

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

Date: October 9, 2007
To: Council Member Lisa Goodman, Community Development Cmte

Subject: Allocation of 2008 Federal Low Income Housing Tax Credits

Recommendation: It is recommended that the City Council preliminarily reserve 2008 Federal Low Income Housing Tax Credits totaling \$1,145,829 for the following projects:

- A. Van Cleve West Apartments** - 917 - 12th Avenue South (In the Amount of \$758,763)
- B. Lowry Apartments** - 2500 Polk Street (In the Amount of \$193,533)
- C. Creekside Commons** -5400-5412 Stevens Avenue (In the amount of \$193,533)

Previous Directives: The City Council approved the Qualified Allocation Plan and Procedural Manual on April 27, 2007.

Prepared by: Dollie Crowther, Principal Coordinator, 612-673-5263 _____
Approved by: Elizabeth J. Ryan, Director of Housing Policy and Development _____
Presenter(s) in Committee: Dollie Crowther _____

Reviews

Permanent Review Committee (PRC): Approval ___ Date _____
Policy Review Group (PRG): Approval ___ Date _____

Financial Impact

Other financial impact - Fees will be collected

Community Impact

Neighborhood Notification - Varies with each proposal.
City Goals – Foster the development and preservation of a mix of quality housing types that are available, affordable, meets current needs and promotes future growth..

Sustainability Targets – N/A

Comprehensive Plan - 5.91. Minneapolis will grow by increasing its supply of housing.
4.12. Minneapolis will reasonably accommodate the housing needs of all its citizens.
Zoning Code - Projects will comply.

Living Wage/Business Subsidy Agreement Yes___ No_X_
Job Linkage Yes___ No_X

Other - N/A

Supporting Information

Community Planning Economic Development (CPED), acting on behalf of the Minneapolis/St. Paul Housing Finance Board, is administering an allocation of \$1,145,829 in Federal Low Income Housing Tax Credits for 2008.

A public hearing on the Qualified Allocation Plan adopting the selection criteria and allocation process was held at CD Committee on April 17, 2007. There were no changes suggested for 2008. The tax credit application deadline was July 12, 2007. Six proposals requesting a total of \$2,944,520 in tax credits were received. One of the proposals did not meet threshold and was rejected from selection. The five remaining proposals are ranked according to the Selection Criteria as shown in Exhibit B.

Staff is recommending reserving the 2008 annual allocation to the following projects: (Project data worksheets are also attached for projects not recommended for tax credits in this round).

Van Cleve West Apartments - Project for Pride In Living (PPL). - The second phase consists of a 50 unit new rental apartment building in collaboration with Cabrini House. They received a prior allocation of 2007 credits totaling \$68,680. (See project data worksheet).

Lowry Apartments - Metro Plains Development (LLC) - Families Moving Forward proposes to develop 30 units of housing with 4 long term homeless units. They will have to return in 2009 tax credit year for the remaining credits. (See project data worksheet).

Creekside Commons – Plymouth Church Neighborhood proposes to develop 30 units of family housing on land donated by Mayflower Congregational Church. They will return in 2009 tax credit year for the remaining credits. (See project data worksheet).

The Minnesota Housing Finance Agency is reviewing their applications at this time. It is anticipated that Nicollet Youth Housing will be selected for tax credits from MHFA. Their final selection will be in October.

Projects not funded in this round may participate in the next tax credit round for 2009 which will be a summer 2008 RFP, or may apply to MHFA in the second round this winter if credits remain.

These tax credit reservations are contingent upon the selected projects meeting certain application and program requirements by established deadlines. If these requirements are not met, staff will again review all the projects remaining on the waiting list to determine the best candidate for receiving a tax credit reservation and completing a carryforward. Staff will continue to work with the applicants of these projects.

The tax credit amounts shown are based on estimates only. Final credit amounts are determined at the time the commitment is entered into or at the time the building is placed in service. Unallocated or returned credits will be distributed among eligible projects as ranked on Exhibit B, and any remaining unallocated credits after that shall be returned to the MHFA.