero points or 3 points? To claim 3 points rehab project must pursue performance pathway in lieu of optional prescriptive pathway.
7. Related question: For Tier 3, Pathway 3 b., how many points are awarded? Is it 3 points? The HERS scores listed here are approximately equivalent to the minimum baseline for moderate or substantial rehab projects to get Enterprise Green Communities certification. What is the reasoning behind awarding "enhanced sustainability" points for meeting this basic threshold? Does Minnesota Housing have experience with mod/substantial rehab projects having difficulty meeting this basic threshold such that it believes this should be an "enhanced" sustainability goal, instead? Currently most project select prescriptive pathway in lieu of performance pathway. Prescriptive pathway tends to be easier and does not require energy consultant to perform energy modeling as does performance pathway.

Thank you so much for considering this request. Please let me know if anything we've asked here is unclear. I'm also happy to hop on a call to talk through any of these.

Annika (Brink) Brindel
Midwest Director of Energy Efficiency Policy | National Housing Trust

O: 202-333-8931 x141 | abrindel@nhtinc.org | she/her/hers
Click here to schedule a meeting with me
--
www.NationalHousingTrust.org | *@NatlHsingTrust* | *Newsletter*
NHT is making multifamily homes healthy and affordable through energy efficiency via www.ee4a.org.

From: Jane Anderson
To: #MHFA_HTC
Subject: Screening criteria input
Date: Thursday, June 25, 2020 4:05:05 PM

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Hello
I read the proposed changes to the screening criteria and have comments specifically regarding the Tenant Screening Criteria part at the bottom of page 3/top of page 4.

"Applicants cannot be screened out based on housing history" – As landlords of affordable housing we already have many, many regulations and hoops to jump through to get people approved and moved into our housing. To not be able to deny someone who has had an unlawful detainer in the past or who owes a landlord, would not only be a detriment to the building (physical asset) but also to the rest of the people that already live in the building. It is extremely difficult these days to successfully terminate a lease or evict someone for other than non-payment of rent. If someone has a UD on their record for something other than non-payment of rent, whatever they did to have the eviction action brought and to have the landlord prevail, must have been quite bad. Why should a new landlord have to go through the possible same situation with the person AND subject the other residents to this too? If the UD or owing balance is the result of non-payment of rent, I can see digging deeper to find out the cause of this but if the UD was for damage or lease violations or criminal behavior, I don't think it is right or fair for landlords to have to take this applicant.

"Applicants cannot be screened out due to credit history" – Similar comments to the above. If an applicant has a history of not paying bills and racking up debt, why should the landlord be forced to accept this person? The word "Cannot" in the proposed criteria is problematic.

"An income to rent ratio cannot be required" – if this was put into place, and the rent was $500 per month but the applicant only made $437 per month and had no rental assistance, would landlords have to approve the person? Again the absoluteness of the work "Cannot" is problematic.

All in all, it is already challenging at times to house people in affordable housing and to put stricter regulations than there already are landlords would be a disservice to the quality of life in these affordable communities.
Thanks for reading.

Jane Anderson
Vice President
Northstar Residential, LLC
(952) 544-0331

From: James Podawiltz
To: #MHFA_HTC; Lmarvim@gmail.com; Mary
Subject: Proposed changes to occupancy standards
Date: Tuesday, June 23, 2020 7:51:53 PM

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The proposed changes will not work to the betterment of the future tenants, the current tenants, the ownership entity, the mortgage holder or the future of privately owned income restricted housing rental facilities. We have experienced numerous situation in which tenants who we took a chance on have not respected their opportunity. The units were trashed, judgements were obtained and no compensation to the ownership entity was realized. Thus other scheduled maintenance items which impacted the entire tendency were not done. The proposed changes will impact the current tenants, the ownership entity and they stability of the current housing stock today and tomorrow. Please don't solve one problem and create another . This is not problem solving.

Comments by Elizabeth Turner, Principal, Precipitate, and Member Of the Passive House Alliance on the

Proposed 2022–2023 Qualified Allocation Plans

precipitate
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Minneapolis, MN 55418
612.704.2251

Tamara Wilson, Minnesota Housing
400 Wabasha St. North, Suite 400
St. Paul, MN 55102

July 22, 2020

Precipitate appreciates the opportunity to provide comments on the proposed 2022-2023 Qualified Allocation Plan (https://t.e2ma.net/message/bdi0bc/75td7g). Precipitate is a Minnesota business which provides architecture, planning, and research services with an emphasis on community resilience, equity, and carbon emission reductions. We're passionate about engaging stakeholders and meeting multiple needs with cost-effective and practical solutions.Precipitate is registered through CERT as a Small and Woman-Owned Business Enterprise (S/WBE).

We have served as the Passive House Consultant for three multifamily affordable housing projects in Minnesota. In Minneapolis, Hook&Ladder Apartments is the first large multi-family project to be pre-certified to the highly energy-efficient PHIUS+2015 standards through the Passive House Institute US (PHIUS) in Climate Zone 6A. In Saint Paul, the 82-unit West Side Flats IIIB holds the same distinction for PHIUS+ 2018. We are currently working with a townhome project in Northfield exploring options for PHIUS+ 2018 compliance / Net-Zero Energy.

Developers, in the 2022-2023 Qualified Allocation Plan (MN QAP) should be allowed to earn Tier 3 points (in the Enhanced Sustainability Section) for constructing a building to Passive House standards (both PHIUS and PHI).

To qualify for Tier 3 points, the QAP includes 'Pathway 2', which identifies the project meeting the 2020 Enterprise Green Communities Certification Plus Standards. Footnote 27 indicates that this may follow Criterion 5.2b or 5.4. In the 2020 Enterprise Green Communities Standard, Section 5.2b has a maximum of 15 points. And, certification from PHIUS or PHI achieves all 15 points in this category. Therefore, a project achieving PHIUS+ or PHI Certification would comply with 'Pathway 2' of the existing QAP. ***We believe that adding PHIUS+ or PHI Certification as 'Pathway 4' would provide a clearer, more direct route to an equivalent outcome.***

These comments will cover the following points:

1. Description of the PHIUS + standard.
2. The Pennsylvania Success Story: The Cost-effectiveness of the PHIUS + standard for multi-family homes.
3. Listing of other state Qualified Allocation Plans that explicitly give points for the Passive House standard.

1. THE PHIUS+ STANDARD PROVIDES AN INTEGRATED PATH TO DEEP ENERGY SAVINGS AND HEALTHY, COMFORTABLE HOMES.

All buildings built to the PHIUS+ standard foreground five principles:

- Using continuous insulation throughout the building envelope to minimize or eliminate thermal bridging.
- Building a well-detailed and extremely airtight building envelope, preventing infiltration of outside air and loss of conditioned air while increasing envelope durability and longevity
- Using high-performance windows (double or triple-paned windows depending on climate and building type) and doors - solar gain is managed to exploit the sun's energy for heating purposes in the heating season and to minimize overheating during the cooling season.
- Using some form of balanced heat- and moisture-recovery ventilation to significantly enhance indoor air quality.
- Minimizing the space conditioning system because of lower space conditioning loads.

The PHIUS+ standard incorporates all these principles. Moreover, to receive certification, all residential buildings must meet the criteria laid out in these pre-requisite programs:

- Environmental Protection Agency (EPA) Energy Star Program
- EPA Indoor airPLUS program
- EPA WaterSense Program
- Department of Energy Zero Energy Ready Home program
- ASHRAE 62.1 ventilation requirements

All buildings seeking PHIUS+ certification go through a two-part process - design review and construction review:

PART 1:

First, PHIUS certification staff reviews construction drawings, product specifications, and modeling to ensure that the building energy use is below the stringent values specified in the standard. In addition to reviewing energy performance, building envelope components and details are evaluated for moisture and condensation performance. After all issues are identified and resolved, the building is pre-certified.

PART 2:

After pre-certification, actual construction is reviewed on-site by a PHIUS-trained Rater/Verifier who ensures that the building is constructed to the pre-certified plans and that it meets the criteria of the programs listed above. If changes to the design occur, the modeling is updated, and the new energy use of the building must still meet the PHIUS+ standards for certification. This process ensures both quality construction and deep energy efficiency.

As a result, multi-family homes built to the PHIUS+ standard provide comfort, health, excellent indoor air quality, and resiliency. The passive building methodology provides a cost-effective path for achieving net-zero energy in buildings.

2. BUILDING MULTI-FAMILY BUILDINGS TO THE PHIUS+ STANDARD COST-EFFECTIVELY ACHIEVES DEEP ENERGY SAVINGS & A HEALTHY LIVING ENVIRONMENT

PHIUS+ is designed to achieve deep energy savings and at a cost savings in a life cycle sense. Theoretically this would entail an initial cost premium of approximately $4/square foot in Minnesota. However, recent experience of the Pennsylvania Housing Finance Authority (PHFA) demonstrates that building an affordable, multi-family home to PHIUS + standards does not result, on average, in a higher construction first cost/square foot once there is significant market adoption. Other states have seen this cost-reducing rapid market adoption as a result of incentivization in the QAP.

Moreover, because homes built to the PHIUS+ standard use dramatically less energy (approximately 65% less than the 2015 International Energy Conservation Code for HVAC-related consumption), the lifetime energy burden for low income residents living in PHIUS + housing is also dramatically reduced.

The PHFA first included PHIUS+ in its 2015 QAP, establishing a significant number of points for Passive House in the evaluation criteria (10 of 130 points). That year 39 multi-family projects were awarded funding of which 8 were PHIUS+ projects (26 projects were completed, of which 7 were Passive House projects). Table 1 shows a cost comparison between the completed Passive House and Non-Passive House projects funded by the PHFA in 2015.

TABLE 1. COMPARISON OF COMPLETED PASSIVE HOUSE AND NON-PASSIVE HOUSE MULTI-FAMILY PROJECTS FOR THE PENNSYLVANIA HOUSING FINANCE AUTHORITY (2015)

AVERAGE COST/SQ. FT OF THE NON-PASSIVE HOUSE PROJECTS $176 (+/-$36)			AVERAGE COST/SQ. FT OF PASSIVE HOUSE PROJECTS $168 (+/- $45)		
Number of Units	Building Area (Sq. ft)	Cost $/SF	Number of Units	Building Area (Sq. ft)	Cost $/SF
NON-PASSIVE HOUSE PROJECTS			**PASSIVE HOUSE PROJECTS**		
51	62,509	186	66	70,689	155
52	43,868	287	34	39,447	145
23	28,205	193	49	54,287	151
40	40,959	157	50	55,099	226
35	61,504	149	61	63,949	157
28	45,434	178	52	50,275	233
37	48,767	199	54	70,218	111
31	43,868	162			
88	79,650	228			
40	53,652	144			
53	51,690	163			
44	49,406	169			
24	36,064	160			
53	82,070	129			
43	55,832	185			
45	53,021	128			
56	56,250	176			
45	63,458	154			
12	16,796	181			

Source Pennsylvania Housing Finance Agency. https://passivehouseaccelerator.com/articles/2019-new-gravity-housing-conference-july-1st-2nd

A comparison of the costs associated with Passive House and Non-Passive House projects indicated that, on average, there was no cost premium in relation to building Passive House certified projects. High efficiency housing meeting the Passive House standard, offering far lower energy costs over their lifetime, are thus a strong opportunity to reduce the energy burden for Minnesota's low-income residents.

