



## **Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED**

Date: November 19, 2013  
To: Lisa Goodman, Community Development Committee  
Referral to: Betsy Hodges, Ways and Means Committee

**Subject: Approval of 2013 Housing Revenue Entitlement Bond Carryforward**

**Recommendation: Approve the attached Resolution authorizing the carryforward of \$45,968,905 of 2013 Tax Exempt Multi-family Housing Entitlement Revenue Bonds for Multifamily Housing programs**

**Previous Directives: There have been no previous directives concerning this carryforward request.**

Prepared by: Dollie Crowther, Principal Coordinator
Approved by: Charles T. Lutz, Deputy Director _____
Approved by: Tom Streitz, Director, Housing Policy & Dev _____
Presenter(s) in Committee: Dollie Crowther

### **Financial Impact**

- Annual bond fees are collected.

### **Community Impact**

- Neighborhood Notification - NA
- City Goals: In five years all Minneapolis residents will have a better quality of life and access to housing and services.
- Comprehensive Plan: 9.9.1 Minneapolis will grow by increasing its supply of housing. 4.15 Minneapolis will carefully identify project sites where housing redevelopment and/or housing revitalization are the appropriate responses to neighborhood conditions and market demand.- NA
- Zoning Code : projects will comply
- Other - NA

### **Supporting Information**

Each year the City of Minneapolis receives an entitlement allocation of tax-exempt housing revenue entitlement bonds that are used to support both single-family and multi-family housing programs. For 2012 the Minneapolis entitlement amount was \$49,405,645. This amount was carried forward into 2013 for Multi-family programs.

As of this date, many HRB projects have closed and there is a remaining balance from the 2012 carryforward allocation which will be used for anticipated closings in December 2013. Four (4) projects are intended to close. There are also several projects that have received preliminary/final approval that will close in 2014 and will use any remaining balance of 2012 and 2013 allocation. The City of Minneapolis receives a new entitlement allocation in January. Staff must still provide a carryforward for the Year 2013 allocation.

The 2013 entitlement allocation which is \$45,968,905 requires a carryover action. To accomplish the carryforward, the City Council must approve the attached resolution which declares the intended use of the funds for multi-family purposes. Attached is a Resolution for City Council approval that authorizes and directs CPED staff to take the necessary steps to assure the bonding authority is carried forward for multi-family programs. The current financial market has seen a drastic improvement in support of HRB projects and the City will utilize all of the entitlement in the future.

Staff is requesting that the City Council approve the attached resolution approving the carryforward recommendation.

RESOLUTION AUTHORIZING CARRYFORWARD OF  
UNUSED PRIVATE ACTIVITY BOND VOLUME CAP

WHEREAS, the City of Minneapolis, 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 2013 under Minnesota Statutes, Chapter 474A.03, subd. 2a is \$45,968,905; and

WHEREAS, the City does not expect to issue any private activity bonds allocable to its 2013 entitlement allocation on or prior to December 31, 2013; and

WHEREAS, the City may, under § 146(f) of the Internal Revenue Code of 1986, as amended, and under Minnesota Statutes, Chapter 474A, "carryforward" all or a portion of the City's unused entitlement allocation; and

WHEREAS, it is in the best interest of the public health, safety and welfare that the City carryforward for qualified carryforward purposes its 2013 entitlement allocation remaining unused on December 31, 2013;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Minneapolis, Minnesota, as follows:

1. The City hereby elects to carryforward its entire 2013 entitlement allocation remaining unused on December 31, 2013, for qualified residential rental bonds.

2. The Director of the Department of Community Planning and Economic Development is hereby authorized and directed to execute and cause to be filed with the Internal Revenue Service a Form 8328 specifying the amount of 2013 entitlement allocation to be carried forward as described above. The Form 8328 shall be filed with the Internal Revenue Service on or before February 15, 2014. The Director is further authorized to notify the Minnesota Department of Finance of such carryforward at such time and as required by Minnesota Statutes, Chapter 474A.