



QAP 101:
Overview of the Proposed 2021 Qualified Allocation Plan

August 8, 2019

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Meeting Logistics

- 45 minutes: Presentation
- 15 minutes: Questions and answers
 - Use GoTo tool to submit questions
 - We will answer as many questions as possible
 - If questions remain after the hour, we'll allow people to submit questions for another 10 minutes and then will email responses

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GoTo Toolbar



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Handouts

- PowerPoint slides
- Links to:
 - 2021 Qualified Allocation Plan (QAP) Summary of Proposed Content Changes
 - History of the QAP

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Purpose of Meeting

- Provide stakeholders with a better understanding of the Qualified Allocation Plan (QAP)
- **Discuss:**
 - Purpose and history of the QAP
 - How the QAP is developed and proposed changes to the 2021 QAP:
 - Key policy changes, including continued streamlining efforts
 - Engagement and timeline for the 2022 QAP

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**Overview of Minnesota Housing's
Strategic Direction**

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Vision and Mission

Vision
All Minnesotans live in a safe, stable home they can afford in a community of their choice.



Mission
Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing.

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Strategic Planning

- The proposed 2021 QAP reflects priorities from the 2016-2019 strategic plan
- Minnesota Housing is developing its 2020-2023 strategic plan, which will inform the 2022 QAP

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Purpose and History of the QAP

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What is LIHTC?

- Low-Income Housing Tax Credits (LIHTC) are a federal resource
 - Reduces investor's federal tax liability for 10 years
 - In exchange, investor buys LIHTC and agrees to 30 years of affordability
 - Proceeds from sale of credits used for affordable housing

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Statewide Distribution of 9% LIHTCs

Entity	Amount
Minnesota Housing	\$11.5M
Minneapolis	\$1.45M
St. Paul	\$901K
Dakota County	\$1.03M
Washington County	\$595K

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Why is LIHTC Important?

- Minnesota Housing's 9% LIHTC allocation
 - 12 to 16 projects with 700 to 900 total units annually
 - Generates an estimated over \$100 million in private investment from the sale of the credits
 - Projects with total development costs of \$166 million

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Purpose and Process

- IRS requirement
- Each suballocator has a Qualified Allocation Plan (QAP)
- QAP timeline
- QAP, Procedural Manual, and Self-scoring Worksheet(s)
 - Geographic distribution and funding set-asides
 - Funding rounds, rules and procedures
 - Funding priorities

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QAP Development Process

- Review previous year's scoring and selections
 - Are we achieving our funding priorities?
 - Are clarifications necessary?
 - Are we creating adverse/unintended consequences?
- Emerging needs
- Community feedback and engagement

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Proposed 2021 QAP

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QAP Priorities

- Serve people with the **greatest needs**, largest barriers, fewest choices, lowest incomes
- Support **community and economic development** and promote housing in **areas of opportunity**
- **Preserve** existing subsidized and federally-assisted housing
- Use scarce **resources efficiently**
- Finance **high-quality buildings**

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2021 Selection Categories

1. Greatest Need Tenant Targeting
2. Serves Lowest Income for Long Durations
3. Areas of Opportunity
4. Community and Economic Development
5. Preservation
6. Efficient Use of Resources/Leverage
7. Building Characteristics

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Proposed Changes

- Strategic priorities
 - 9% projects
 - Tax-exempt bond projects
- Rental assistance
- Location efficiency: Rural and small urban areas (population fewer than 50,000 people)
- Qualified Census Tracts

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Proposed Changes

- Minority-owned/Women-owned Business Enterprise
- Preservation
- Efficient Use of Scarce Resources/Leverage

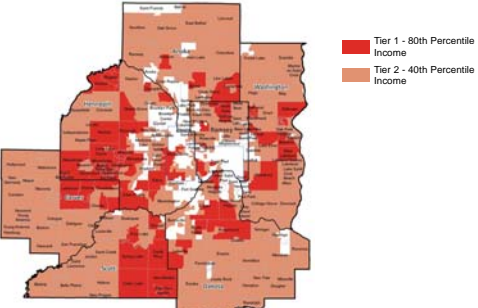
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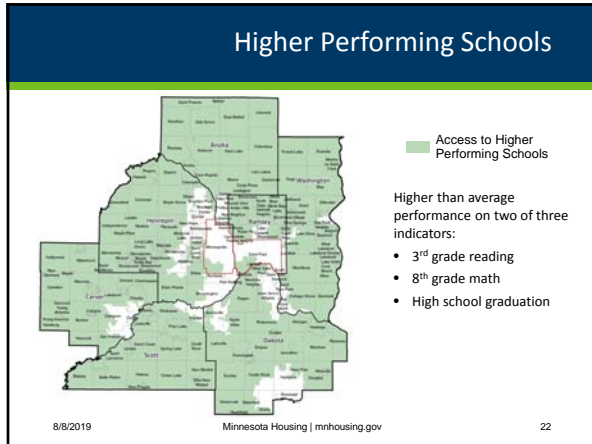
QAP 2021 Location Specific Maps

