



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

Date: November 18, 2014

To: Council Member Lisa Goodman, Community Development Committee  
Referral to: Council Member John Quincy, Ways and Means Committee

**Subject: Approval of 2014 Housing Revenue Entitlement Bond Carryforward**

**Recommendation:** Approve the attached Resolution authorizing the carryforward of \$48,759,326 of the 2014 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 612-673-5263 Approved by: Charles T. Lutz, Deputy Director _____ Approved by: Cathy Polasky, Director, Economic Development _____ Presenter(s) in Committee: Dollie Crowther
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**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 2013 the Minneapolis entitlement amount was \$45,968,905. This amount was carried forward into 2014 for Multifamily programs. There remains some 2013 allocation that is available for projects in Minneapolis. One project has received final approval (Broadway Flats) and will be closing late winter of 2015. Preliminary approval has also been approved for another project, (the Cameron) and is anticipated to close mid-2015. Whichever project closes first will use the 2013 allocation. The next project will use the remaining 2013 allocation and some of the Year 2014 allocation.

The 2014 entitlement allocation which is \$48,759,326 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. The City has a pipeline of new projects that will utilize all of the entitlement in 2014 and the new allocation received in Year 2015.

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

RESOLUTION  
OF THE  
CITY OF MINNEAPOLIS

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 2014 under Minnesota Statutes, Chapter 474A.03, subd. 2a is \$48,759,326; and

WHEREAS, the City does not expect to issue any private activity bonds allocable to its 2014 entitlement allocation on or prior to December 31, 2014; 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 2014 entitlement allocation remaining unused on December 31, 2014;

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 2014 entitlement allocation remaining unused on December 31, 2014, 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 2014 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, 2015. 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.