



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

Date: May 12, 2009

To: Council Member Lisa Goodman, Community Development Cmte

**Subject: Implementation of the Tax Credit Assistance Program (TCAP) Draft Implementation Plan**

**Recommendation: The City Council Approve the Draft Requirements for the Administration and Exchange Program Funds (TCAP Funds) for the American Recovery & Reinvestment Act (ARRA)**

**Previous Directives: In May 2009 the City Council Approved the Qualified Allocation Plan and Procedural Manual**

### Department Information

Prepared by: Dollie Crowther, Principal Coordinator, Phone: 612-673-5263  
Approved by: Tom Streitz, Director of Housing Policy & Development  
Presenters in Committee: Dollie Crowther

### Reviews

- Permanent Review Committee (PRC): Approval \_\_\_ Date \_\_\_\_\_
- Civil Rights Approval Approval \_\_\_ Date \_\_\_\_\_
- Policy Review Group (PRG): Approval \_\_\_ Date \_\_\_\_\_

### Financial Impact

- Fees will be generated from tax credit approved projects.

### Community Impact

- Neighborhood Notification: City Wide. Public Hearing with the Minneapolis/St. Paul Housing Finance Board. All changes to the QAP have been reviewed by the official neighborhood organizations.
- City Goals: In five years all Minneapolis residents will have a better quality of life and access to housing and services.
- Comprehensive Plan: 4.9.1 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.
- Zoning Code: projects will comply

- Other: NA

## **Supporting Information**

On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) of 2009 became law. This Recovery Act is to jumpstart the nation's ailing economy with a primary focus on jobs and investing in infrastructure and long term economic benefits. It also provided funds for capital investments in Low Income Housing Tax Credit (LIHTC) projects. HUD will award TCAP grants by formula to state housing credit agencies on behalf of the Joint Powers Suballocating agencies to facilitate development of projects that received or will receive LIHTC awards between October 1, 2006 and September 2009. These TCAP funds are distributed to each state housing credit agency based upon the percentage of the FY 2008 HOME Program appropriation received by the State. The formula allows for the City of Minneapolis to receive TCAP Funds in the amount of \$3,233,539. The Recovery Act establishes deadlines for the commitment and expenditure of grant funds and requires state housing credit agencies to give priority to projects that will be completed by February 16, 2012.

Any State housing credit agency interested in accepting all or a portion of its TCAP allocation must submit submission requirements by June 3, 2009. This includes the City of Minneapolis as a sub-allocator for LIHTC's. HUD is requiring that the City of Minneapolis submit a statement of intent, and a description of competitive selection of funds in order to be awarded these grant funds. Due to the short notice, MHFA has a draft that Minneapolis intends to use as a guide.

These draft requirements are subject to change by Minneapolis and must allow for 5 day comment period on the respective allocator's web page. Staff intends to finalize any changes that affect the City's QAP and present these to the Mpls/St. Paul Joint Housing Finance Board for approval.

Attached are the MHFA draft ARRA-TCAP & Exchange Worksheet and the Selection and Submission requirements. These are subject to change.