3. SEVERAL STATES HAVE INCLUDED PASSIVE HOUSE IN THEIR QAP.

Over the last several years, state housing agencies have recognized the value of constructing a building to the Passive House standard. Several of these agencies have included the Passive House both (PHIUS+ and PHI) standard into their QAPs. See Table 2.

TABLE 2: STATES THAT HAVE INCLUDED THE PASSIVE HOUSE STANDARDS INTO QAPS.

STATE	AGENCY	PROGRAM	OTHER CERTIFICATIONS BESIDES PHIUS/PHI	LINK
CALIFORNIA	Dept. of Treasury	California Low-Income Housing Tax Credit Programs	LEED Living Building Challenge National Green Building Standard/ASRAE (ICC) 700	https://www.treasurer.ca.gov/ctcac/2018/sustainable.asp
CONNECTICUT	Connecticut Housing Finance Authority	Low-Income Housing Tax Credit Qualified Allocation Plan		https://www.chfa.org/assets/1/6/QAP_Blackline_(2019_vs_2018).pdf
IDAHO	Idaho Housing and Finance Association	Low-Income Housing Tax Credit Program – Qualified Allocation Plan for the State of Idaho	LEED for Homes NW Energy Star National Green Building Standard/ ICC 700 Enterprise Green Community	https://www.idahohousing.com/multifamily-financing/
NEW HAMPSHIRE	New Hampshire Housing Finance Authority	New Hampshire Qualified Allocation Plan – HFA 109	Living Futures- Net Zero LEED Gold National Green Building Standard/ICC 700	https://www.nhhfa.org/wp-content/uploads/2020/03/2021-2022-Qualified-Allocation-Plan_FINAL.pdf
PENNSYLVANIA	Pennsylvania Housing Finance Authority	Allocation Plan for Program Years 2019-2020	Enterprise Green Communities LEED v4 BD+C National Green Building Standard/ICC 700	https://www.phfa.org/forms/multifamily_program_notices/qap/2019_and_2020/2019-2020-qap-final.pdf
RHODE ISLAND	Rhode Island Housing	2020 Qualified Allocation Plan	Energy Star DOE Zero Energy Ready Home	https://www.rihousing.com/wp-content/uploads/Draft_2020_QAP.pdf
VERMONT	Vermont Housing Finance Agency	Qualified Allocation Plan		https://www.vhfa.org/documents/developers/2018_qualified_allocation_plan.pdf
VIRGINIA	Virginia Housing (Virginia Housing Development Authority)	The Plan of the Virginia Housing Development Authority for the Allocation of Low-Income Housing Tax Credits	Earth Craft Homes LEED Energy Star Enterprise Green Communities National Green Building Standard/ICC 700	https://www.vhda.com/BusinessPartners/MFDevelopers/LIHTCProgram/LowIncome%20Housing%20Tax%20Credit%20Program/2019-QAP-Final.pdf

WASHINGTON D.C	Department of Housing and Community Development	2019 Low Income Housing Tax Credit Qualified Allocation Plan	International Living Future Institute's Zero Energy Building DOE Zero Energy Ready Home LEED Platinum HERS Index Score 70 Energy Star Version 3.0	

4. CONCLUSION

In conclusion, the undersigned respectfully request that Minnesota Housing explicitly include the PHIUS+ and PHI standard into the 2022-2023 QAP as a Pathway 4, and assure that the competitive evaluation points available for PHIUS+ and PHI standard housing are not also available to projects meeting far less rigorous efficiency tests. If similar numbers of points are available for both lax and rigorous energy conservation standards, developers will be able to secure their points with the lax standard and will not be motivated to pursue the rigorous standard. Reforming the QAP competitive evaluation points in this fashion will provide developers with a new and popular option that will generate high-quality, extremely energy efficient and cost-effective low-income multi-family housing.

Sincerely,

Elizabeth Turner, AIA, Certified Passive House Consultant (CPHC)
Principal, Precipitate
Member Of the Passive House Alliance US (PHAUS)
elizabeth@precipitatearch.com

From: Mike LaFave
To: #MHFA_HTC
Cc: Candice Rosalez; Sarah Koschinska; Chris Wilson
Subject: PPL Comment on Proposed Screening Barriers for HTC Housing
Date: Tuesday, July 07, 2020 11:23:31 AM
Attachments: image708539.png
image913419.png
image836352.png

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Hello,
I am writing to provide comment on the proposed Tenant Selection Plan (TSP Guidance) within the proposed 2022-2023 Qualified Allocation Plan on behalf of Project for Pride in Living.
Project for Pride in Living (PPL) provides affordable housing and career training services to nearly 13,000 individuals and families across the Twin Cities; half of PPL's housing portfolio of 1,600 units are supportive housing. We have nearly 50 years of history and experience working in community to help create neighborhoods where everyone can thrive, including reducing barriers for households exiting homelessness. PPL supports the proposed tenant selection plan guidance to reduce tenant screening barriers for supportive housing units.
Thank you for your work on this important issue.

Please do not hesitate to contact me if further information regarding PPL's perspective would be useful.

Best regards,
Mike LaFave
Senior Vice President of Housing Stability

Tel: 612-455-5131
1035 E Franklin Ave
Minneapolis, MN 55404
www.ppl-inc.org

PROJECT FOR PRIDE IN LIVING

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July 22, 2020

Tamara Wilson
Minnesota Housing
400 Wabasha Street North
Suite, 400
St. Paul, MN 55102

Re: Minnesota Housing QAP Comments

Dear Tamara,

We are pleased to share our comments on the draft QAP 2021/2022 plan. We would like to highlight the first bullet in the summary: *"Communities should **drive development to be responsive to their needs**, focusing on racial equity by prioritizing communities that have been historically disinvested and discriminated against."* We wholeheartedly agree. We also strongly agree with the second bullet: *"There is a **need for deeper and longer-term affordability** that is better tailored to local needs and to those with barriers to housing than financing more units overall serving moderate income renters."* We think these are important points that should drive the QAP changes.

These comments following the QAP proposed changes summary.

- The minimum threshold requirement for projects targeting people at 30% AMI or below currently requires the project to have 75% or more SRO, studio or 1 BR units. We don't see a compelling reason not to create a project that is half families and half singles serving people at or below 30% AMI. This minimum threshold restriction limits our ability to serve families at 30% AMI or below who <u>are not</u> struggling with mental illness, developmental disability, drug dependency, brain injury or physical disability.
- We agree with the increased incentive to serve larger family sizes. It is difficult to get a large family project to be "financially ready" due to the increased cost of larger units, and we are hopeful that the increased points will make up the difference.
- We think the Dynamic Prioritization Process sounds like a good idea for non-Metro locations where the Coordinated Entry process is not able to match up tenants with available units. In the metro, PPL is able to fill HPH units from Coordinated Entry quickly after working with CE administrators to ensure a smooth process, and typically within a much shorter timeframe than 60 days.
- We support the proposed tenant selection plan guidance to reduce tenant screening barriers for Supportive Housing units. PPL's screening criteria for Supportive Housing units and Affordable Housing units (to include non-SH 30%+ and rental assistance) are slightly different and therefore, we don't advocate that the proposed Tenant Screening Criteria fit for Affordable Housing units. For example, in affordable housing units that do not have rental assistance, we do need to screen for an income to rent ratio. For affordable housing units we also look at the past two years of housing history. PPL does have a "Request for Waiver from Rental Criteria" process that applicants in both supportive and affordable housing can apply for to have

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mitigating circumstances considered. PPL does not consider credit history or credit score for supportive or affordable units and has aligned our criminal background screening to fit with the Wilder research and new City ordinances.

- We agree with the need for deeper rent targeting, however our ability to accomplish this most often depends on having rental assistance to pair with the deeper rent targeting. We encourage Minnesota Housing to work with other agencies to increase the pool of rental assistance. We think this criteria could also work with income averaging projects as well. There are not enough units at or below 30% AMI without services and hope this criteria could help create more.
- We agree with the points for projects that commit to affordability for a 40-50 year duration and including 30 year minimum. Long-term affordability is important to make use of scarce affordable housing resources.
- We agree with eliminating the High Performing School criteria. High test scores often collate with parents' income. Schools that serves low-income and/or ELL students are typically classified as low-performing, whether or not parents feel like their kids are making academic progress.
- We agree with eliminating the Economic Integration Criteria because it limits investment in affordable housing resources in all communities, particularly communities of color that have historically experienced disinvestment. This policy, in fact, perpetuates disinvestment. However, we think the Economic Integration category is clearer from a policy standpoint than its replacement, the Needs Affordable Housing category.
- We are concerned about the Needs Affordable Housing category for multiple reasons. It targets either a low share of affordable rental housing compared to all housing options in a community or a large share of renters that are cost burdened by their rent and when mapped at the census block group level, it produces results that are difficult to explain.
    - Why, for example, does the map show that the western side of Chicago Avenue at 38th Street deemed needs affordable housing, yet the east side of Chicago Avenue does not? How can the difference between one side of the street and the other justify a 10 point difference in scoring?
    - How can Powderhorn Park, now home to a homeless encampment with hundreds of residents who were so cost burdened by housing that they no longer have a home, be deemed to not "need" affordable housing?
    - The Ford site is an iconic location where the City of St. Paul has committed substantial time, effort and funds to realizing a lot of affordable housing here over the coming years. The change from the 7 points for Economic Integration to 0 for Needs Affordable Housing would greatly reduce the competitive scoring of this location. Would Minnesota Housing no longer fund projects at the Ford site even after the City of St. Paul made a substantial commitment to building affordable housing?
    - Some SW transit stations have very different scoring within their walkshed. Can each city along the Southwest line meet their affordable housing goals if some locations are deemed to not 'need' affordable housing?

These questions are difficult to answer. It seems that the methodology used for the data creates many anomalies at the census block group. By using a percentage of renters cost burdened rather than a total number of renters cost burdened, it seems like the data may

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be prioritizing areas with few renters. Additionally, "cost-burdened communities" are not something that make sense determined at the census block group level. Rental markets are typically much larger than that and it would make more sense to look at a rental market as a whole, such as SW Minneapolis or Scott County. This category creates new geographic winners which seem to be both highest income areas with very few renters and the lowest income areas with the greatest number of renters and new geographic losers, which seem to be middle income areas with middling numbers of renters.

In summary, the policy goal is unclear, the results are inconsistent when mapped, and the point swing is dramatic.

