



Legislation Text

File #: RES 21-1648, **Version:** 1

Authorizing carry forward of unused Private Activity Bond Volume Cap.

WHEREAS, the City of Saint Paul, Minnesota (the "City") is an "entitlement issuer" within the meaning of Minnesota Statutes, Section 474A.02, subd. 7; and

WHEREAS, the City's entitlement allocation of private activity bond volume cap for 2021 under Minnesota Statutes, Chapter 474A.03, subdivisions 1 and 2a was \$41,980,802 (the "2021 Allocation"); and

WHEREAS, due to project closing delays resulting from the COVID-19 pandemic and other related factors, the City does not expect to issue any private activity bonds allocable to its 2021 Allocation on or prior to December 31, 2021, but instead anticipates issuances within the first six months of 2022; and

WHEREAS, the City may, under § 146(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and under Minnesota Statutes, Chapter 474A, "carryforward" all or a portion of the City's unused 2021 Allocation for use in calendar years 2022, 2023 and 2024; and

WHEREAS, the City has determined that there continues to be a shortage of financing for residential rental projects which persons and families residing or desiring to reside in the City can afford; and

WHEREAS, the City expects to issue its carryforward of unused 2021 Allocation in calendar year 2022 with multiple projects in our pipeline; and

WHEREAS, private activity volume cap is a limited resource, and it is in the best interest of the public health, safety and welfare that the City carryforward for qualified carryforward purposes its unused 2021 Allocation as of December 31, 2021.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Saint Paul, Minnesota (the "Council"), as follows:

1. The Council hereby elects to carryforward the City's unused 2021 Allocation as of December 31, 2021 for the purpose of issuing qualified residential rental bonds.
2. The Director of the Department of Planning and Economic Development of the City is hereby authorized and directed to execute and cause to be filed with the Internal Revenue Service (the "IRS") a Form 8328 specifying the amount of the 2021 Allocation to be carried forward as described above. The Form 8328 shall be filed with the IRS on or before February 15, 2022. The Director is further authorized to notify the Minnesota Department of Management and Budget of such carryforward at such time and as required by Minnesota Statutes, Chapter 474A.
3. This Resolution is not intended to be a binding commitment of the City to issue any particular series of bonds in connection with any particular residential rental project.