



2026 – 2027 Qualified Allocation Plan
and Funding Priority Information Session

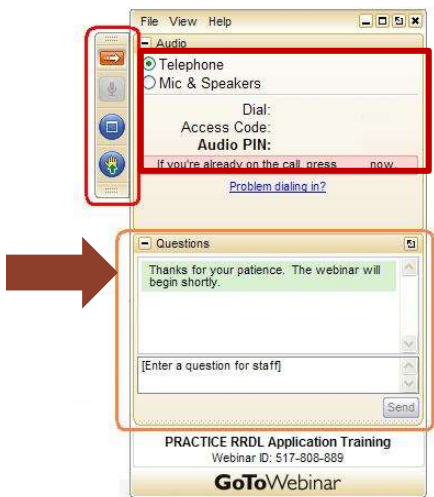
December 13, 2023



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Our Mission: The Core Purpose

Housing is foundational to a full life and a thriving state, so we equitably collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

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Agenda

- Assistant Commissioner James Lehnhoff
- Qualified Allocation Plan – Summer Jefferson and Nicola Viana
- Policy Areas for Discussion – Minnesota Housing Staff
- Timeline
- Website Tour
- Questions and Feedback from Participants

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Welcome – Assistant Commissioner Lehnhoff

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Qualified Allocation Plan (QAP)

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QAP Purpose and Process

- Internal Revenue Service (IRS) requirement
- Qualified Allocation Plan and Self-Scoring Worksheet
- Describes how HTCs are distributed:
 - Geographic distribution and funding set-asides
 - Funding rounds, rules and procedures
 - Funding priorities

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QAP Development Process

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    graph TD
      A[New QAP] --> B[Consolidated RFP & HTC Funding Rounds]
      B --> C[Learn and Assess]
      C --> D[Development & Engagement]
      D --> A
  
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QAP Development Process

- Review scoring, selections and policies
 - Are we achieving our funding and strategic priorities?
 - Are clarifications necessary?
 - Are we creating adverse/unintended consequences?
- Agency Strategic Plan
- Emerging needs
- Community feedback and engagement
 - Year-Round and Two Rounds of Public Comment

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2026-2027 QAP

2025 Consolidated RFP

- 2026 HTC Funding Rounds

2026 Consolidated RFP

- 2027 HTC Funding Rounds

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Selection Categories

1. Greatest Need Tenant Targeting
2. Serves Lowest Income for Long Durations
3. Increasing Geographic Choice
4. Supporting Community and Economic Development
5. Efficient Use of Scarce Resources & Leverage
6. Building Characteristics

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Policy Areas – Requesting Initial Feedback

- How best to continue to prioritize communities most impacted by housing instability and housing disparities?
- Are there further steps we can take towards racial equity and inclusion in our policies and procedures?
- How best to continue focusing on ending homelessness in Minnesota while addressing the needs of different communities?
- How to continue to create economic opportunities for communities that will benefit most from housing development work?
- How to continue to achieve deeper and longer-term affordability?
- How to clarify and/or simplify existing selection criteria and the application process?
- How to incentivize and create opportunities for enhanced sustainability and climate resiliency?

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Policies to Discuss

- Supportive Housing
- Preservation
- Geography
- Black-, Indigenous-, People of Color-, (BIPOC), and Women-owned Business Enterprise
- Equitable Development
- Building Characteristics
- Other – Participants: Please share

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Supportive Housing

- Incentives and Requirements for Supportive Housing Units :
 - High Priority Homeless (HPH) Units
 - Units for People with Disabilities (PWD)
 - PWD units with Section 811 Project-based Rental Assistance
- Changes made last QAP:
 - Created different application requirements for Partially and Primarily Supportive Housing and reduced submissions and requirements
 - Conceptual application concept for Partially Supportive Housing
 - Market determination for HPH units during feasibility review- revert to 30% rent restricted units with a priority to serve people experiencing homelessness
 - Added option for HPH units to serve populations not included in Coordinated Entry

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Supportive Housing

- Changes considering for this QAP:
 - Clean up or clarification on previous changes –language and impact on other scoring categories
 - Incentives to increase the use of Section 811 for PWD units
- Vicki Farden: vicki.farden@state.mn.us

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Preservation

- All Projects Must Meet a Risk of Loss:
 - Market Conversion
 - Critical Physical Needs
 - Ownership Capacity
- Project priorities:
 - Federally assisted units with project based rental assistance
 - Federal, state or locally assisted units with high affordability
- Currently not exploring criteria changes
- Dani Salus: danielle.salus@state.mn.us

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Geography

- Criteria Include:
 - Transit and Walkability
 - Need for More Affordable Housing
 - Workforce Housing
 - No Multifamily Award in the Past 5 Years
 - Rural and Tribal Areas
- Not exploring any criteria changes
- Kody Thurnau: kody.thurnau@state.mn.us

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Black-, Indigenous-, People of Color-, (BIPOC), and Women-owned Business Enterprise

- Promote ownership and inclusion of BIPOC/WBE developers, architects, general contractors, management agents, service providers, etc.
- Incentivize equitable partnerships
- Significant increase in participation
- Que Vang: que.vang@state.mn.us

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Equitable Development

- Address the needs of Communities Most Impacted by housing disparities.
- Significant increase in participation
- Que Vang: que.vang@state.mn.us

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Building Characteristics

- Current Selection Scoring Points
 - Enhanced Sustainability
 - Universal Design
 - Non-Smoking
- Future Selection Scoring Points under consideration
 - Enrich Scoring for Enhanced Sustainability
 - Climate Resiliency
 - Innovative Construction Techniques
- Katherine Teiken: katherine.teiken@state.mn.us
- Jerry Narlock: gerald.narlock@state.mn.us

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Timeline

- Initial Engagement - Send us feedback by Tuesday, January 16, 2024
- January – March 2024 – Internal Meetings and Development
- May – Share policy concept with Minnesota Housing board
- June – 1st Release and Public Comment Period
- September – 2nd Release and Public Comment Period
- November – Final approval from Minnesota Housing Board

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Questions and Feedback

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Contact Information

QAP Feedback: HTC.MHFA@state.mn.us

HTC Questions: Tim Sullivan, HTC Program Manager,
tim.sullivan@state.mn.us or 651-296-8149

QAP Questions: Minnesota Housing staff or Nicola Viana,
nicola.viana@state.mn.us or 651.296.8277

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- Homeownership
- Rental Housing**
- Preventing & Ending Homelessness
- Policy & Research

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