



Legislation Text

File #: RES 18-1234, **Version:** 1

Reservation of Year 2018 Low Income Housing Tax Credits for PPL Ain Dah Yung Supportive Housing (To be withdrawn)

WHEREAS, Section 42 of the Internal Revenue Code of 1986, as amended by the Omnibus Budget Reconciliation Act of 1989 (the "Tax Credit Act") authorizes certain governmental entities to allocate low income housing tax credits ("Credits"); and

WHEREAS, pursuant to Minnesota Statute, Section 462A.221 through 462A.225, as amended (the "State Law"), the Minneapolis/Saint Paul Housing Finance Board ("Finance Board") is a qualified housing credit agency for the purposes of the Tax Credit Act; and

WHEREAS, pursuant to Resolution no. 90-2 adopted by the Finance Board on April 26, 1990, approved, amended, subsequently on February 20, 1991, February 26, 1992, April 15, 2000, June 13, 2001, June 12, 2002, June 11, 2003, April 29, 2004, April 25, 2005, May 9, 2006, May 9, 2007, May 7, 2008, May 6, 2009, May 5, 2010, June 8, 2011, May 9, 2012, May 15, 2013, May 14, 2014, June 3, 2015, May 18, 2016, and July 13, 2017 after a public hearing was held thereon, notice of which was published in advance in accordance with the rules similar to the requirements of Section 147(f)(2) of the Code, the Finance Board has approved a Qualified Allocation Plan (the "Plan") and Procedural Manual ("Manual") to process and select qualified Credit Proposals to receive Credits; and

WHEREAS, the adopted Plan authorizes the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") to administer, reserve and allocate Credits to qualified projects; and

WHEREAS, the HRA was authorized by Resolution No. 95-2/9-17 to solicit applications for Credit and for the HRA to make determinations as to whom reservations and allocations will be made; and

WHEREAS, the HRA's sub-allocation of Credits for 2018 is \$760,022; and

WHEREAS, by Resolution 17-1454, the HRA Board approved 2018 Low Income Housing Tax Credit reservation of \$295,010 to Selby Milton Victoria and a 2018 Low Income Housing Tax Credit reservation of up to \$465,012 to PPL Ain Dah Yung Supportive Housing ("Ain Dah Yung"); and

WHEREAS, the HRA received additional 2018 Credits in the amount of \$194,555 due to recent changes in the federal Tax Reform Act; and

WHEREAS, Ain Dah Yung has requested additional 2018 Credits in the amount up to \$194,555 due to increases in construction costs and to lower the need for HOME funds financing; and

WHEREAS, the Mayor, the Chief Executive Officer of the City of Saint Paul, Minnesota, has been supplied information about the proposals and has had an opportunity to comment; and

WHEREAS, HRA staff has determined that proposals for PPL Ain Dah Yung Supportive Housing projects meet the minimum State mandated threshold requirements and required documentation to qualify for consideration to receive a reservation of Credits; and

WHEREAS, HRA staff has determined the amount of the Credits that can be awarded for the PPL Ain Dah Yung Supportive Housing project does not exceed the amount of Credit required to make the PPL Ain Dah Yung Supportive Housing project financially feasible as a qualified Credit project throughout the Credit period;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota that:

1. Approval is hereby given to reserve up to \$194,555 of 2018 Credits for PPL Ain Dah Yung Supportive Housing project; and
2. The HRA's reservation of Credits is subject to the following conditions:
 - (a) adjustment in the Credit dollar amount in the binding commitment letters to be entered into between the HRA and Ain Dah Yung, provided that the HRA shall have no obligation to increase the Credit dollar amount over the amount stated herein; and
 - (b) Ain Dah Yung must secure necessary financing to make the proposals financially feasible; and
 - (c) Ain Dah Yung must secure site control; and
 - (d) reservation of Credits may be subject to revocation pursuant to Section III (K)(4) of the Procedural Manual.

Upon the failure to meet any of the conditions in clauses 2 (a) - (c) above, or upon revocation in accordance with clause 2(d), the Executive Director of the Finance Board is authorized by the HRA to submit proposals for reconsideration for Credits by the HRA or, if the HRA by law cannot reallocate Credits, take such action as is necessary to provide the Credits to the City of Minneapolis or return the Credits to the Minnesota Housing Finance Agency.

BE IT FINALLY RESOLVED that this reservation of Credits does not constitute in any way an endorsement or commitment by the HRA or the City of Saint Paul to provide gap financial assistance to the projects at a later date.