Rather than moving forward with a geographic map that limits the locations for affordable housing in the QAP, we would like to suggest that the other goals put forth in the QAP are sufficient for selecting the best projects.

- We support the high-frequency bus network being increased to 7 points, as it is typically sufficient to allow people to live without a car.
- The walkability criteria should be on one scale for the Metro area. Otherwise, it penalizes some parts of Minneapolis that have more shops and services within walking distance than a suburban location just over the city boarder that receives its Walkscore rating from all the same services.
- We want to make sure that the Community Development Initiative Criteria allow for greater weight of the input of future residents and their service providers over nearby neighbors who are not always receptive of affordable housing.
- We think the Equity and Inclusion criteria is a good idea and we think it should be emphasized further in the point scale. The criteria for who is a stakeholder is really important. It is unclear what this statement "Proposals will not receive points in this category if the only role of CMI is to be the recipient of the housing or services" is intended to mean. We think it is important to listen to our future residents. We would like more clarification around this statement and hope that Minnesota Housing also seeks to listen to future residents as part of this criteria.
    - We are concerned that the limitations around the geographic preferences expressed in the MN Housing mapping may make it difficult to respond to community input in locations where there are insufficient points to make a project viable.
    - We want to make sure that authentic community engagement actually occurs and that it affects the scope of the project rather than just some design add-ons at the end. We hope that in the refinement of this criteria, some of the lessons learned from the Met Council Community Engagement series that happened in late 2019 can be incorporated.
- We would recommend removing the Opportunity Zone location criteria. Opportunity Zones are areas designated for a federal tax benefit that does not work with a LIHTC project. These locations were designated without community input and without any regard to their boundaries ever being used for the purposes of siting affordable housing.
- The criteria for No Recent Multifamily Award seems to be an attempt to make up for the geographic restrictiveness of the previous selection criteria. Some cities such as Richfield, Crystal and Burnsville did not have high enough school test scores and incomes to receive a lot of points under the High Performing Schools and Economic Integration Criteria. No recent award could also be a result of an unengaged community that is not willing to provide local

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funds to a project. The No Recent Multifamily Award would make sense as a tie breaker and/or perhaps a 1-2 point criteria but it seems like it is weighted heavily at 4 points compare to other criteria. If the geographic restrictiveness of the Needs Affordable Housing category does not move forward, it will not create more locations that area 'losing sites' that would then be eligible for these points in the future.

- We agree with the expanded definition of and points for the People of Color and Indigenous-owned/Women-owned Business Enterprise (POCIBE/WBE). We also believe the 'Partnership' approach will receive a point because we think it will be helpful for knowledge transfer and capacity building. We are glad to see Minnesota Housing recognize the needs to support POCIBE/WBE businesses.
- We agree with the elimination of cost containment points, which can limit the ability to accomplish more difficult projects that house more large families, invest in greater sustainability, or have more space for supportive services.
- We commend the focus on sustainability, however we want to note that we expect the higher commitment will result in higher costs. We would like to better address lifecycle costs upfront so we have fewer rehabs in the future where we have to put all the windows, doors, cabinets and flooring in the dumpster after choosing the most inexpensive items upfront that were not durable over time. We are concerned that the cost of carbon modeling, a rather time-consuming endeavor as we understand from our architects, will not be adequately funded and will produce low-quality models if it is to remain in budget. Carbon modeling is still not well developed and we hope we don't have to chase points in new rating system while still short-changing the basics in our buildings: really good insulation, exteriors, windows, and HVAC systems.

In summary, we think the move toward focusing on people with the lowest incomes is the best choice. Minnesota Housing is the only organization who can fund housing for anyone at or below 30% AMI as the private market cannot. When recalibrating the overall scoring weights, we think it would be better to weight Community and Economic Development over Geographic Choice. That would allow community input to be included in the location of projects, rather than the Geographic Choice points dictating to each community whether or not they will be eligible for affordable housing. It would allow PPL as a community developer to respond to that input and best serve low-income people who need housing.

Thank you for this opportunity to comment on the draft QAP. Please let me know if you have any questions about any of the comments above. We look forward to partnering with Minnesota Housing in the future to deliver more affordable housing in the future.

Sincerely,

Mike LaFave
Senior Vice President of Housing Stability
Project for Pride in Living

From: Asher Gavzy
To: #MHFA_HTC
Cc: Patrick Moore
Subject: Proposed Tenant Selection Plan (TSP Guidance) - your comments to proposed changes
Date: Wednesday, July 01, 2020 4:31:24 PM

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Hello MHFA,

The areas of grave concern to the MHFA proposed tenant screening criteria that we are currently not practicing are:

"1. Adherence to Housing First principles, including addressing how tenant screening criteria reduces barriers to accessing housing."

I am a massive proponent of Housing First only when accompanied by proper case management when dealing with high barrier individuals. The question that I feel needs asking regarding this is, “why do apartment owners think they need to screen for barriers?” We have participated in the Minneapolis Stable Home Stable Schools with 5 families. Within less than one year, one of the families moved out with over $5K in bad debt. We are dealing with another household that is selling drugs and sex from the unit. This program was designed on the Housing First model with wrap-around case management, and with-in the first year, our success rate will be close to 50%.

“2. Applicants cannot be screened out based on housing history. This includes eviction history, references from previous landlords, and others, as well as money owed to previous landlords or money owed for utilities.”

This is the most troubling two sentences I have seen yet, as it relates to any housing selection criteria. I'm curious if Seattle or Portland has something this inclusive. If we are unable to use past rental history to qualify households, management time and bad debt will increase dramatically. I feel like whoever proposed this at MHFA should look at the Sheraton Hotel on Lake Street as a great case study as to why apartment owners want to verify good rental history.

“4. An income to rent ratio cannot be required (e.g., “income must be two or three times the rent amount”).”

This is just asking for more evictions, but if evictions don’t matter on someone’s record, it will only be a more significant expense for the apartment, which will then, in turn, need to increase rent to cover costs.

I would be happy to discuss this in greater detail if requested.

Thank you,

ASHER GAVZY, President & CEO
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From: Judy Johnson
To: #MHFA_HTC
Subject: Comments on the 2022-2023 Qualified Allocation Plan
Date: Wednesday, July 22, 2020 1:42:55 PM
Attachments: image001.png

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Minnesota Housing
Attn: Tamara Wilson
400 Wabasha St. Suite 400
Saint Paul, MN 55101

RE: Comments on the 2022-2023 Qualified Allocation Plan

On behalf of Prosperity's Front Door, I am submitting the following comment on the draft 2022-2023 Qualified Allocation Plan (QAP).

Prosperity's Front Door is Minnesota's statewide network of business, government, community and nonprofit leaders focused on housing issues in our state. We support the findings of the Minnesota Task Force on Housing which developed recommendations about the next steps that all sectors can take to produce more housing that is more affordable in Minnesota. One of the goals of the task force is to **Build more homes --** Build 300,000 new homes by 2030, across all types, prices, and locations to stabilize prices and meet demand. This goal recognizes that since the Great Recession the number of new homes built in Minnesota has been dramatically lower than the number of new households that have formed. This means higher rents and higher house prices for Minnesota families. One of the recommendations under this goal is: Position Minnesota as a national leader in the advancement of housing innovation and technology.

With this recommendation, we were pleased to see that Minnesota Housing has included a "Preference for Innovative Construction Techniques" section in its draft QAP. We are pleased that this section states that "Minnesota Housing intends to pilot and test a small number of developments that use innovative construction techniques". This pilot program will allow us to determine whether innovative construction techniques can bring down the cost and reduce the time needed to construct affordable housing

Research shows that developers who choose to use offsite construction techniques such as prefabricated modules for their developments will have an excellent opportunity to demonstrate the articulated goals of the pilot of reducing total development costs by at least 10% and/or reducing the time the project is under construction by at least 20%. We are pleased to see the requirement that projects selected as eligible for the preference write and publicly release a report after the project has been completed, outlining the lessons learned.

There are two comments that we would like to make about the way in which Minnesota Housing

implements this pilot program.

- First, we encourage the agency to publish the detailed criteria for the pilot program as soon as possible to allow developers to have ample opportunity to plan for competitively ranking projects that also qualify for the innovative construction technique preference.
- Second, we encourage the agency not to limit the number of projects that could qualify for this preference.

Thank you for including this important preference and pilot program in the draft QAP. It represents an important step in controlling the future cost of building affordable housing.

Sincerely,

Judy

Judy Johnson
Project Director
Prosperity's Front Door
www.frontdoorcampaign.org
612-384-4636 (cell/best number to reach me)
@FrontDoorMN on Twitter/Facebook

PROSPERITY'S FRONTDOOR
HOW HOMES BUILD STRONG COMMUNITIES

From: Matt Lewis
To: #MHFA_HTC
Subject: QAP tenant selection plan
Date: Friday, June 12, 2020 10:05:05 AM
Attachments: LinkedIn_6522560c-e0fb-4376-af6b-8558640b2ad6.png

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Hi-

I am very excited to see the changes to the QAP surrounding tenant selection plans. This is an excellent start to making tax-credit properties places where our most vulnerable Minnesotans can live. I have long been frustrated with affordable developments that are not options for our LTH clients. Please keep these changes, and please look to do something similar with criminal background checks. As you note in the QAP, the Wilder study and HUD guidance point to much less restrictive criminal history restrictions having little effect on tenant stability. I hope to see stronger protections in future QAPs. But this is an excellent start and thank you to all at MN Housing who worked so hard on it.

Thanks,
Matt

Matt Lewis
Director of Housing and Community Development

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RADIASHEALTH.ORG
Building Strength 5K Walk/Run - Saturday, September 19th, 2020 at 9am

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REAL ESTATE EQUITIES

July 22, 2020

Tamara Wilson
Minnesota Housing
400 Wabasha Street North, Suite 400
St Paul, MN 55102

Re: MHFA's request for comments on proposed changes to Tenant Selection Plan Criteria to all affordable units financed with HTCs and deferred funding by Minnesota Housing.

Dear Ms. Wilson,

Real Estate Equities owns and/or manages over nearly 1,900 affordable housing units that participate in the Section 42 LiHTC program and/or Section 8 program(s). Additionally, we own and/or manage approximately 2,400 work-force style housing units that generally provide housing to middle and lower income families, for a total of serving over 4,300 households.

We have enjoyed partnering with MHFA for over 45 years and appreciate this opportunity to comment on the proposed changes to the TSP.

Below are our responses to each of the four (4) suggested criteria changes:

1. *Adherence to Housing First principles, including addressing how tenant screening criteria reduces barriers to accessing housing.*

The Housing First principles were developed to provide permanent supportive housing to people experiencing homelessness. This approach is guided by the belief that people need basic necessities like food and a place to live before attending to anything less critical, such as getting a job, budgeting properly, or attending to substance use issues.

