MINNESOTA HOUSING FINANCE AGENCY
HOUSING TAX CREDIT ADMINISTRATION
JOINT POWERS AGREEMENT 2027

This Housing Tax Credit Administration Joint Powers Agreement 2027 ("**Agreement**") is effective as of April 1, 2026, and entered by and between Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota ("**Minnesota Housing**") and Duluth, a municipal corporation and public body politic of the State of Minnesota (the "**City**").

WHEREAS, Section 42 of the Internal Revenue Code of 1986, as amended, ("**Section 42"**) provides for low-income housing tax credits ("**HTCs**") to each state to be allocated by the state's housing credit agency or agencies as that term is defined in Section 42(h)(8)(A), pursuant to a Qualified Allocation Plan ("**QAP**") as that term is defined in Section 42(m)(1); and

WHEREAS, pursuant to Section 42, Minnesota Housing has adopted a QAP which includes procedures for the allocation and award of HTCs, compliance monitoring procedures for allocated or awarded HTCs, and policy for entering joint powers agreements as set forth herein (the "**Minnesota Housing QAP**"); and

WHEREAS, pursuant to Section 42(h)(3)(E) and Section 42(m), the Minnesota legislature authorized Minnesota Housing and certain counties and cities to allocate HTCs as housing credit agencies in accordance with Minn. Stat. 462A.221 to 223; and

WHEREAS, Minn. Stat. 462A.222 provides for certain amounts of the State Housing Credit Ceiling, as that term is defined in 26 CFR § 1.42-14, to be reserved for city and county housing credit agencies for the first round of annual HTC allocations, in accordance with a distribution plan;

WHEREAS, the City is a city which is eligible to receive a reservation of HTCs under Minn. Stat. § 462A.222, subd. 1; and

WHEREAS, the City does not intend to accept the reservation of HTC for allocation year 2027 and has not adopted a QAP effective in 2027 to allocate credits from the State Housing Credit Ceiling or to award credits pursuant to Section 42(h)(4); and

WHEREAS, in order to ensure projects in its jurisdiction are eligible to apply for allocations or awards of HTCs, the City wishes to return its reserved HTCs to Minnesota Housing for allocation under Minnesota Housing's jurisdiction in accordance with Minn. Stat. 462A.223, subd. 2 and Minn. Stat. 462A.222, subd. 3(g); and

WHEREAS, Minnesota Housing and the City wish to enter into this Agreement under Minn. Stat. § 471.59, pursuant to which, except for certain functions expressly set forth in this Agreement, Minnesota Housing will perform all of the HTC allocation, award and compliance monitoring functions for the jurisdiction of the City with respect to HTCs allocated for the calendar year 2027 State Housing Credit Ceiling and HTCs awarded under Section 42(h)(4) for projects financed with volume limited tax exempt bonds; and

WHEREAS, the Minnesota Housing QAP, and any revisions and amendments thereto, are hereby incorporated in its entirety into this Agreement by reference.

NOW, THEREFORE, IT IS AGREED:

1. **Allocation and Award.**

   a. The City agrees to return and transfer its entire 2027 HTC annual tax credit distribution to Minnesota Housing using the form attached hereto. Upon transfer, (1) said credits are part of the portion of the 2027 State Housing Credit Ceiling to be allocated by Minnesota Housing pursuant to Minnesota Statutes Section 462A.223 and the Minnesota Housing QAP, and (2) Minnesota Housing has full authority as the designated agency to select projects for allocation that are located in the jurisdiction of the City.

   b. The parties agree that the Minnesota Housing QAP will apply to the 2027 HTCs returned by the City in the same manner as all other 2027 HTCs allocated by Minnesota Housing. All applicants for 2027 HTC allocations for projects located in the jurisdiction of the City must apply to Minnesota Housing in accordance with the Minnesota Housing QAP. Minnesota Housing shall perform all the allocation duties for the returned 2027 HTCs under its authority as the designated agency pursuant to 462A.223, subdivision 2.

   c. Minnesota Housing will also perform the allocating agency functions to award HTCs pursuant to Section 42(h)(4) on behalf of the City with respect to projects financed with tax-exempt bonds and located in the jurisdiction of the City. These functions cover projects in either category below:
      i. qualifying projects that Minnesota Housing selected for tax-exempt bond financing under its 2027 Consolidated Multifamily RFP or its Consolidated Multifamily RFP for a prior year;
      ii. qualifying projects with sufficient bonds issued in 2027 or a prior year to meet Section 42(h)(4) requirements.

