

**Subject** Housing tax credits allocation

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## Overview

The language being stricken was added to the Minnesota Housing Finance Agency (MHFA) enabling statute in the 2018 bonding bill. It directs the MHFA to give residential rental housing projects financed with an allocation of tax-exempt bonds the highest strategic priority for an allocation of low-income housing tax credits. It prohibits the MHFA's allocation plan from using a per-unit cost limitation, cost reasonableness, or other similar restriction for allocation.

The low-income housing tax credit program is a financing program for qualified residential rental properties. The low-income housing tax credit program offers investors a reduction in tax liability in exchange for capital to build eligible affordable rental housing units in new construction, rehabilitation, or acquisition with rehabilitation.