The Alliance Comments to SR 25-227 Amendments to QAP

The [Equity in Place] (EIP) Coalition submits these comments to the St Paul Housing and Redevelopment Authority (HRA) regarding the proposed amendments to the 2026-2027 Qualified Action Plan (QAP) for Low-Income Housing Tax Credits (LIHTC).

Equity in Place is a diverse group of strategic partners from organizations led by people of color and housing advocacy organizations that believe that everyone in the Twin Cities region deserves to live where they want to live and have access to opportunity. Our coalition has ensured that regional planners acknowledge the role of institutional racism in current and historical development decisions, that people of color have a seat at the table in important discussions about the future of our region, and that residents have an avenue to participate in discussions about the future of their communities. We oppose the proposed changes to the Qualified Contract Process for LIHTC providers to be able to opt out of the affordability requirement after 15 years. The proposed changes would reduce the years of affordability required under the Qualified Contract Process from 30 years to 15 years.

We strongly believe this is the wrong action to take to encourage the development of more affordable housing and urge the St. Paul HRA to not move forward with this approach. Especially in a time of reduced Federal support for the building and preservation of affordable housing, we need to use our already limited public resources wisely to maximize housing affordability for our communities. The city of St. Paul should be working to ensure that affordable housing investments provide greater depth and longer-term affordability, rather than attempting to shorten that commitment.

The trade-offs of effectively reducing the affordability requirements of housing developments from 30 to 15 years is not without consequence, for eventual tenants, families, community, and the City of St. Paul. 30 years of affordability is vital for communities to be able to set their roots, as many families raise their children from birth to 18 years old in their homes. 30 years of affordability provides a longer timeline for families who might access that housing. 15 years of affordability doesn't cover the years a child needs to age in place to continue attending the same schools and district. We have seen for-profit "affordable housing" developers, in particular, take advantage of shorter-term commitments to affordability around our region, building housing with levels of affordability that do not align with our communities' economic realities and needs, and then quickly doing away with affordability once those requirements are up. This leaves tenants and communities without safe, quality, affordable housing options, while the developers make major profits, subsidized by public dollars. We are deeply concerned that the reduction in commitment to affordability would further incentivize this type of exploitative development.

Public-funded projects must provide the most consistent and dedicated levels of affordability and habitability. We must be able to use these tools to ensure that public funds are being used to actually provide affordable housing to folks for a dedicated amount of time. Reducing the years of affordability for LIHTC properties from 30 to 15 years is regressive. It does not benefit the tenants who will live in these properties, and only serves to water down the already existing protections LIHTC residents have. If St. Paul were to reduce these commitments to affordability, we could potentially see the end of 30 years of affordability across the metro, as other cities could follow suit. This would be catastrophic for the region and the already struggling communities that live in and hope to live in a LIHTC property.

Minnesota is one of 36 other states that require LIHTC providers to waive the Qualified Contract Process. We believe it is essential to maintain consistency in this position and continue to prioritize the needs of renters who make our communities thrive. We must preserve 30 years of affordability and should not be entertaining a regression of affordability. Thank you for your consideration of these comments. Please, if you have any questions, reach out to Juanluis@thealliancetc.org.

Best,

Juan Luis Rivera-Reyes - Housing Coalition Organizer at the Alliance for Metropolitan Stability

African Career Education Resource Inc. (ACER)
Alliance for Metropolitan Stability
Ain Dah Young Center
Center for Urban and Regional Affairs, University of Minnesota
Community Stabilization Project
COPAL
Harrison Neighborhood Association
HOME Line
Hope Community
Housing In Action
Housing Justice Center
Jewish Community Action
Minnesota Consortium of Community Developers
MN Step
Native American Community Development Center
New American Development Center
Powderhorn Park Neighborhood Association
Pueblos de Lucha y Esperanza
West side Community Organization