



Legislation Text

File #: RES 18-1706, **Version:** 2

Reservation of year 2019 Low Income Housing Tax Credits for PPL Ain Dah Yung Supportive Housing, Saint Paul Preservation Project, North West University Dale and Parkway Apartments, Districts 2, 3, 4, 6 and 7, Wards 1, 2, 5, 6 and 7 (Laid over from the October 10, 2018 HRA Board meeting)

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, July 13, 2017, and July 17, 2018 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 2019 is \$982,759; and

WHEREAS, the HRA advertised for proposals for 2019 Credits on July 23, 2018 with applications to be submitted by August 23, 2018; 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 the PPL Ain Dah Yung Supportive Housing, Saint Paul Preservation Project, North West University Dale, and Parkway Apartments projects meet the minimum State mandated threshold requirements and required documentation to qualified 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 respectively needed to make the PPL Ain Dah Yung Supportive Housing project financially feasible as qualified Credit projects throughout the Credit period; and

WHEREAS, HRA staff has determined the amount of the Credits that can be awarded for the Saint Paul

Preservation project does not exceed the amount of Credit respectively needed to make the Saint Paul Preservation project financially feasible as qualified Credit projects throughout the Credit period; and

WHEREAS, HRA staff has determined the amount of the Credits that can be awarded for the North West University Dale project does not exceed the amount of Credit respectively needed to make the North West University Dale project financially feasible as qualified Credit projects throughout the Credit period; and

WHEREAS, HRA staff has determined the amount of the Credits that can be awarded for the Parkway Apartments project does not exceed the amount of Credit respectively needed to make the Parkway Apartments project financially feasible as qualified Credit projects 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 \$217,700 of 2019 Credits for the PPL Ain Dah Yung Supportive Housing project; and
2. Approval is hereby given to reserve \$366,266 of 2019 Credits for the Saint Paul Preservation project; and
3. Approval is hereby given to reserve \$298,793 of 2019 Credits for the North West University Dale project; and
4. Approval is hereby given to reserve \$100,000 of 2019 Credits for the Parkway Apartments; and
5. 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 developer of the projects identified in Section 1 and Section 2 above, provided that the HRA shall have no obligation to increase the Credit dollar amount over the amount stated herein; and
 - (b) the developer of the PPL Ain Dah Yung Supportive Housing project, the developer of Saint Paul Preservation project, the developer of North West University Dale project, and the developer of Parkway Apartments must secure needed financing to make the proposals financially feasible; and
 - (c) the developers 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 can not 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.