Housing is not a one size fits all solution. Individuals experiencing homelessness often have barriers such as significant chemical dependency and/or mental health issues that prevent them from attaining and maintaining stable housing. Conversely, most non-homeless individuals living in affordable housing are not challenged by these same issues but instead have other issues such as language barriers, physical issues, job training challenges, or other issues that prevent them from earning sufficient amount to be able to afford market rate housing. Attempting to apply Housing First principles to these individuals denigrates their individuality and categorizes them in with a population that needs significantly different services.

We believe that it is critical to uplift and support our tenants and provide them tailored and individualized services that meet their individual needs which is not accomplished by applying a one-size fits all Housing First approach to all tenants.

Moreover, applying this approach to all affordable housing situations, without the supportive services staff and connections, assumes that property management staff will need to become social workers – which they are not trained or qualified to do and the property budgets will not support the time or expense associated with providing a 'case management' style of operation.

2. *Applicants cannot be screened out based on housing history. This includes eviction history, references from previous landlords and others, as well as money owed to previous landlords or money owed for utilities.*

In our multifamily housing, our customers/residents want to know that we are screening applicants with housing issues that may prevent them from the enjoyment of their home. We need to be able to prevent those that are disruptive or dangerous to others from moving into a property where they can repeat those behaviors. Minneapolis and St. Paul have passed ordinances that already provide many protections to tenants and which prohibit unlawful screening or eviction of tenants except in certain specified instances.

Prohibiting landlords from screening based on housing history requires landlords to be more careful about tenant selection, within the constraints of Fair Housing. If landlords cannot screen, landlords will be more likely to not accept someone who they feel may marginal for fear of not wanting to take a risk. Allowing landlords to screen based on prior rental history gives landlords positive information on prospective tenants who they may want to rent to as well as other information to be able to have a dialogue with a prospective tenant to find the "real story." Without this data, landlords need to hedge the risk by not accepting tenants who might seem dangerous or not financially responsible.

3. *Applicants cannot be screened out based on credit history, including credit score.*

Credit score screening has built in legal protections through the Fair Housing Act and the Fair Credit Reporting Act, as well as protections in municipal ordinances such as those provided in Minneapolis and St. Paul. Imposing a more stringent set of guidelines on all housing will only result in harm to new tenants seeking affordable housing.

The tenant screening process is a fundamental step to gauge the credit worthiness and character of prospective renters. It is risk management for the landlord and other tenants in the building. If a landlord cannot gauge the risk of the tenant, landlords will suffer additional losses in terms of lost rent and damage than if the credit worthiness of the tenant could be determined. The net result is that as landlords suffer more losses, they will need to recoup the losses through higher rent and manage potential losses through more stringent eviction standards with a net result that apartments will become more expensive and the tenants who need to "buy a little time" cannot be given that flexibility because landlords will be forced to immediately evict the tenant to manage the loss. The irony of these standards is that they may actually contribute to homelessness.

4. *An income to rent ratio cannot be required (e.g., "income must be two or three times the rent amount").*

This lack of ability to require minimum income sets tenants up to fail and be evicted for nonpayment. A minimum income to rent ratio protects tenants as much as landlords by assuring that tenants do not sign leases on apartments that they cannot afford. Our experience shows that when someone has a close margin to qualifying (at 2.5 or 3 times the rent) it does not take much to fall behind financially; one small instance of having car trouble or being sick, can lead to an expense or loss of hours (wage) that will prevent them from being able to pay their rent in full. Sadly, our country saw a similar dynamic playout during the 2008 housing/mortgage crisis where so many families purchased homes they could not afford, only to lose them to default and endure significant hardship of losing their home.

Similarly, take a 20 year old who is trying to get their first apartment. They don't fully know all the costs that go into living on their own including car payment, insurance, rent, utilities, food, etc. that are required to be on their own. By allowing them to sign a lease for an apartment they think they can afford but cannot, puts undue stress on them, possibly leading to other mental strain or disease or individually destructive behaviors. This could be avoided by only allowing them to lease an apartment they can afford which is accomplished by minimum income standards.

We believe in and support the ability of our tenants to be responsible and some tenants need direction and help which often comes in the form of assuring that they don't sign leases on apartments that they cannot afford. Using no income criteria will result in a disruption in their housing and likely lead to additional homelessness.

Overall, the impact of these proposed changes to all housing will lead to harm on both tenants and landlords.

We understand that the proposed changes are meant to eliminate barriers to housing.
But safeguards already exist through federal, state and local law. In Minneapolis, rental property owners who use the individualized assessment process are allowed to reject applicants because of their criminal record, credit score, or eviction history. Before they do so, however, the landlords must first give tenants the opportunity to provide supplemental information about the nature and severity of potentially disqualifying past behavior. A landlord who still wants to reject someone after considering this supplemental information must provide a written reason for denying their application, a copy of which must be filed with the city.

We believe that Minnesota Housing understands that not all tenants are alike. Most tenants care about themselves, their neighbors and their homes and sometimes they need a helping hand. Minnesota Housing provides that helping hand and so do we as landlords. And some tenants don't care about themselves, their neighbors or their homes and will cause harm to themselves, their neighbors and their homes. We need to be able to find out who these challenging tenants are so that we can protect all of our other tenants and their homes. It is unfair to those who want

to live peaceably to make them live next to someone selling drugs or committing other illegal acts that we as landlords may not discover until sometime later but could have discovered through appropriate screening.

The impact of imposing these restrictions on all properties would be to raise insurance rates and rents at rental properties. It also would put landlords on guard and not willing to take risks with someone who might need that helping hand. The answer is not to allow everyone access to an apartment home if that is not the right environment for them. These proposed changes push too much financial and social responsibility on landlords, which would not feel like a partnership and not be fair.

Please understand that in order to provide a clean, comfortable and safe environment for many different people, we need to administer a screening criteria to accomplish that and reduce the risk associated with someone that has a disruptive behavior or inability to pay.

Thank you very much for considering our comments. Please feel free to communicate with us if you'd like to have any further discussions.

Sincerely,

Bill Bisanz
CEO

Angie French
Vice President Operations

July 22, 2020 Submitted via email

Minnesota Housing
Attn: Tamara Wilson
400 Wabasha St. Suite 400
Saint Paul, MN 55101

Subject: Comments on the 2022-2023 Qualified Allocation Plan

On behalf of Rise Modular, I am submitting the following comments on the draft 2022-2023 Qualified Allocation Plan (QAP).

Rise Modular is a new Minnesota company that opened a 150,000 square foot factory in Owatonna, Minnesota in May of 2020 to produce prefabricated full-volumetric modules for use in the construction of multifamily residential and hospitality developments. Our mission is to reduce the cost and duration of construction while also increasing quality. In making this investment, the owners of Rise Modular are committed to this innovative construction technique that has the potential to reduce both the cost and the time to produce multifamily housing. We think it is especially important that these benefits can be put to use for the production of affordable rental and permanent supportive housing.

With an understanding of our commitment, we are writing to strongly support the inclusion of the "Preference for Innovative Construction Techniques" section in the 2022-2023 QAP. We are pleased that this section states that "Minnesota Housing intends to pilot and test a small number of developments that use innovative construction techniques". Because the use of full-volumetric prefabricated modules for multifamily housing is relatively new in the U.S., it is very important that pilot projects such as this are used to encourage developers of affordable housing to seriously consider and use these techniques. We believe that developers who choose to use prefabricated modules for their developments will have an excellent opportunity to demonstrate the articulated goals of the pilot by reducing construction costs and/or reducing the time the project is under construction.

We are making three comments – one is a proposed change to the draft language of the QAP and the other two pertain to the way in which Minnesota Housing implements this pilot program.

- First, we encourage the agency to change one of the goals of the pilot as follows: "Reduce total **construction** costs by at least 10%" instead of "Reduce total development costs by at least 10%". Since affordable housing projects tend to carry higher soft costs as a result of the financing structures, it could be very challenging to achieve a 10% reduction in total development costs. Even if total construction costs are reduced by 15%, this may not be enough to reduce total development costs by 10%.

- Second, we encourage the agency to publish the detailed criteria for the pilot program as soon as possible to allow developers to have ample opportunity to plan for competitively ranking projects that also meet the innovative construction technique goals and be prepared to submit these projects for the 2021 RFP.

- Third, we encourage the agency not to limit the number of projects that could qualify for this preference. Research shows that greater cost savings are typically achieved as the number of projects done by a developer working with a fabricator increases, so doing more projects using offsite construction techniques sooner will lead to a broader realization of future savings more quickly.

Thank you for including this important preference and pilot program in the draft QAP. It represents an important step in controlling the future cost of building affordable housing.

Sincerely,

Christian Lawrence
CEO, Rise Modular

From: Mike Ernst
To: #MHFA_HTC
Subject: Comments on 2022-2023 Qualified Allocations Plan
Date: Tuesday, July 21, 2020 10:48:24 AM
Attachments: image003.png

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To provide some background and context, my name is Mike Ernst and I work for Ryan Companies, a large national real estate solutions provider headquartered in Minneapolis. My role at Ryan is the VP of Insights and Innovation, where I am charged looking at the future of our industry and providing paths to accelerate improvement. This includes piloting design, construction, manufacturing and operations techniques and technologies in hopes of discovering positive impact and then scaling them up to achieve repeatable outcomes.

I would like to say that I was pleased to learn of your "Preference for Innovative Construction Techniques" in the 2022-2023 Qualified Allocations Plan. This is necessary to encourage exploration by developers and drive investment into providers of modular, prefabricated, CLT, etc. The plan, as outlined, looks to provide realistic expectations by focusing on the potential of solutions vs. the first-time outcome. Any exploration is a series of trials, failures, adjustments, and improvements. With that in mind, I want to make sure that the reference to "test a small number of developments" is enough projects to filter out start-up issues and truly demonstrate the potential of these Innovative Construction Techniques. It may need to be more than just a few projects to get a true understanding of the potential.

Overall, I am excited for this endeavor. Feel free to reach out to me with any questions. Thanks.

Mike Ernst
VP - Insights and Innovation

mike.ernst@ryancompanies.com
(p) 612-492-4256
(c) 612-360-3256

Ryan Companies US, Inc.
533 S. Third St., Suite 100
Minneapolis, MN 55415

ryancompanies.com

From: Laura Willodson
To: #MHFA_HTC
Subject: Support for the Proposed MHFA Tenant Selection Plan
Date: Tuesday, July 21, 2020 11:08:09 AM

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Hello,

My name is Laura Willodson, and I work in two supportive housing properties in downtown Minneapolis that are home to single adults moving out of long-term homelessness. I am writing today to support the proposed changes to the Tenant Selection Plan (TSP). I believe we should be lowering barriers for applicants to supportive housing units to give more people access to a safe, affordable place to live. These kinds of units are often the first step that people have to begin a stable move out of homelessness, so we should be making them as accessible as possible if we really intend to address the growing issue of homelessness in Minnesota. I support the proposed criteria stating applicants should not be screened out for past housing history, including eviction history, references from previous landlords and others, money owed to previous landlords, money owed for utilities, or denied based on credit history, credit score or income to rent ratio. These screening criteria ignore the root cause of homelessness and perpetuate poverty, keeping so many of the people who need supportive housing most in unsafe and undignified situations. As someone who works with individuals in supportive housing each day, I can say with confidence that the majority of people who have backgrounds that keep them chronically unhoused have the capacity to be good tenants, neighbors, and members of their community when given the chance.

