



Minnesota Affordable Housing Tax Credit 7_14_22 Webinar Questions and Answers

Q: Will this PowerPoint be available after the call?

A: A recording of the webinar, a copy of the slides, an updated summary from MHP, and answers to questions will be made available on MHP's website. We will send these materials to registrants as part of our follow up.

Q: Do we have any idea when applications will be released?

A: We do not know when applications will be released.

Q: I am concerned that a future legislature may want to target this funding? Can the AHTC be rescinded prior to 2028? If yes, what is the procedure for doing and/or protect this legislation.

A: It is always possible for lawmakers to rescind a program. Programs with sunsets are rarely rescinded before the sunset. The best way to ensure this program isn't rescinded, is to ensure the fund is fully capitalized.

Q: Does the <50% AMI regulation apply to single family? It's really hard to meet this requirement for homeownership--unless your Habitat for Humanity

A: The funds can be used to develop single-family homes for households up to 115%AMI. There is also a 35% set-aside of the funds (or slightly less than \$3.5M) intended for households at or below 50% AMI. The set asides can overlap but they do not have too.If set aside not satisfied by Sept 1 of a year can be reallocated.

Q: Does this mean 65% of account funds can go to housing that is over 50% AMI? What's the cut off?

A: Yes. We do not know what criteria MHFA will prioritize in the application process.

Q: Just to confirm, funding for the program WILL NOT be a part of Minnesota Housing's Super RFP for development assistance, but WILL be administered by them?

A: Yes. Minnesota Housing has not yet announced the process for this fund but has indicated that this program will be allocated separate from the Super RFP. The bill's chief author, who is actively working with MH and DOR, has also stated that it is her intent that this program is distinct from the Super RFP. The program will be administered by MH. MH is hiring staff to run the program. In the interim, the program has been assigned to the multifamily division.



Q: Is there a minimum amount of contribution you are seeing where the amount of paperwork makes sense to participate in the program?

A: Data from ND showed that they had many small contributions to their funds (\$100 and under). Minnesota's program sets minimum at \$1,000. MH anticipates setting up an electronic system to receive and track donations. This should make it easier on contributors and MH as compared to ND. ND HIF Microsite: <https://www.ndhfa.org/index.php/ndhif/>

Q: What % of rural projects has the ND funding provided? MN has a 10% set-aside. Wondering if this might be too low

A: ND Rural Projects: Over the last 11 years, approximately 58% of the funds were used in rural communities. The definition of rural any community under 35,000. ND's Urban Communities include: Grand Forks, Fargo/West Fargo, Bismarck/Mandan areas.

Q: At what stage does a local project need to be in to be considered an eligible local project for investors to designate their contribution to in North Dakota?

A: ND project stage to be considered for contribution: Project needs to be able to submit an application, site identified, preliminary plans and specs, financial proforma started. It really was part of the developer's application due diligence process to solicit contributions.

Q: Does MHFA already know which staff-person will be administering the program?

A: No. They will hire someone (hopefully this fall). In the meantime, it will start to be administered under the multifamily division

Q: If contributions will begin to be accepted in tax year 2023, how soon would the first awards be made. Mid to late 2024?

A: We don't yet know a timeline for how and when awards will be made. the awards should be determined in 2023. MHFA will have to provide some type of conditional loan/grant approval. When MHFA writes the check to awardees is unknown.

Q: If the broader program fund ever exceeds \$10M in donations, it (the excess) will also be moved to the general fund budget?

A: The program is capped so that tax credits can be awarded only up to the annual amount of 9.9M. Contributions won't be accepted over that amount.