



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

Date: December 13, 2011
To: Lisa Goodman, Community Development Committee
Referral to: Betsy Hodges, Ways and Means Committee

Subject: Approval of 2011 Housing Revenue Entitlement Bond Carryforward

Recommendation: Approve the attached Resolution authorizing the carryforward of \$34,235,512 of the 2011 Tax Exempt Multi-family Housing Entitlement Revenue Bonds for Multifamily Housing programs and \$11,090,488 for Single Family programs

Previous Directives: There have been no previous directives concerning this carryforward request.

Prepared by: Dollie Crowther, Principal Coordinator _____
Approved by: Tom Streitz, Director, Housing Policy & Development _____
Presenters in Committee: Dollie Crowther

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification - NA
- City Goals: In five years all Minneapolis residents will have a better quality of life and access to housing and services.
- Comprehensive Plan: 9.9.1 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.- NA
- Zoning Code : projects will comply
- Other - NA

Supporting Information

Each year the City of Minneapolis receives an entitlement allocation of tax-exempt entitlement housing revenue bonds that are used to support both single-family and multi-family housing programs. For 2010 the Minneapolis entitlement amount was \$42,635,000. This amount was carried forward into 2011. As of the date of this report

none of this entitlement has been issued for projects. This entitlement is still available for projects in Minneapolis. At this time there are several projects that have received preliminary approval and two (2) projects that have received final approval. It is anticipated that one of these projects will close before the end of 2011 and will use Year 2010 allocation. Staff must still provide a carryforward for the Year 2011 allocation.

The 2011 entitlement allocation which is \$45,326,000 requires a carryover action. To accomplish the carryforward, the City Council must approve the attached resolution which declares the intended use of the funds for multi-family and single family purposes. Attached is a Resolution for City Council approval that authorizes and directs CPED staff to take the necessary steps to assure the bonding authority is carried forward for multi-family and single family programs. The current financial market has seen a drastic improvement in support of HRB projects and the City expects to utilize all of the entitlement in the future.

Staff is requesting that the City Council approve the attached resolution approving the carryforward recommendation.

RESOLUTION AUTHORIZING CARRYFORWARD OF
UNUSED PRIVATE ACTIVITY BOND VOLUME CAP

WHEREAS, the City of Minneapolis, Minnesota (the "City") is an "entitlement issuer" within the meaning of Minnesota Statutes, Section 474A.02, subd. 7; and

WHEREAS, the City's entitlement allocation of private activity bond volume cap for 2011 under Minnesota Statutes, Chapter 474A.03, subd. 2a is \$45,326,000; and

WHEREAS, the City expects to issue \$11,090,488 of private activity bonds allocable to its 2011 entitlement allocation on or prior to December 31, 2011; and

WHEREAS, the City may, under § 146(f) of the Internal Revenue Code of 1986, as amended, and under Minnesota Statutes, Chapter 474A, "carryforward" all or a portion of the City's unused entitlement allocation; and

WHEREAS, it is in the best interest of the public health, safety and welfare that the City carryforward for qualified carryforward purposes its 2011 entitlement allocation remaining unused on December 31, 2011;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Minneapolis, Minnesota, as follows:

1. The City hereby elects to carryforward its remaining 2011 entitlement allocation for qualified residential rental bonds.

2. The Director of the Department of Community Planning and Economic Development is hereby authorized and directed to execute and cause to be filed with the Internal Revenue Service a Form 8328 specifying the amount of 2011 entitlement allocation to be carried forward as described above. The Form 8328 shall be filed with the Internal Revenue Service on or before February 15, 2012. The Director is further authorized to notify the Minnesota Department of Finance of such carryforward at such time and as required by Minnesota Statutes, Chapter 474A.