It is time to remove barriers in order to allow all Minnesotans access to the safe and affordable housing that we know is necessary to live a healthy and dignified life.

Thank you,

Laura Willodson *(she, her)*
Resident Connections Coordinator
Simpson Housing Services
lwillodson@simpsonhousing.org
612-351-2157

From: Cathy Gilbert
To: #MHFA_HTC
Subject: Tenant Selection Plan
Date: Tuesday, July 21, 2020 10:54:03 AM
Attachments: Outlook-lr5p50yt.png

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My name is Cathy Gilbert, I am writing today to support the proposed changes to the Tenant Selection Plan (TSP). I believe we should be lowering barriers for applicants to supportive housing units, so they have access to a safe and affordable home. I support the proposed criteria stating applicants should not be screened out for past housing history, including eviction history, references from previous landlords and others, as well as money owed to previous landlords,
money owed for utilities, based on credit history, including credit score. or denied due to an income to rent ratio (e.g., "income must be two or three times the rent amount").

Removing barriers to housing will allow all Minnesotans access to the safe and affordable housing we all need.

Thank you,

Cathy Gilbert
Opportunity Housing Partnership (OHP) Program Manager
Simpson Housing Services
Direct: 612-465-0848
Fax: 612-584-3242
cgilbert@simpsonhousing.org
www.simpsonhousing.org

SIMPSON
HOUSING SERVICES

Our Mission: To house, support and advocate for people experiencing homelessness.

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From: Linda Soderstrom
To: #MHFA_HTC; _____
Subject: Public Comment
Date: Monday, July 20, 2020 10:17:18 AM

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To MN housing
From llsoderstrom
Re public comment
Date Monday July 20, 2020

1. You have no actual housing subsidy recipients on your boards and advisories.

2. There are no phone numbers to contribute public comment readily visible.

3. Employers like Mayo are not housing their workforce yet expect low pay workers to live in new efficiency apts new built starting at $1,000 to $1,200.

4. TIFs are being given for 30 years to new projects at 60-120% AMI. This helps no one below 50%, especially 30% snd below, seniors , disabled, other special needs (immigrants, refugees). Or those named in #3.

5. Manufactured homes are not being provided as a common option for opening up homeowning for our poor. With predatory training and ongoing support grants.

6. Fix up Grants for already owned homes are either not known by the public who may qualify or do not exist.

7. Re #6 the criterion are too low for working poor. People in poverty are disqualified by their income being too high vs reality on the ground of financial or building/repair need.

#8 SOUTHEAST MINNESOTA has no connection to homes for all regionally and is therefore isolated from existing organizing.

#9 there is a monolith of white bigotry in SE MN and housing integratively accomplished here could demonstrate How-to love one another.

#10 A truly NO PROFIT TEST CAMPUS MODEL IN SE MINNESOTA could be a teaching DEMONSTRATION for how to be affordable, inclusive and responsive to Mayo (DMC) needing 30 to 40 thousand additional employees to fulfill their dream. (Peace Park with Justice Village).

#11 A citizen with good ideas has no power nor relationship to existing systems such as you reading this.

#12 MN is totally in a dark ages of fairness and integration believing instead of equitable, just

humane development that poor people make or made poor choices.

Can you all have someone call me?

Linda Soderstrom
Former resident at Crossroads at Penn

SOUTHWEST MINNESOTA Housing Partnership
2401 Broadway Avenue
Slayton, MN 56172
P (507) 836-8547 • F (507) 836-8866
swmhp.org
NeighborWorks HomeOwnership Center Chartered Member

July 22, 2020

Minnesota Housing
Attn: Tamara Wilson
400 Wabasha Street North, Suite 400
St. Paul, MN, 55102

RE: 2022-2023 QAP Public Comments

Dear Tamara Wilson:

Please accept SWMHP's comments below to the proposed 2022-2023 changes.

Long-term Affordability
SWMHP is concerned about making points available for longer affordability for deferred projects in addition to HTC projects for a 40-year duration or a 50-year duration. While SWMHP is committed to owning and preserving long-term assets as affordable, we don't believe that many for-profit developers have a true desire to maintain affordability for 40 or 50 years. We feel that without financial assistance that is paired with the 40 to 50 years to maintain affordability, that it will be difficult to meet this expectation even though it will benefit applicants who want to gain points. Furthermore, we believe that many for-profit developers will be not have a sustainable plan to maintain affordability and will simply be passing on this potential financial burden to future generations.

Transit and Walkability
SWMHP has been vocal in past years about the challenges to gain points in general for Greater Minnesota due to lack of availability of transit services and past and long-term land use planning that didn't incorporate walkability and transit into community planning. SWMHP recognizes the value of transit and walkability, but it will take generations for several rural communities to modify infrastructure to sustain transit and walkability. In short, we feel that the transit and walkability requirements or expectations have been more advantageous for metro areas compared to the thirty-county region in greater Minnesota that we serve. However, we were pleased to see the change in minimum service hours in greater Minnesota communities from 10 to 8 hours, and for some of the walkability changes that reflect greater Minnesota. These changes make partial improvements on transit and walkability in greater Minnesota.

Opportunity Zones
SWMHP is concerned with awarding more points for Opportunity Zone projects as we again believe it will benefit metro areas where expected annualized returns from Opportunity Zones are more marketable and feasible compared to greater Minnesota communities. SWMHP has experienced this concern and feedback from investors we have discussed to partner on building product in Opportunity Zones in greater Minnesota. We are also aware and concerned that many rural communities in the state did not understand Opportunity Zones when they were rapidly created and promoted and missed the deadlines to establish Opportunity Zones. This creates another disadvantage for point scoring in greater Minnesota.

No Recent Multi-Family Award
SWMHP initially believes this could be advantageous to Greater Minnesota and smaller to mid-range population communities, but we would need to learn more about details. For example, does this relate to cities in the metro or the cities or counties as a geography in greater Minnesota, or to a particular developer that hasn't received an award in the last 5 years, etc.?

Serving Lowest Incomes
SWMHP is concerned that proposed changes may not be sustainable for greater Minnesota. For example, there needs to be more rental assistance available for many greater Minnesota projects. On a recent SWMHP project submittal, we were not able to receive any project based rental assistance due largely to scarcity of funds in our understanding.

We appreciate the opportunity to provide feedback and welcome any questions you may have for SWMHP.

Sincerely,

Chad M. Adams
Chief Executive Officer
Southwest Minnesota Housing Partnership

From: Justin Vorbach
To: #MHFA_HTC
Subject: Feedback on proposed changes for HPH and tenant screening in the tax credit QAP
Date: Tuesday, July 14, 2020 11:28:16 AM

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To Whom It May Concern:

1. I support the proposed change to the HPH prioritization process for filling proposed units as described below.
2. I support TSP guidance updates described below.
3. I support *expanding the proposed TSP Guidance to all affordable units financed with HTCs and deferred funding by Minnesota Housing.*

High Priority Homeless (HPH) Proposed Change

The proposed QAP includes a recommended prioritization process for filling an HPH unit(s) with the next highest need household when there is not an eligible household on the Coordinated Entry waitlist for supportive housing. The proposed change is included in the HPH Performance Requirement Relief Provisions on pages 47-48 of the proposed QAP. The process is outlined in our proposed occupancy guidance that will be added to the Supportive Housing Information and Resources publication

Proposed Tenant Selection Plan (TSP Guidance)

The TSP Guidance is updated to reduce tenant screen barriers for all supportive housing units, units at 30% MTSP rent limits, and units with rental assistance. We also seek public comments on expanding the proposed TSP Guidance to all affordable units financed with HTCs and deferred funding by Minnesota Housing.

Justin Vorbach
Southwest Minnesota Continuum of Care Coordinator
507.530.2942
https://www.swmhp.org/communities-resources/continuum-of-care/

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swmhp.org
NeighborWorks HomeOwnership Center Chartered Member

July 21, 2020

Tamara Wilson
Minnesota Housing
400 Wabasha Street North, Suite 400
St. Paul, MN 55102

VIA EMAIL

Dear Ms. Wilson,

The Southwest Minnesota Housing Partnership appreciates the opportunity to review and provide comment on the proposed changes set forth by Minnesota Housing to the Tenant Selection Plan Guidance. It is through the collaborative development of policies that we create a strong infrastructure for housing development throughout our state that equitably serves all its residents.

The proposal to extend this guidance to all affordable housing units financed by Minnesota Housing through Housing Tax Credits and Deferred Funding sources is concerning. We believe extending these requirements to all properties would be hugely impactful to the developments funded with LIHTC and deferred funding programs that allow higher income limits.

In rural Minnesota it is not uncommon for the rental rate on a LIHTC unit to exceed the rental assistance payment standards. This means that the rents would need to be lowered on those units for the resident to be able to use the Tenant Based Rental Assistance. As an Owner/Developer of a rural portfolio we have had to address this issue multiple times. Lowering the rents to meet the payment standards results in less operating income, lower debt service coverage ratios, and can make for a financially fragile project.

The SWMHP works with the property management firms we engage to reduce barriers to housing, and we encourage the use of an appeals process to allow those applicants who would be initially denied housing to explain their situation. Eliminating this option by requiring that we follow the Housing First model and not be allowed to screen based on past rental history and funds owed to prior landlords puts the small, cash poor,

properties at a risk for higher accounts payable, decreased income, increased costs due to damages at turnover and legal fees.

I would be happy to provide additional insight my comments if required. I can be reached at 507-836-1606 or via email kristieb@swmhp.org.

Respectfully,

Kristie Blankenship
Chief Operating Officer

From: Kent Mortimer
To: #MHFA_HTC
Cc: Carole Hydukovich; Shelly Hanson; Janet Talle
Subject: Comments on proposed changes to Tenant Selection Plans
Date: Wednesday, June 24, 2020 1:37:56 PM

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Thank you for the opportunity to submit comments on Minnesota Housing's proposed changes to Tenant Selection Plans for properties receiving new funding beginning in 2021.
The change we are most concerned about is in the Tenant Selection Criteria section on page 3 of the document:
2. Applicants cannot be screened out based on housing history. This includes eviction history, references from previous landlords and others, as well as money owed to previous landlords or money owed for utilities.
This change would impose significant burdens on properties and residents for many reasons. If an applicant owes money to a utility company from their previous rental and we use the same utility company at our properties where utilities are tenant-paid, that applicant would not be able to put their utilities in their own name at our property. That would mean that our property would need to pay for the utilities for those residents once they moved in.

