

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS

DATE: FEBRUARY 26, 2020

REGARDING: TAX CREDIT INFORMATION AND WORK SESSION

Background

The Federal Tax Reform Act of 1986 created the Low-Income Housing Tax Credit Program (the “LIHTC Program”), which provides a reduction in federal tax liability to owners and investors of qualified low-income housing developments that comply with federally-imposed rent and tenant income restrictions for a period of 30 years (“Credits”).

Section 42(m) of the IRS Code requires housing tax credit agencies to develop and adopt a “qualified allocation plan”. The Qualified Allocation Plan (QAP) sets forth selection criteria to be used to determine housing priorities of the housing credit agency that are appropriate to local conditions. It also establishes certain priorities and preferences as a condition to allocating Housing Tax Credits for rental housing projects.

Staff is proposing a number of amendments to the QAP for the 2021 LIHTC Program year. The amendments proposed incorporate several recommendations based on community engagement with District Councils and housing advocacy groups around priorities for the 2021 QAP. Proposed amendments of the QAP priorities are outlined in the Attachment.

The agenda of the work session includes the following:

1. Overview of the LIHTC Program

2. Review of LIHTC Program requirements
3. HRA Board discussion of Saint Paul selection priorities

Future Action

- February 27, 2020: Community review of the proposed scorecard
- April 8, 2020: HRA board report requesting approval of changes to Saint Paul selection priorities for 2021 for submission to Minneapolis/Saint Paul Housing Finance Board
- Early May: Minneapolis/Saint Paul Joint Housing Finance Board public hearing

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Attachments

- Proposed amendments to 2020 QAP
- Proposed 2021 scorecard