

PUBLIC COMMENT RESPONSE:

Minnesota Housing Partnership Submitted Comment

1. We support the Agency's integration of NHTF resources into the Consolidated RFP. This provides flexibility for the Agency in utilizing NHTF with other resources, and spares developers the need to submit a separate application for NHTF. One caveat, cost and competitiveness of the Consolidated RFP proposals will likely mean NHTF will not go to small communities. The Agency should periodically examine the Consolidated RFP to ensure that all Minnesota communities are served by Agency rental programs.
2. We support the Agency's proposed use of up to one-third of NHTF for operating cost or operating reserves. NHTF eligible households can rarely be reached with capital subsidies alone so it is sensible to maintain the maximum flexibility in subsidizing operating costs.
3. **With a target of serving Extremely Low Income households, the Agency is appropriately allocating all NHTF to rental housing.**
4. **We do not agree with the Agency position that no preference would be given to proposed developments that promise affordability periods beyond 30 years.** While there are many factors to consider in ranking competitive proposals, extra-long affordability should be encouraged. An incentive for affordability beyond 30 years was provided by the Agency in the 2019 QAP and that type of encouragement should carry forward to the NHTF.



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Minnesota Housing Response

1. We understand the need to ensure balanced distribution of resources across the state, and continually monitor the distribution of investments.
4. We appreciate the comment. This 2017 NHTF allocation plan is designed to align with the affordability requirements in the 2018 Qualified Allocation Plan (QAP), which does not contain additional incentives for longer affordability. The 2019 QAP, which does include incentives for longer affordability, will be in effect for the 2018 RFP, and thus the 2018 NHTF allocation plan. We will consider aligning this priority with the 2018 NHTF allocation plan.