There are many issues with past behavior problems at one property predicting future behavior problems at a new property and those problems would not only be bad for the new property but they would also be very bad for all of the other residents who live at that property. There are very good reasons for a property to take into consideration previous rental history when deciding to rent to an applicant. As it is currently written, this criteria would mean that if we successfully evicted a resident from one of our properties because of behavior issues and/or criminal activity affecting other residents, destruction of one of our units or failure to pay rent or cooperate with certification requirements, we would be forced to accept them once they applied at a different one of our subsidized properties if that property received new funding from Minnesota Housing after 2021. This would essentially make it impossible for us to evict any of our residents from any property because they could always just moved back into another one of our properties.

Kent Mortimer
Director of Compliance
952-906-7218 P
612-282-7413 C
952-949-0331 F
kmortimer@thiestalle.com

THIES & TALLE MANAGEMENT
470 West 78 Street, Suite 260
Chanhassen, MN 55317
www.thiestalle.com

From: Deb Hesli
To: #MHFA_HTC
Subject: Support for the changes to the Tenant Selection Plan
Date: Friday, July 10, 2020 10:20:52 AM
Attachments: image001.png
image002.png
Importance: High

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Hello – I just wanted to voice my opinion on the proposed changes to the Tenant Selection Plan, I strongly support these changes, as we work with so many homeless folks with disabilities that just need the once change for housing stability to improve. Please know that we support this language revision and changes, especially around the supportive housing.

Deb Hesli MSW, LICSW
Director | Housing Innovation Programs

D: 612-843-3344 **M:** 612-843-3340 **F:** 763-208-7885

TOUCHSTONE MENTAL HEALTH
2312 Snelling Avenue | Minneapolis, MN 55404
www.touchstonemh.org

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From: Michelle Wincell O"Leary
To: #MHFA_HTC
Subject: public comment
Date: Thursday, July 09, 2020 2:13:01 PM

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As a long time service provider for individuals experiencing homelessness and that are at risk of homelessness, we strongly support the updated tenant selection plan criteria as proposed and find that this would be most beneficial in finding supportive housing for individuals that otherwise face stringent barriers to doing so on a regular basis.

Michelle Wincell O'Leary, LICSW
VP Community Housing Services
Touchstone Mental Health

Sent from Mail for Windows 10

310 W. 19th Terrace
Kansas City, MO 64108

July 21, 2020

Commissioner Jennifer Ho
Minnesota Housing Finance Agency
400 Wabasha Street North
St. Paul, MN 55101-1998

Commissioner Ho:

We appreciate the opportunity to comment on MHFA's draft 2022 Qualified Allocation Plan and associated application documents. Over the past 25 years, Travois has had the privilege of working with several Minnesota Tribes and Tribally Designed Housing Entities on 31 Low Income Housing Tax Credit Projects. On behalf of Travois, please accept the following comments on the proposed 2022 changes.

Greatest Need Tenant Targeting
We support MHFA's proposed increase of available points in the Greatest Needed Tenant Targeting Category. In Greater Minnesota markets, we see the highest level of demand for two-bedroom units followed by demand for three-bedroom units. Four-bedroom units would likely be hard to fill because the rents would be cost prohibitive for many families.

Permanent Supportive Housing
We are supportive of the proposed alternative methods for Coordinated Entry selection.

Long-Term Affordability
We suggest that MHFA maintain the existing points for 35 years of affordability (8 points) and 40 years of affordability (9 points) and add additional points in this scoring category for 50 years of affordability. MHFA should increase the score if restrictions are being extended.

Increasing Geographic Choice
We support MHFA's elimination of the High Performing School and Economic Integration criteria. Regarding the proposed new category (Need for More Affordable Housing Options), we strongly support the inclusion of all Tribal Reservations in Tier 1. However, we do not support the methodology that only communities with 500 or more household respondents are eligible. Many of our clients develop housing in very rural communities, many of which have less than 500 household respondents in the datasets used in MHFA's methodology. Small communities also have a need for more affordable housing, and the cut off of 500 household respondents is unnecessary.

Workforce Housing Communities
If a project is located in a community where an individual employer has 100+ net job growth over the past five years, the application earns six valuable points in this category. However, this scoring category fails to consider communities with severe housing need and significant job openings. We work in communities where there are a far more than 100 job openings with an individual employer.

This sort of demand for workers should earn the same number of points as a high job growth community.

Additionally, the Long Commute Communities points are still only intended for projects located in communities with 2,000 jobs or more in 2018. This cut off is arbitrary and unnecessary. If a community has a large proportion of people commuting long distances into the town for work, there is a strong demand for workforce housing. We recommend that MHFA award these points for any community where more than 15% of the workforce travels 30+ miles into the community for work (as evidenced by LED on the Map).

Location Efficiency - Greater Minnesota – Access to Transit and Walkability
We support the revised minimum Walkscore for points. Further, we recommend that MHFA institute a "lookback" period of one year for a site's Walkscore. A project site's Walkscore can change periodically and without notice. A "lookback" provision would ensure that applicants aren't surprised right before an application deadline by a decrease in their site's Walkscore. Developers need to be able to rely on those scores prior to application submission.

Supporting Community & Economic Development – Equitable Development
Can MHFA clarify if letters of support from community groups that represent stakeholder groups most impacted by housing disparities, along with the associated narratives addressing the scoring criterion, would be sufficient evidence of these points?

Rural/Tribal
We do not support the reduction in points possible for Rural/Tribal communities from 7 points to 4 points. Tribal and truly rural communities consistently are at a disadvantage when it comes to several other scoring categories (Access to Transit, Walkscore, etc.) so the full 7+ points are necessary to ensure a diverse array of projects. Actually, we argue that tribal projects should receive additional points because of the urgent need for additional public & private investments. As an example, the Mille Lacs Tribal Economy (TE) encompasses the three districts of the MLBO's territory that include Census tracts 9504, 9505, 7704, 9703, 9701, 9702. Prior to the Pandemic, the TE has consistently fallen behind Greater Minnesota communities as well as the State of Minnesota in many economic metrics including median household income, unemployment, poverty. In addition to the region lagging overall, American Indian populations have skewed even more unfavorably in the TE. According to Minnesota Compass, the TE encompasses 20,171 people with 8.9% being American Indian, compared to American Indian populations of 1.5% in Greater MN and 1% in the State of MN. The TE median household income (in 2017 dollars) was $43,594 compared with $61,873 in Greater MN and $65,699 in the State of MN. The poverty rates are also shockingly disproportionate in the TE at 15.4% (for populations with income below poverty) compared to 11.2% in Greater MN and 10.5% in the State of MN. Additional affordable housing investments are desperately needed in tribal communities across the state.

QCT/Community Revitalization and Tribal Equivalent Areas
The proposed language states "The proposed housing is located in a QCT/ Community Revitalization Area, Tribal Equivalent Area, and Opportunity Zones". Should it instead state "…or Opportunity Zones"?

No Recent Multifamily Awards
We support the inclusion of this category but disagree with the methodology for Greater Minnesota. We suggest determining these points by Census Tract instead of county in Greater Minnesota. The current methodology is problematic because the population characteristics and development factors vary widely within rural counties. As an example, southern Mille Lacs County is a lot more populated

with more resources than northern Mille Lacs County. The northern half of the county also has lower socioeconomic indicators and more disadvantaged populations of color. The same goes for Pine County with wealthier populations in the southern portion. A LIHTC development in the higher income, more populated areas of the county should not eliminate the possibility of these points for a LIHTC development in a lower income, less populated area of the county.

Minority-owned/Woman-owned Business Enterprise (MBE/WBE)
We fully support the increase in POCIBE/WBE points. As a point of clarification, can MHFA confirm that that POCIBE/WBE entities that serve as both project sponsor and management agent are also eligible for the point in subsection F(3)?

Cost Containment
We support MHFA's removal of the cost containment points. This will allow developments to be more innovative and incorporate higher durability features.

Thank you for the opportunity to provide comments on the 2022 draft QAP documents. If you have any questions regarding the suggestions above, please do not hesitate to contact me directly.

Sincerely,

Alexandria Murnan
Director of Affordable Housing

From: Debra Palmquist
To: #MHFA_HTC
Cc: Barb McQuillan; Margaret Metzdorff
Subject: Comments on proposed Tenant Selection Plan
Date: Thursday, July 02, 2020 5:32:14 PM

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Per the MN Housing eNews sent on June 10th, TCHDC is offering its comments **on expanding the proposed TSP Guidance to all affordable units financed with HTCs and deferred funding by Minnesota Housing.**

1. *Adherence to Housing First principles, including addressing how tenant screening criteria reduces barriers to accessing housing.*

Housing First Principles were initially developed to work with homeless individuals with significant barriers like chemical dependency and/or mental health issues that prevented them from attaining and maintaining stable housing. Rather than trying to "fix" those issues and then find housing as "better" applicants, the assumption was that, once housed, supportive service staff could work with the residents on harm reduction while coordinating with additional services to help the residents improve and stabilize their lives, and remain stably housed. Applying this approach to all affordable housing situations, without the supportive services staff and connections, assumes that property management staff will become de facto social workers – and neither they nor the property budgets are set up to deal with this added individual case management style of engagement.

If it is not intended that landlords provide the services, but the language is an attempt to clarify that prospective residents cannot be required to seek out or participate in certain programs in exchange for flexibility in certain selection criteria, we have the following comments:

There may be situations where it seems reasonable that with some specific training, possibly in budgeting, how to be a good tenant, etc., a household could be a good candidate even though they have past rental issues. Landlords may be willing to take the related risk if funders agree to provide funding for the additional costs associated with finding and connecting to relevant programs when the project is being underwritten. It would be difficult to require that landlords do this as a matter of course as relevant programs are often hard to find, understaffed when located, and not necessarily even available in all communities.

2. *Applicants cannot be screened out based on housing history. This includes eviction history, references from previous landlords and others, as well as money owed to previous landlords or money owed for utilities.*

Again, lacking the social worker role, or a service provider willing to provide rental subsidy, this policy would completely disregard the rest of the families that live at a property. The majority of the residents in our units want to know that we are screening out applicants who have been disruptive or dangerous in past situations, because they do not want to deal with those issues from their neighbors. And if applicants have not paid their past rent, or past

utilities, and have no rental voucher – why would any landlord reasonably expect that the applicant would be a good renter now? Unless someone's situation has dramatically changed, past performance is often a reliable indicator of future performance.

For new properties under consideration for funding, if landlords cannot screen for the items described above, they would have to be able to budget for higher costs in the underwriting phase. Examples would be higher staff and security costs, turnover costs, vacancy costs, bad debt, and more legal, marketing and screening costs due to higher turnover. If the past issues are related to negative renter behaviors, in addition to impacting other families in the development, this will eventually result in issues with neighbors and the larger community, and all of the work that has been done to combat negative stereotypes of affordable housing developments will be eroded. Finally, and maybe most importantly, without some supportive services, the challenging renter will likely face another eviction and the disruption that brings to their family.

