

2008 HTC ROUND 2 NOTICE

HOUSING TAX CREDIT PROGRAM

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The Minnesota Housing Finance Agency (Minnesota Housing) is pleased to announce that it is accepting 2008 Round 2 competition applications for reservation and allocation of Housing Tax Credits, authorized by the Federal Tax Reform Act of 1986, as revised.

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

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

Total estimated 2008 tax credits available for the State of Minnesota is approximately \$ 10.1 million. The total estimated 2008 tax credits available for 2008 Round 2 is approximately \$309,000. Minnesota Housing has estimated the housing credit ceiling for Minnesota for calendar year 2008 based upon the amounts of the housing credit ceiling for calendar year 2007. The actual housing credit ceiling for the year 2008 will not be known by Minnesota Housing until some time in February or March of 2008. In early 2008 the IRS will make a final determination of Minnesota's population component used in determining Minnesota's final year 2008 housing credit ceiling. The IRS will publish this population component some time in February or March of 2008.

In 2008 Round 2, priorities will be given to proposals which have previously received an allocation of tax credits and are in need of a supplemental allocation, contain a request for RD set-aside credit or specific selection or preference priorities (per Self-Scoring Worksheet) in a manner consistent with the 2008 Qualified Allocation Plan.

Minnesota Housing will be establishing a Wait List from the non-selected proposals remaining at the conclusion of the 2008 Round 2 competition. Proposals from this list will be considered to receive returned credits, if any, which become available for allocation prior to October 1, 2008.

The Minnesota Housing Finance Agency's Housing Tax Credit Program, Qualified Allocation Plan and related manual contents were revised in preparation for the 2008 tax credit year. Details regarding these changes can be found on Minnesota Housing's internet web site. No significant changes have been made to the tax credit materials or application process for 2008 Round 2.

Minnesota Housing will not be holding a formal tax credit application training session specifically for the 2008 Round 2 RFP. Tax credit "technical assistance" may be

obtained by calling Minnesota Housing. Multifamily Division staff is available for technical assistance on an on-going basis.

Credit Formula

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

Local Administration of Tax Credit

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

Minnesota Housing Administration of Tax Credits

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

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

APPLICATION PROCESS

Housing Tax Credits (2008 Round 2): The Housing Tax Credit application materials are available on Minnesota Housing's website at http://www.mnhousing.gov/resources/apply/multifamily/MHFA_004610.aspx Additional information on how to make application is also located on Minnesota Housing's website at <http://www.mnhousing.gov/housing/tax-credits/allocation/index.aspx>. Please refer to the website for more detailed Application Instructions. If you are unable to access the web or need assistance locating or identifying the appropriate materials, contact the Multifamily Division at (651) 297-3294 or Toll Free: 1-800-657-3647.

IMPORTANT DATES:

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

Housing Tax Credit (2008 Round 2): The following application materials must be **received by** Minnesota Housing by 5:00 p.m. on or before **Thursday, January 31, 2008:**

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

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

Minnesota Housing Board Approval:

Housing Tax Credit funding recommendations will be made at the April 24, 2008 Minnesota Housing Board meeting.

Fund Notification:

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

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

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