

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

Date: June 2, 2009

To: Council Member Lisa Goodman, Community Development Cmte

Subject: Resolution for the Tax Credit Assistance and American Recovery
Reinvestment Act Program (TCAP)

Recommendation: The City Council Approve the attached Resolution: Tax Credit
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. In May the City Council also approved the
Draft Requirements for the Administration and Exchange Program Funds (TCAP
Funds) for the American Recovery & Reinvestment Act.

Department Information

Prepared by: Dollie Crowther, Principal Project Coordinator: 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 *(delete all lines not applicable to your request)*

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

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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.

A resolution was required at the time the City Council approved the Tax Credit Assistance Program (TCAP). Staff received notice of this requirement after the City Council approval. To meet all of the requirements for Minneapolis to apply for and receive TCAP Exchange Program assistance, a Resolution is required.

Attached is the Resolution approving the administration of the Tax Credit Exchange Program and the Section 1602 Tax Credit Exchange Program.

Resolution
of the
City of Minneapolis

By Goodman

Approving the administration of the Tax Credit Assistance Program and the Section 1602 Tax Credit Exchange Program as authorized under the American Recovery and Reinvestment Act - Citywide.

Whereas, the Federal Tax Reform Act of 1986 created Low Income Housing Tax Credits ("Credit") to encourage the production of affordable low-income rental housing; and

Whereas, the American Recovery and Reinvestment Act (ARRA) was enacted to stimulate the economy to provide long-term benefits and employment opportunities by investing in the nation's infrastructures, including developing affordable housing; and

Whereas, the ARRA funding with the provisions of the 2008 Housing and Economic Recovery Act authorizes the Tax Credit Assistance Program ("TCAP") and the Tax Credit Exchange Program ("Exchange Program") to produce "shovel ready" affordable low-income housing tax credit projects; and

Whereas, Minnesota Housing Finance Agency is the state Credit allocator for affordable housing developments in the State of Minnesota; and

Whereas, Minnesota Housing Finance Agency will administer the TCAP and the Exchange Program for the State of Minnesota; and

Whereas, the Minneapolis/Saint Paul Housing Finance Board ("Housing Finance Board") as a Credit suballocator, will administer the TCAP and Exchange Program for projects in the City of Saint Paul; and

Whereas, the Housing Finance Board will assign the administration of the TCAP and the Exchange Program to the Department of Community Planning and Economic Development ("CPED"), including the selection criteria and selection process of eligible Credit projects;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the Department of Community Planning and Economic Development of the City of Minneapolis, Minnesota directs the CPED staff to administer the TCAP and Exchange Program for eligible Credits projects in the City of Saint Paul.

Be It Further Resolved that the Department of Community Planning and Economic Development of the City of Minneapolis authorizes the CPED staff to make application to HUD for TCAP funds as part of the Minnesota Housing Finance Agency's TCAP application.