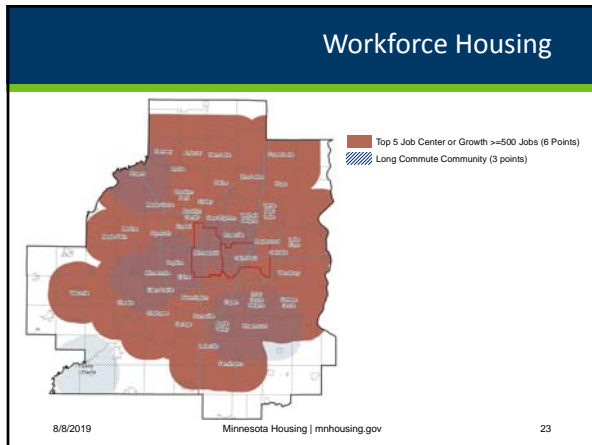
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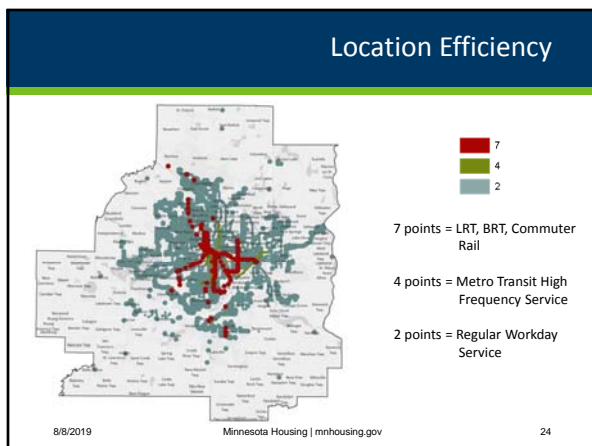
Economic Integration

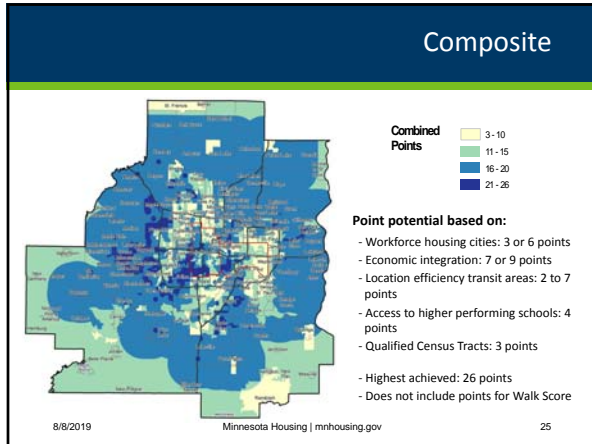


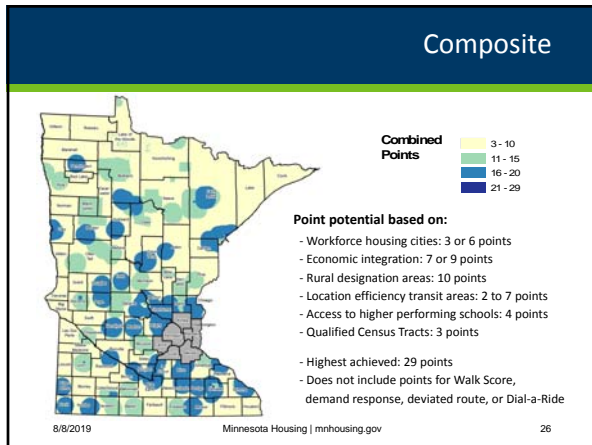
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Commenting on the 2021 QAP

- Access the draft 2021 QAP at www.mnhousing.gov
 - Refer to “Special Announcements” on left side of the homepage
- Public Hearing: Monday, August 19, 1:30 to 2:30 p.m.
- Public Comment Period: **Ends Monday, August 26 at 5:00 p.m. CDT**
- Email comments: mn.housing@state.mn.us

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For More Information

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