



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

Date: December 13, 2005

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Mark S. Anderson, Senior Contract Management Specialist, Phone 612-673-5289

Presenter in Committee: Mark S. Anderson

Approved by: Elizabeth Ryan, Director, Housing _____
Jack Kryst, Director, Development Finance _____

Subject: Approval of 2005 revenue bond entitlement carryforward

RECOMMENDATION: Approve the carryforward request allowing \$16 million of any unused 2005 entitlement to be carried forward for single-family purposes and the remaining entitlement to be carried forward for multi-family programs.

Previous Directives: There have been no previous directives relating to this carryforward request

Financial Impact (Check those that apply)
 No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)

Community Impact (Summarize below)

Ward: Not applicable

Neighborhood Notification: Not required

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

Comprehensive Plan: Not applicable
Zoning Code: Not applicable

Living Wage/Job Linkage: Not applicable

Background/Supporting Information

Each year the City of Minneapolis receives an entitlement allocation of tax-exempt revenue bonds that are used to support both single-family and multi-family housing programs. For 2005 the Minneapolis entitlement amount was \$36,709,000. As of the date this report was prepared there is \$31,709,000 remaining.

For the past several years the Minneapolis entitlement was primarily reserved for multi-family purposes with only a small portion of it used for single-family mortgage revenue bond programs. The current financial market has reduced the demand for tax-exempt bonds needed to support multi-family programs. This market change allows the City to designate additional entitlement resources to support the City's single-family mortgage programs which have experienced a significant increase in use over the course of the past two years.

In view of the changes highlighted above, staff is recommending that \$16 million of the 2005 entitlement be carried forward in support of the single-family mortgage revenue bond programs in 2006. Any remaining tax-exempt bond entitlement authority would then be carried forward to support multi-family projects.

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