



Legislation Text

File #: RES 19-1969, **Version:** 1

Reservation of year 2020 Low Income Housing Tax Credits for the North West University Dale housing development, District 7, Ward 1; and The Parkway Apartments housing development, District 4, Ward 7 **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, and May 8, 2019 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 housing developments; 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 2020 is \$901,241; and

WHEREAS, the HRA advertised for proposals for 2020 Credits on June 4, 2019 with applications to be submitted by July 11, 2019; 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 North West University Dale, The Parkway, and Stryker Senior Housing meet the minimum State mandated threshold requirements and required documentation to be considered to receive a reservation of Credits; and

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

WHEREAS, HRA staff has determined the amount of the Credits that can be awarded for The Parkway housing development does not exceed the amount of Credit respectively needed to make The Parkway housing development financially feasible as a qualified Credit housing development throughout the Credit

period; and

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 \$790,005 of 2020 Credits for the North West University Dale housing development; and

2. Approval is hereby given to reserve \$111,236 of 2020 Credits for The Parkway housing development; and

3. Approval is hereby given to reallocate \$100,000 of 2019 Credits to North West University Dale housing development which were previously reserved for The Parkway housing development; and

4. 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 housing developments 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 North West University Dale housing development and the developer of The Parkway housing development 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 4 (a) - (c) above, or upon revocation in accordance with clause 4(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 housing developments at a later date.