

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS

DATE: JULY 25, 2018

**REGARDING: RESERVATION OF 2018 LOW INCOME HOUSING TAX CREDITS FOR
PPL AIN DAH YUNG SUPPORTIVE HOUSING, DISTRICT 7, WARD 1.**

Requested Board Action

Approval of the attached resolution to reserve up to \$194,555 of the 2018 Low Income Housing Tax Credits for PPL Ain Dah Yung Supportive Housing, District 7, Ward 1.

Background

The Project in Pride in Living (PPL) is a nonprofit housing developer that specializes in affordable housing rehabilitation and new construction. PPL has completed many housing developments with the City of Saint Paul. Ain Dah Yung Center (ADYC) is a nonprofit service provider that focuses on Native Americans. ADYC has numerous servicing contracts with Ramsey County to assist at risk youth.

The PPL Ain Dah Yung Supportive Housing (Project) will consist of 42 affordable studio units for homeless youth with an emphasis on Native Americans. The first floor of the building will consist of office space for the supportive service staff, kitchen, community room and a computer lab. The second, third and fourth floor will have 42 studio apartments to serve residents under 30% AMI.

PPL recently received construction bids that exceeded preliminary estimates. The developer was suggesting removing certain items such as community teaching kitchen, basement finishing, signage and other ancillary space from the project.

Recently, Congress approved an omnibus spending plan providing for the Low Income Housing Tax Credit Program to receive a 12.5% increase over the next four years. St. Paul was awarded an additional \$194,555 in 2018 Credits. Staff supports approving additional 2018 Low Income Housing Tax Credits (Credits) in order to build the project as originally planned.

On September 17, 2017, by Resolution 17-1454, the HRA Board approved 2018 Low Income Housing Tax Credit reservation of \$465,012 to PPL Ain Dah Yung Supportive Housing, contingent upon its 2018 Credit application to Minnesota Housing, which they secured from the State Non-Profit set aside.

On June 14, 2017, The HRA Board by Resolution approved the use of \$285,000 of HOME funds for the project. Assuming approval of the additional 2018 Tax Credits, the Project would not need the HOME funds. The \$285,000 in HOME funds can then be reallocated by the HRA Board for a future project.

Financing Structure

PPL Ain Dah Yung Supportive Housing		
Funding Source	Amount	Action
9% Syndication Proceeds	\$11,376,409	Pending
Federal Home Loan Bank	\$750,000	Committed
Met Council LCDA	\$424,000	Committed
Sales Tax Rebate	\$250,000	Committed
Energy Rebate	\$14,500	Committed
Shakopee Mdewakanton Sioux Committee	\$100,000	Committed
Mille Lacs Band of Ojibwe	\$40,000	Committed
Met Council LCDA	\$350,000	Committed
Met Council TBRA	\$47,200	Committed
DEED	\$93,813	Committed
Ramsey County	\$22,570	Pending
Total	\$13,468,492	

Compliance

Approval of Credit Reservations does not activate the compliance requirements. However, the developer/project owners of PPL Ain Dah Yung Supportive Housing respectively must comply with requirements of Vendor Outreach, Section 3, Affirmative Action, and Davis Bacon as a condition of receiving HRA financing.

Green/Sustainable Development

Ain Dah Yung Supportive Housing must comply with the *Saint Paul Sustainable Development Policy*.

Environmental Impact Statement

Tax Credit does not require an Environmental Impact Statement. However, an Environmental Review has been completed.

Historic Preservation

Tax Credit does not require a Historic Review. However, a HUD 106 has been completed.

Public Purpose**PPL Ain Dah Yung Supportive Housing:**

Construct 42 new affordable housing units as follows:

- 32 units of affordable housing that serves young adult households at 30% AMI rent limits
- 10 units of affordable housing that serves young adult households at 50% AMI rent limits

Recommendation:

The Executive Director recommends, per the attached resolution, that the HRA Board approve an additional 2018 Low Income Housing Tax Credit reservation of up to \$194,555 for the PPL Ain Dah Yung Project.

Sponsored by: Commissioner Thao

Staff: Daniel Bayers, 266-6685 and Joe Collins, 266-6020

Attachments:

- **Map**
- **Public Purpose**
- **District 7 Profile**