



Legislation Text

File #: RES 23-1890, **Version:** 1

Amendment of Resolution 23-1549 to Increase the Reservation of year 2024 Low Income Housing Tax Credits for the East 7th Development, located at 892 East 7th Street, District 4, Ward 6

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (“HRA”) is a public body corporate and politic organized, existing, and operating under the laws of the State of Minnesota, Minn. Stat. Sec. 469.001, et seq. (the “Act”); and

WHEREAS, the HRA has the power to engage in development and redevelopment activities under the Act and when needs cannot be met through reliance solely upon private initiative, which can also be undertaken in targeted neighborhoods, and is authorized to create redevelopment projects as defined in the Act, and said activities include but are not limited to: (a) providing adequate, safe and sanitary dwellings, remedying housing shortages for low and moderate income residents, and providing housing for persons of all incomes through housing projects and development, (b) removing and preventing blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) performing duties according to the comprehensive plan, (e) disposing of land for private redevelopment, and (f) improving the tax base and the financial stability of the community; and

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, July 17, 2018, May 8, 2019, May 8, 2020, June 15, 2021, May 30, 2023 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 HRA to administer, reserve, and allocate Credits to qualified housing developments; and

WHEREAS, the HRA’s Board of Commissioners 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 under Resolution No. 23-764 the HRA Board of Commissioners endorsed certain changes that were adopted by the Finance Board for 2024-2025 Low Income Housing Tax Credit Procedural Manual (“Procedural Manual”) and the 2024-2025 Qualified Allocation Plan (“QAP”) to reflect the HRA’s priorities to better serve low income residents; and

WHEREAS, on October 9, 2023, by Resolution 23-1549, the HRA’s Board of Commissioners approved the reservation of the 2024 Low-Income Housing Tax Credits (“2024 HTC”) in the amount of \$891,451.00 for the

East 7th development located at 892 West 7th Street, owned and operated by Project for Pride in Living, Inc., a Minnesota non-profit corporation, or one of its affiliated entities;

WHEREAS, the HRA's sub-allocation of Credits for 2024 has increased and is now estimated to be \$940,076.00 and, accordingly, the HRA desires to amend its approval amount for 2024 HTC for such project in the manner set forth herein; and

WHEREAS, HRA staff has determined the amount of the Credits that can be awarded for the the East 7th housing development at 892 East 7th Street do not exceed the amount of Credits needed to make such housing development financially feasible as a qualified Credit housing development 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 amend Resolution 23-1549 by increasing the reservation of the 2024 Credits to a total amount of \$940,076.00.00 for the East 7th development; and

2. The HRA's reservation of Credits is subject to the following conditions:

(a) adjustment in the Credits dollar amount in the binding commitment letters to be entered into between the Finance Board and developer of the East 7th housing development, provided that the Finance Board and HRA shall have no obligation to increase the Credit dollar amount over the amount stated for each development herein; and

(b) the developer of the East 7th development must secure needed financing to make the proposal financially feasible; and

(c) the developer must secure site control of the subject property; and

(d) reservation of Credits may be subject to revocation pursuant to Section III (N)(4), or elsewhere, of the Procedural Manual; and

3. 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.

4. 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 housing development or the developer at a later date.