3. *Applicants cannot be screened out based on credit history, including credit score.*

This really depends on what that credit history shows, but we agree that a credit score is not a good indicator of whether or not someone will pay the rent on time and in full.

4. *An income to rent ratio cannot be required (e.g., "income must be two or three times the rent amount").*

When we have relaxed this criterion, we have, in effect, agreed to rent-burden a household – even if the rent is well below market. And this has not worked well. We have one-bedroom units that rent for about $760 a month. If applicants can not verify that they have at least one and a half or two times that amount in monthly income, then we know that transportation costs, food, phone, school supplies, medical needs, clothes, and all the other things people have to buy will make it impossible for them to pay that $760 a month consistently going forward. These are the residents who fall behind every month, until eventually they have to leave, often with an eviction on their record, and a bad debt that the landlord has to absorb.

Basically, it appears that the net effect of all of these requirements would be to do <u>no</u> screening other than for criminal convictions, and landlords are being asked to disregard many of those as well.

While we believe the intent of the proposed changes is to try to get as many people housed as possible, we do not believe that mandating acceptance of any applicant is in the best interests of many housing developments, and fails to address the root problem, which is a severe lack of decent and affordable housing options everywhere. Yes, homelessness is growing in our community, and needs to be fixed, but requiring that landlords house every person who puts in an application could lead to even more churning of units as challenging households without rental assistance or supportive services fail to retain that housing. The long term solution hinges on creating more housing, rental subsidies, and coordination of supportive services, leading to better outcomes for everyone.

In the meantime, we will continue to provide quality homes in our properties for the many low-income individuals and families who live there. We should note that we have already relaxed our selection criteria in many properties to make our housing more accessible, and we partner with multiple service providers to provide housing for individuals and families who have become homeless. We set up payment plans with current households until they can get back on their feet, and if they need to move on, for any reason, we try to negotiate a mutual termination of the lease rather than having an eviction action show up on their rental report. In short, we are already working with very challenging households, and we are doing our best to keep people stably housed. Please don't make this even harder.

Regards,

Debra Palmquist

Senior Asset Manager

***** Please note our new address below, effective as of June 1, 2020 *****

Twin Cities Housing Development Corporation
1360 Energy Park Drive, Suite 210
St. Paul, MN 55108

Tel: 651-292-0211 ext. 224
dpalmquist@tchdc.org

From: Debra Palmquist <dpalmquist@tchdc.org>
Sent: Wednesday, July 22, 2020 3:02 PM
To: #MHFA_HTC
Cc: Barb McQuillan; Margaret Metzdorff
Subject: Additional TCHDC comments on proposed changes to tenant selection plan

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Per the MN Housing eNews sent on June 10th, TCHDC is offering additional comments **on the proposed changes to the TSP Guidance regarding rent-assisted units.**

Feedback on proposed revisions to MN Housing Tenant Selection Plan Criteria for any <u>rent assisted unit.</u>

In addition to our previous comments on the possible expansion of the proposed criteria to all affordable housing with tax credits or deferred loans from the State, we would add this feedback regarding the inclusion of "any units with any form of rental assistance" with supportive housing units.

We believe the first two proposed points would have an impact on the operations of a project-based Section 8 development, similar to the issues we raised for extending these requirements to any affordable housing development.

1. *Adherence to Housing First principles, including addressing how tenant screening criteria reduces barriers to accessing housing.*

Housing First Principles were initially developed to work with homeless individuals with significant barriers like chemical dependency and/or mental health issues that prevented them from attaining and maintaining stable housing. Rather than trying to "fix" those issues and then find housing as "better" applicants, the assumption was that, once housed, supportive service staff could work with the residents on harm reduction while coordinating with additional services to help the residents improve and stabilize their lives, and remain stably housed. Applying this approach to a multifamily development with project-based assistance, without the supportive services staff and connections, assumes that property management staff will become de facto social workers – and neither they nor the property budgets are set up to deal with this added individual case management style of engagement.
If it is not intended that landlords provide the services but the language is an attempt to clarify that prospective residents cannot be required to seek out or participate in certain programs in exchange for flexibility in certain selection criteria, we have the following comments:

There may be situations where it seems reasonable that with some specific training, possibly in budgeting, how to be a good tenant, a household would be a good risk even though they have past rental issues. Landlords may be willing to take the related risk if funders agree to provide funding for the additional costs associated with finding and connecting to relevant programs when the project is being underwritten. It would be difficult to

require that landlords do this as a matter of course as relevant programs are often hard to find, understaffed when located, and not necessarily available in all communities.

2. *Applicants cannot be screened out based on housing history. This includes eviction history, references from previous landlords and others, as well as money owed to previous landlords or money owed for utilities.*

Again, lacking the social worker role, this policy would completely disregard the rest of the families that live at a property. The majority of residents in our units want to know that we are screening out applicants who have been disruptive or dangerous in past situations, because they do not want to deal with those issues from their neighbors. If applicants have not paid their past rent, or past utilities, and did not previously live in a unit with a rental subsidy then there would be an opportunity for them to be more successful in a property with a rental subsidy. If in the past, however, even with a rental subsidy the household did not pay rent or utilities and there were no other extenuating circumstances, why would any landlord reasonably expect that the applicant would be a good renter for them now? Unless someone's situation has dramatically changed, past performance is often a reliable indicator of future performance.

For new properties under consideration for funding, if landlords cannot screen for the items described above, they would have to be able to budget for higher costs in the underwriting phase. Examples would be higher staff and security costs, turnover costs, vacancy costs, bad debt, and more legal, marketing and screening costs due to higher turnover. If the past issues are related to negative renter behaviors, in addition to impacting other families in the development, this will eventually result in issues with neighbors and the larger community, and all of the work that has been done to combat negative stereotypes of affordable housing developments will be eroded. Finally, and maybe most importantly, without some supportive services, the challenging renter will likely face another eviction and the disruption that brings to their family.

Please also note that in the HUD Occupancy Handbook 4350.3 for Project-based Multifamily developments, HUD specifies the following:

1. Tenant selection plans must contain screening criteria that include standards for prohibiting admission of those who have engaged in drug-related or criminal activity. The plan may, under certain circumstances, include additional provisions that deny admission to applicants for other drug and criminal activity.

2. Owners **must** establish standards that prohibit admission of:

a. Any household containing a member(s) who was evicted in the last three years from federally assisted housing for drug-related criminal activity. The owner may, but is not required to, consider two exceptions to this provision:

(1) The evicted household member has successfully completed an approved, supervised drug rehabilitation program; or

(2) The circumstances leading to the eviction no longer exist (e.g., the household member no longer resides with the applicant household).

b. A household in which any member is currently engaged in illegal use of drugs or for which the owner has reasonable cause to believe that a member's illegal use or pattern of illegal use of a drug may interfere with the health, safety, and right to peaceful enjoyment of the property by other residents;

c. Any household member who is subject to a State sex offender lifetime registration requirement; and d. Any household member if there is reasonable cause to believe that member's behavior, from abuse or pattern of abuse of alcohol, may interfere with the health, safety, and right to peaceful enjoyment by other residents. The screening standards must be based on behavior, not the condition of alcoholism or alcohol abuse.

3. Owners **may** establish additional standards that prohibit admission if the owner determines that any household member is currently engaging in, or has engaged in, the following activities during a reasonable time before the admission decision:

a. Drug-related criminal activity. The owner may include additional standards beyond the required standards that prohibit admission in the case of eviction from federally assisted housing for drug related criminal activity and current drug use.
b. Violent criminal activity.
c. Other criminal activity that threatens the health, safety, and right to peaceful enjoyment of the property by other residents or the health and safety of the owner, employees, contractors, subcontractors, or agents of the owner.

We do not think that credit scores or an income/rent ratio are ever major factors in selecting households for units with rental assistance.

However, we do believe that modifying selection standards to disregard rental history could not only have negative impacts on the community health and management of a subsidized property, but could be in direct conflict with HUD-mandated requirements for tenant-selection criteria in these properties.

Sincerely,

Debra Palmquist

Senior Asset Manager

***** Please note our new address below, effective as of June 1, 2020 *****

Twin Cities Housing Development Corporation
1360 Energy Park Drive, Suite 210
St. Paul, MN 55108

Tel: 651-292-0211 ext. 224
dpalmquist@tchdc.org

USGBC
2101 L STREET, NW
SUITE 500
WASHINGTON DC 20037
202 828-7422
USGBC.ORG

FOUNDERS
David Gottfried
Michael Italiano
S. Richard Fedrizzi

July 17, 2020

Tamara Wilson
Minnesota Housing
400 Wabasha Street North
Suite 400
St. Paul, MN 55102

Dear Ms. Wilson:

On behalf of the U.S. Green Building Council, our nearly 9,000 member companies nationwide, and our strong Minnesota community, we are pleased to provide the Minnesota Housing Finance Agency (Minnesota Housing) with our comments regarding the *Proposed 2022-2023 Housing Tax Credit Qualified Allocation Plan.*

USGBC and LEED in Minnesota

USGBC is a nonprofit organization committed to transforming the way all buildings and communities are designed, built, and operated to support a sustainable, resilient, and prosperous environment that improves the quality of life for all. Our flagship green building system, LEED, continues to grow in Minnesota with more than 130 single-family and more than 1,600 multi-family LEED for Homes certified projects. In addition, there are almost 500 LEED certified commercial and high-rise residential projects in Minnesota, amounting to a total of more than 100 million square feet. Representing the full range of the building sector, including builders, product manufacturers, professional firms, and real estate, nearly 200 Minnesota-based organizations are USGBC members, and more than 3,600 individuals in Minnesota hold a LEED professional credential. Minnesota also ranked 8th among the top 10 states for LEED in 2019.[1]

LEED takes a comprehensive approach to green housing by considering resident health and comfort as well as objectives such as energy and water efficiency and indoor environmental quality. LEED projects must meet a set of rigorous criteria within prerequisites and flexible credits that, when combined, set building projects on the path to excellence in sustainability and overall resilience. The third-party certification supported by LEED ensures accountability, total value, and building performance outcomes for housing advocates and taxpayers alike, while the energy and water resources saved by building to LEED translates to reduced costs for residents.[2]

Exemplifying how LEED supports high quality and high performing affordable housing in Minnesota is the Renaissance Box project in St. Paul, which earned LEED Gold

[1] State Market Data Briefs, USGBC.
[2] "U.S. States Increasingly Embrace Green Affordable Housing," USGBC blog, 2019.

certification in 2013. This 70-unit development offers one- and two-bedroom apartment homes for adults earning low incomes, including some units designated for individuals moving out of homelessness. A historic renovation, Renaissance Box transformed an old shoe factory from the 1910's into a vibrant and sustainable residential space. Its location in the Wacouta Commons neighborhood in downtown St. Paul offers residents a short commute to jobs, transportation options, and other amenities. Renaissance Box received funding in part through the Low-Income Housing Tax Credit (LIHTC) program, to support low-income residents in the area.

