



Request for City Council Committee Action from the Department of CPED

Date: September 12, 2006

To: Council Member Lisa Goodman, Community Development Cmte

Subject: Allocation of 2007 Federal Low Income Housing Tax Credits

Recommendation: It is recommended that the City Council preliminary reserve 2007 Federal Low Income Housing Tax Credits totaling \$1,109,037 for the following projects:

- A. **PPL Southside Recapitilization** - 2835 Park Avenue South (In the Amount of \$423,552)
- B. **LSS Park Avenue** - 2414 Park Avenue South (In the Amount of \$616,805)
- C. **Van Cleve West Apartments** - 917 - 12th Avenue South (In the Amount of \$68,680)

Previous Directives: The City Council approved the Qualified Allocation Plan and Procedural Manual on April 28, 2006.

Prepared by: Dollie Crowther, Principal Coordinator, 612-673-5263

Approved by: Elizabeth J. Ryan, Director of Housing Policy and Development _____

Presenters in Committee: Dollie Crowther, Principal Coordinator, 612-673-5263

Reviews

- Permanent Review Committee (PRC): Approval N/A Date Not applicable
- Policy Review Group (PRG): Approval N/A Date _____

Financial Impact

- Other financial impact - Fees will be collected

Community Impact

- Neighborhood Notification - Varies with each proposal.
- City Goals - In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents. Will live in a healthy environment and benefit from healthy lifestyles; the City's, infra-structure will be well maintained and people will feel safe in the City.
- Comprehensive Plan - 4.91. Minneapolis will grow by increasing its supply of housing.

Request for City Council Committee Action

From the Department of CPED

September 12, 200

Page 2 of 3

- 4.12. Minneapolis will reasonably accommodate the housing needs of all its citizens.
- Zoning Code - Projects will comply.
- Other

Supporting Information

Community Planning Economic Development (CPED), acting on behalf of the Minneapolis/St. Paul Housing Finance Board, is administering an allocation of \$1,109,037 in Federal Low Income Housing Tax Credits for 2007.

A public hearing on the Qualified Allocation Plan adopting the selection criteria and allocation process was held on April 18, 2006. There were several changes recommended for 2007 which were approved by the City Council. The tax credit application deadline was June 27, 2006. Eight proposals requesting a total of \$4,657,125 in tax credits were received. One project, the Blue Goose is no longer interested in tax credits. (Exhibit A, Summary of Proposals). The seven remaining proposals are ranked according to the Selection Criteria as shown in Exhibit B.

Staff is recommending reserving the 2007 annual allocation to the following projects:

PPL Southside Recapitilization - Project for Pride In Living (PPL) will rehabilitate six low income unit buildings scattered in South Minneapolis. (See attached data worksheet).

LSS Park Avenue - Lutheran Social Services will construct 64 units of rental housing with 10 units for permanent supportive housing. (See attached data worksheet).

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. (See attached data worksheet.)

The Minnesota Housing Finance Agency is reviewing their applications at this time. It is hoped that a project from the CPED list will be selected for tax credits. MHFA selection will be in October.

Projects not funded in this round may participate in the next tax credit round in 2008 which will be a Summer 2007 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

Request for City Council Committee Action

From the Department of CPED

September 12, 200

Page 3 of 3

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.