   For projects in either category, the applicable QAP under Section 42(m)(1)(D) is the Minnesota Housing QAP in effect for the year that sufficient bonds are issued to qualify the Project for Section 42(h)(4) HTCs. The parties agree that Minnesota Housing shall conduct all applicable reviews under Section 42(m)(1)(D) and the issuer must provide documentation of its review pursuant to Section 42(m)(2)(D).

   d. Under Rounds 1 and 2 of the Minnesota Housing QAP, Minnesota Housing shall make selections according to the selection processes established by the Minnesota Housing QAP and shall allocate HTCs in Round 1 and, if applicable, Round 2, pursuant to the requirements and limitations contained in the Minnesota Housing QAP.

2. **Compliance Monitoring.** For all projects receiving an allocation or award of HTCs from Minnesota Housing pursuant to this Agreement, all compliance monitoring functions throughout the Compliance Period and Extended Use Period for each project, as those terms are defined in Section 42(i)(l)(i) and Section 42(h)(6)(D), shall be performed by Minnesota Housing. Minnesota Housing shall perform the compliance monitoring responsibilities for the projects pursuant to the compliance monitoring provisions of the Minnesota Housing QAP, the Minnesota Housing Tax Credit Program Compliance Guide (the "**Compliance Guide**") and 26 CFR §1.42-5*,* all as may be amended from time to time.

3. **Compensation.** Only Minnesota Housing shall charge and receive compensation for the allocation and compliance duties and Minnesota Housing shall do so in accordance with the Minnesota Housing QAP and the Compliance Guide. The compensation shall be paid to Minnesota Housing directly by the HTC applicant/owner at the times and in the amounts set forth therein.

4. **Term of Contract.** Subject to execution by all of the parties' herein below, this Agreement shall be effective on April 1, 2026. With respect to the allocation responsibilities herein, this Agreement shall not terminate until all allocation responsibilities under this Agreement have been completed. With respect to awards of HTCs to developments financed with tax exempt bonds, this Agreement shall not terminate until all award responsibilities have been completed. With respect to the compliance monitoring responsibilities herein, said responsibilities shall continue from the beginning of the Compliance Period through the end of the Extended Use Period, as those terms are defined under IRC Section 42.

5. **Addresses for Notices**. All notices to be given by either party to the other hereunder shall be in writing addressed as follows:

(a) To the City at:

411 West 1st Street
Room 160, Attn: Ben VanTassel
Duluth MN, 55802

(b) To Minnesota Housing at*:*

Minnesota Housing Finance Agency
400 Wabasha St. N., Suite 400
St. Paul, MN 55102

or addressed to any such party at such other address as such party shall hereafter furnish by notice to the other party.

6. **Records.** Both Minnesota Housing and the City agree that it will make available all pertinent information, data and records under their respective control for each other's use in the performance of this Agreement, and will assist the other, whenever possible, to obtain such records, data and information.

7. **Liability.** Each party shall be responsible for its own acts and omissions, the acts and omissions of its employees, and results thereof to the extent authorized by law. The parties shall not be responsible for the acts of any others and the results thereof.

8. **Assignment.** Neither party shall assign any interest in this Agreement without prior written consent of the parties and subject to such conditions and provisions as are deemed necessary.

9. **Independent Contractors.** The parties agree that the employees of Minnesota Housing shall always be considered employees of Minnesota Housing for all purposes including workers' compensation and the employees of the City always be considered employees of the City for all purposes including workers' compensation. No employee of either party shall be entitled to any claim or benefit from the other party from any event or occurrence arising out of the performance of this Agreement. This Agreement is not intended and should not be construed in any manner as creating or establishing a relationship of co-partners between the parties hereto. Neither party under any circumstances shall be liable for any employee benefits of the other party's employees. This Agreement shall be construed in such a manner as to not interfere with the contractual obligations of either party with its employees under any valid collective bargaining agreement.

10. **Amendments.** This Agreement may be amended only in writing signed by the parties.

11. **Authority to Enter into Agreement.** Each Party represents that the individual executing this Agreement has been authorized to do so by its governing body.

MINNESOTA HOUSING FINANCE AGENCY

By: ______________________________

Its:____________________________

Date:__________________________

CITY OF DULUTH, a Minnesota municipal corporation

By______________________________

Roger J. Reinert
Its Mayor

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this _____ day of_____________, 202_, by Roger J. Reiner, the Mayor of the City of Duluth, Minnesota, a municipal corporation under the laws of the State of Minnesota, on behalf of the corporation.

____
Notary Public

Attest:

____
Its City Clerk

____
Date

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this _______ day of_____________, 202_, by Alyssa Denham, the City Clerk of the City of Duluth, Minnesota, a municipal corporation under the laws of the State of Minnesota.

____
Notary Public

____
Its Auditor

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this day of_________, 202_, by Josh Bailey, the City Auditor of the City of Duluth, Minnesota, a municipal corporation under the laws of the State of Minnesota.

____
Notary Public

Approved:

____
Its City Attorney

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this day of_________, 202_, by Terri L. Lehr, the City Attorney of the City of Duluth, Minnesota, a municipal corporation under the laws of the State of Minnesota.

____
Notary Public