To learn more about how affordable housing projects benefit from LEED, see USGBC's brief Green For All: Healthy and Efficient Affordable Housing.[3]

USGBC Recommendations for the Minnesota Qualified Allocation Plan

We commend Minnesota for prioritizing sustainable buildings for its affordable housing program, with the requirement for all projects to meet the Minnesota adaptation of the Enterprise Green Communities criteria; and incentivizing increased sustainability with the proposed additional points for enhanced sustainability on the Self-Scoring Worksheet.

On behalf of our member organizations and credentialed professionals in Minnesota, USGBC would welcome an opportunity to discuss with Minnesota Housing the **addition of LEED certification as an acceptable green building program for compliance with** the Minnesota Overlay to the Enterprise Green Communities **in Chapter 4, Section E, Property Standard** of the proposed plan; and for the award of **Tier 3 points for Enhanced Sustainability in the Building Characteristics category of the Proposed 2022-2023 Self-Scoring Worksheet**.

Adding LEED, with a Minnesota overlay to specify credit requirements as with Enterprise, would add another option for affordable housing projects. LEED along with LEED Zero provide innovative strategies to achieve sustainable affordable housing, including net zero energy or carbon, resilience, maintenance of operations in disasters, community health promotion, grid-integration, and other outcomes that align well with Minnesota's goals.

We would be happy to work with Minnesota Housing to identify credit priorities for an overlay as well as to understand how LEED and LEED Zero fit in with the Tiers under Enhanced Sustainability, as indicated in the Building Characteristics category of the proposed 2022-2023 Self-Scoring Worksheet. We believe that LEED certification offers a valuable alternative to the existing pathways, including the Sustainable Building 2030

[3] Available at https://www.usgbc.org/resources/green-all-healthy-and-efficient-affordable-housing.

Standards, 2020 Enterprise Green Communities Criteria, and Home Energy Rating System (HERS) Index thresholds.

Minnesota Housing plays a critical role in implementing the LIHTC program to provide greater opportunities for high-quality, sustainable, resilient housing for the state's low-income populations. By including LEED certification as an acceptable means for complying with the minimum sustainability requirements and for achieving Tier 3 points for Enhanced Sustainability, Minnesota Housing will provide the low income housing community with additional options to demonstrate its commitment to resident health and wellness, along with its goals for energy and water savings.

If you have any questions or seek additional information, please contact Alysson Blackwelder at ablackwelder@usgbc.org. Thank you for your time and your consideration.

Sincerely,

Alysson Blackwelder
Project Manager, Advocacy and Policy
U.S. Green Building Council

Gracie Tilman
Intern, Advocacy and Policy
U.S. Green Building Council

From: Shelby Leske
To: #MHFA_HTC
Subject: TSP Comments
Date: Thursday, July 16, 2020 2:01:44 PM

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My name is Shelby Leske, I am writing today to support the proposed changes to the Tenant Selection Plan (TSP). I believe we should be lowering barriers for applicants to supportive housing units, so they have access to a safe and affordable home. I support the proposed criteria stating applicants should not be screened out for past housing history, including eviction history, references from previous landlords and others, as well as money owed to previous landlords,
money owed for utilities, based on credit history, including credit score. or denied due to an income to rent ratio (e.g., "income must be two or three times the rent amount").

Removing barriers to housing will allow all Minnesotans access to the safe and affordable housing we all need.

Thank you,

Shelby Leske | *She/Her/Hers** | Vail Place | Case Manager | sleske@vailplace.org | Direct: 612-760-1819 | Fax: 952-283-2323 | Like us on Facebook
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From: Katie Leverentz
To: #MHFA_HTC
Subject: TSP Guidance
Date: Thursday, July 16, 2020 2:11:47 PM
Attachments: image001.png
image004.png

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Hello,
My name is Katie Leverentz and I worked on finding housing for people living with serious mental illnesses for 4 years. The people I worked with were on the Shelter+Care subsidy. If it hadn't have been for their subsidy, they would have been homeless, either in shelters or paying people to couch hop. This puts people in a very vulnerable situation. Because they had a housing subsidy, it was easier to get their other basic needs met and they were able to work on other goals and contribute to society.

I believe that making the proposed changes would save so much more money in the long term on ER visits, shelters, police involvement, and substance use-emergencies. If we want to reduce homelessness in Minnesota, we need to give people a chance. With support, like subsidies and housing support providers, people can succeed in keeping housing. I've seen it happen time and time again. Please give people a chance by supporting the proposed changes to TSP.

Katie Leverentz, LSW, CPRP | *she/her/hers** | Vail Place | Uptown Clubhouse Intake Coordinator | kleverentz@vailplace.org | Direct: 952-300-5380 | Fax: 952-283-2312 | Like us on *Why this matters

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From: Jolene Peterson
To: #MHFA_HTC
Subject: Tenant Selection Plan
Date: Thursday, July 16, 2020 1:05:33 PM

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To Whom It May Concern,

My name is Jolene Peterson, I am writing today to support the proposed changes to the Tenant Selection Plan (TSP). I believe we should be lowering barriers for applicants to supportive housing units, so they have access to a safe and affordable home. I support the proposed criteria stating applicants should not be screened out for past housing history, including eviction history, references from previous landlords and others, as well as money owed to previous landlords,
money owed for utilities, based on credit history, including credit score. or denied due to an income to rent ratio (e.g., “income must be two or three times the rent amount”).

Removing barriers to housing will allow all Minnesotans access to the safe and affordable housing we all need.

Thank you,

Jolene Peterson, LICSW | *she/her/hers** | Vail Place | Clinical Services Director | jpeterson@vailplace.org | Direct: 952-945-4242 | Fax: 952-938-7934 | Like us on Facebook
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From: Natalie Zeitz
To: #MHFA_HTC
Subject: Tenant Selection Plan
Date: Wednesday, July 22, 2020 1:01:49 PM

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Attention Tamara Wilson,

My name is Natalie Zeitz I am writing today to support the proposed changes to the Tenant Selection Plan (TSP). I believe we should be lowering barriers for applicants to supportive housing units, so they have access to a safe and affordable home. I support the proposed criteria stating applicants should not be screened out for past housing history, including eviction history, references from previous landlords and others, as well as money owed to previous landlords,
money owed for utilities, based on credit history, including credit score. or denied due to an income to rent ratio (e.g., "income must be two or three times the rent amount").

Removing barriers to housing will allow all Minnesotans access to the safe and affordable housing we all need.

Thank you,

Natalie Zeitz, LICSW

Natalie Zeitz, LICSW | *she/her/hers** | Vail Place | Clinical Services Manager | nzeitz@vailplace.org | Direct: 612-791-0055 | Fax: 952-945-4238 | Like us on Facebook
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WASHINGTON COUNTY
Community Development Agency

7645 Currell Boulevard, Woodbury, MN 55125
office: 651-458-0936 fax: 651-458-1696

Minnesota Housing
Atten: Tamara Wilson
400 Wabasha Street North
Suite 400
St. Paul, MN 55102

Dear Ms. Wilson:

The Washington County Community Development Agency (CDA) has reviewed the Minnesota Housing Finance Agency 2022-2023 Qualified Allocation Plan published for public comment June 10, 2020. The CDA wishes to highlight a few supportive comments listed below:

- The CDA supports the introduction of a two-year QAP as a way to lessen uncertainty for developers and sub-allocators alike.
- The CDA supports inclusion of points for Innovative Construction Methods. New construction techniques are a critical way to slow increasing housing costs. The high volume of projects Minnesota Housing completes each year gives it the scale necessary to promote real change in this area in a way that suballocators cannot while taking on an important leadership role.
- The CDA supports the inclusion of points for projects that serve seniors age 55 and older. This is a vital sector of affordable housing that needs to be adequately supported through the tax credit program. Since housing markets are so interconnected, the impacts of more senior affordable housing are felt across all sectors and age demographics.
- The CDA supports Minnesota Housing's general principles of promoting deeper and longer-term affordability. The inclusion of points to extend the term of the LURA to 40 and 50 years helps suballocators to pursue similar extensions.

Please contact Bill Lightner at 651-202-2824 with any questions. Thank you for your consideration of these comments.

Sincerely

Karly Schoeman

Karly Schoeman
Deputy Executive Director

July 22, 2020

Minnesota Housing Finance Agency
400 Wabasha Street North, Suite 400
Saint Paul, MN 55102

RE: Proposed 2022-2023 Housing Tax Credit Qualified Allocation Plan

To Whom it May Concern,

On behalf of Woda Cooper Development, Inc., we are pleased to submit the following comments regarding the Proposed 2022-2023 Housing Tax Credit Qualified Allocation Plan (QAP). We hope these comments will assist the Minnesota Housing Finance Agency (MHFA) in furthering its mission.

1. *Average Income Test (AIT): Page 29 QAP*

   Currently, the Average Income Test is eligible only for properties that are 100 percent HTC restricted. We believe strongly that the option should also be eligible for those properties that include market rate units as well. The benefit of which is tremendous in that the agency can achieve truly mixed income communities. Furthermore, it will allow a greater reduction in the concentration of poverty.

2. *Large Family Housing (12 to 15 points): Page 10 Self-Scoring Worksheet*

   Currently, developments that provide family housing that is not restricted to persons 55 years old or older can score up to 12 points if at least 75% of the total assisted units contain two or more bedrooms and at least one-third of the 75% contain three or more bedrooms. We understand MHFA's desire to target large families. An additional 3 points are awarded if at least one-third of the three or more bedrooms required above contain four or more bedrooms. We believe the additional 3 points for more four and five-bedrooms is excessive. Units this large add to construction costs and are often difficult to lease, as there are a limited number of households that can both afford the rent and stay under the maximum income levels associated with the unit. The agency should rely on the market study to determine the need in the market area for particular unit types rather than a blanket mandate across all projects in all locations. This allows for greater flexibility in order to meet the specific market demand. Therefore, the additional 3 points should be eliminated.

Please contact me at (614) 396-0057 if you have any questions. Again, we greatly value this opportunity to provide feedback as we find it important to creating good public policy to better serve all Minnesotans.

Respectfully Submitted,

Jonathan D. McKay
Vice President
Woda Cooper Development, Inc.

Cc: Jeffrey J. Woda, President, Woda Cooper Development, Inc.
David Cooper, Jr., Principal, Woda Cooper Development, Inc.

From: Kelly Zelenka
To: #MHFA_HTC
Subject: QAP comments
Date: Monday, July 06, 2020 7:06:54 PM

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Hello,
I strongly support the Tenant Screening Criteria for units serving those under 30% MTSP and those receiving any rental assistance. Eviction history, income ratio and credit history are strongly influenced by systemic racism. Allowing the continuation of these factors in determining someone's eligibility for safe and stable housing is a perpetuation of systemic racism. These should be disallowed for any entity receiving tax credits, or any assistance from MHFA.

Kelly Zelenka