



Via email

June 22, 2016

To: Jessica Deegan, Minnesota Housing
From: Chip Halbach, Minnesota Housing Partnership

Subject: Comment on Minnesota's National Housing Trust Fund Draft Allocation Plan

MHP supports the draft Allocation Plan, with an emphasis on these elements:

- Understanding that the amount for the state only amounts to \$3 million, we agree that the entire amount used in program should be for rental housing and benefit extremely low income households.
- We agree that the distribution of NHTF resources should occur through the annual Consolidated Request for Proposals.
- We agree that the maximum percentage so available under federal law should be committed to operating cost assistance or reserves.

We do disagree with the Agency's proposal to give no consideration for proposed developments that promise an affordability period in excess of 30 years. In geographic areas likely to see long term growth in property value there should be incentives for developers to commit to longer periods of affordability.

Finally, the National Housing Trust Fund is, for many decades, the first new federal housing production program focused on helping those facing the greatest housing need. But as now implemented it is vastly underfunded to be considered a meaningful response to this need. This inadequacy in funding is borne out in the allocation plan which identifies 22 units being created or rehabilitated in the context of 137,286 extremely low income Minnesota households having an unmet housing need. We therefore encourage Minnesota Housing to invest NHTF funds in a high profile development so that this development can be used to illustrate the value of the trust fund program and support efforts to increase funding.