



## Legislation Text

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**File #:** RES 14-1561, **Version:** 1

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Reservation of Year 2015 Low Income Housing Tax Credits for the Jamestown Homes Project, District 8, Ward 1.

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, and May 14, 2014 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 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 City of Saint Paul's sub-allocation of 2015 Credits is \$1,056,694; and

WHEREAS, the HRA advertised for proposals for 2015 Credits on May 27, 2014 with applications to be submitted by July 11, 2014; and

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

WHEREAS, HRA staff has determined that proposal for the Jamestown Homes 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 Jamestown Homes project does not exceed the amount of Credit needed to make the project financially feasible as qualified Credit project 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 \$1,056,694 of 2015 Credits for the Jamestown Homes project.

2. The HRA's reservation of Credit is subject to meeting the following criteria:
- (a) adjustment in the Credit dollar amount in the binding commitment letters to be entered into between the HRA and developers of the projects 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) needed financing to make the proposals financially feasible; and
  - (c) site control; and
  - (d) revocation pursuant to Section III (K)(4) of the Procedural Manual.

Upon the occurrence of any of the events in clauses 2 (a) - (d) above, the Executive Director of the Finance Board is authorized by the HRA to submit proposals for reconsideration for Credit by the HRA or, if the HRA by law can not reallocate Credit, take such action as is necessary to provide the Credit to the City of Minneapolis or return the Credit to the Minnesota Housing Finance Agency.

BE IT FINALLY RESOLVED that this reservation of Credit 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.