



Legislation Text

File #: RES 16-1770, **Version:** 1

Reservation of Year 2017 Low Income Housing Tax Credits for the Selby Milton Victoria Project

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, and May 18, 2016 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 2017 is \$755,842; and

WHEREAS, the HRA advertised for proposals for 2017 Credits on May 20, 2016 with applications to be submitted by June 30, 2016; 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 proposal for the Selby Milton Victoria project meets 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 Selby Milton Victoria project does not exceed the amount of Credit respectively needed to make the Selby Milton Victoria project financially feasible as qualified Credit projects 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 \$755,842 of 2017 Credits for the Selby Milton Victoria project.

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 developer of the Selby Milton Victoria project identified in Section 1 above, provided that the HRA shall have no obligation to increase the Credit dollar amount over the amount stated herein; and
 - (b) developer of the Selby Milton Victoria project must secure needed financing to make the proposals financially feasible; and
 - (c) 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.