



**Request for City Council Committee Action  
From the Department of Community Planning & Economic Development**

**Date:** November 9, 2004

**To:** Council Member Lisa Goodman, Community Development Cmte

**Prepared by:** Dollie Crowther, Senior Housing Project Coordinator, Phone 612-673-5263

**Presenter in Committee:** Dollie Crowther, Senior Housing Project Coordinator

**Approved by:** Chuck Lutz, Deputy CPED Director \_\_\_\_\_  
Elizabeth J. Ryan, Interim Director, Housing \_\_\_\_\_

**Subject:** **Allocation of 2005 Federal Low Income Housing Tax Credits**

**RECOMMENDATION:** It is recommended that the City Council preliminarily reserve 2005 Federal Low Income Housing Tax Credits totaling \$1,035,637 for the following projects:

- A) **Camden Apartments/FACT Housing** – 4643-51 North Lyndale Avenue (In The Amount of \$404,208)
- B) **Ripley Gardens** – 300 Queen Avenue North (In The Amount Of \$465,000)
- C) **MS Residence** – 4550 Humboldt Avenue North (In The Amount Of \$134,429)
- D) **Heritage Park III** – SWC Olson Highway & Lyndale Avenue North (In The Amount Of \$32,000)

**Previous Directives:** The City Council approved the Qualified Allocation Plan and Procedural Manual on June 18, 2004.

**Financial Impact** (Check those that apply)

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to next box)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves

Other financial impact (Explain):  
 Request provided to the Budget Office when provided to the Committee  
Coordinator

\*Application fees are collected to offset administrative expenses.

**Community Impact** (Summarize below)

**Ward:** Varies with each proposal.

**Neighborhood Notification:** Varies with each proposal.

**City Goals:** Foster the development and preservation of a mix of quality housing types that is available meets current needs and promotes future growth.

**Comprehensive Plan:** 4.91. 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 demands.

**Zoning Code:** Projects will comply.

**Living Wage/Job Linkage:** NA

Dear Council Member Goodman:

**Background/Supporting Information**

Community Planning Economic Development (CPED), acting on behalf of the Minneapolis/St. Paul Housing Finance Board, is administering an allocation of \$1,035,637 in Federal Low Income Housing Tax Credits for 2005.

A public hearing on the Qualified Allocation Plan adopting the selection criteria and allocation process was held on June 8, 2004. There were no changes recommended for 2005. The tax credit application deadline was July 22, 2004. Nine proposals requesting a total of \$2,914,334 in tax credits were received. Exhibit A, Summary of Proposals. Two projects were rejected as they did not meet threshold criteria. The seven remaining proposals are ranked according to the Selection Criteria as shown in Exhibit B.

Staff is recommending reserving the 2005 annual allocation to the following projects:

**Camden Apartments** – Project For Pride In Living (PPL) and Pillsbury United Communities (PUC) propose to construct 23 units of permanent supportive housing for single custodial fathers. (See attached data worksheet)

**Ripley Gardens** – Central Community Housing Trust (CCHT) 52 units of low and moderate income housing, with some of the units serving chronically homeless individuals. (See attached data worksheet)

**MS Residence** – Common Bond Community proposes to construct 45 units of housing for people with multiple sclerosis. (See attached data worksheet)

**Heritage Park III** – McCormick Baron proposes to construct 95 units of rental housing. This is the fourth and final phase. (See attached data worksheet)

Broadway Workforce Housing ranked very well with CPED. Staff has reviewed this application and feels there remains design, timing, and financing issues which require further analysis.

Heritage Park III is awaiting returned credits from MHFA. If these returned credits are approved, CPED will allocate the \$32,000 of 2005 tax credits recommended for Heritage Park III to MS Residence. Staff anticipates the MHFA decision will be made soon.

Projects not funded in this round may participate in the next tax credit round in 2006, which will be a Summer 2005 RFP, or may apply to MHFA in the second round 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.