



Board of Commissioners

Request for Board Action

Meeting Date: August 26, 2025

Agenda #: 6C

DEPARTMENT: Community and Economic Development

FILE TYPE: Regular - Action

TITLE

Commitment Of The Dakota County CDA's 2026 9% Low Income Housing Tax Credits

PURPOSE/ACTION REQUESTED

Approve the commitment of the Dakota County CDA's 2026 9% Low Income Housing Tax Credits.

SUMMARY

The Dakota County CDA is a Suballocator of 9% Low Income Housing Tax Credits (Tax Credits) and is currently authorized to allocate \$1,183,124 of 2026 Tax Credits within Dakota County. The Tax Credits are allocable to affordable rental housing developments on a competitive basis according to a selection process set forth in the CDA's Housing Tax Credit Qualified Allocation Plan for 2026 (2026 QAP). In accordance with state and federal requirements, a public hearing was held at the March 25, 2025 CDA Board of Commissioners meeting prior to CDA Board's adoption of the 2026 QAP (Resolution #25-6956).

Three applications were received by the July 10, 2025 deadline, requesting a total of \$4,553,490 in Tax Credits:

Project Name:	Camber Hill Townhomes	Kenyon Green	Lofts on Cahill
City Location	South St. Paul	Lakeville	Inver Grove Heights
Owner	Camber Hill, LLLP	Kenyon Green Limited Partnership	Lofts on Cahill, Limited Partnership
Developer	Twin Cities Housing Development Corporation	Connelly Development, LLC/Ron Clark Construction and Design	Velair Development Company (fka MWF Properties, LLC)
Type	Preservation	New Construction	New Construction
Number of Tax Credit Units	44 units	49 units	48 units
2026 Tax Credit Request	\$1,673,490	\$985,000	\$1,895,000

Tax Credits are allocated to affordable rental housing developments on a competitive basis according to a selection process set forth in the 2026 QAP. The application were scored as follows:

Project Name:	Camber Hill Townhomes	Kenyon Green	Lofts on Cahill
Tax Credit Score	78	110	75

RECOMMENDATION

Based on the review of the application materials submitted and the scores of the three applicants, staff recommends a commitment of the 2026 Tax Credits to Kenyon Green in the amount requested of \$985,000, which will make the project whole with their 2025 Tax Credit award of \$679,617 for a total of . This will be in addition to the \$1,664,614 of Tax Credits.

Staff also recommends a commitment of the remaining 2026 Tax Credits to Camber Hill Townhomes in the amount of \$198,124.

Additionally, staff recommends establishing a wait list for Camber Hill Townhomes, which will allow the CDA to commit additional Tax Credits should they become available from Minnesota Housing. If this occurs the CDA will review Camber Hill Townhomes need for additional Tax Credits at that time. The CDA may continue to commit Tax Credits to both projects until the application deadline for Minnesota Housing's Round 2, tentatively scheduled for January 31, 2026.

EXPLANATION OF FISCAL/FTE IMPACTS

None. The Tax Reform Act of 1986 created the Housing Tax Credit Program as a means of raising private capital to finance affordable rental housing and the CDA is authorized under Minnesota Statutes Section 462A.222 to allocate tax credits for eligible projects in Dakota County. The tax credit is a 10-year annual reduction in the tax liability of investors in affordable housing and does not require any commitment of CDA funds. The investor, typically a private corporation, makes an initial equity contribution to the development to receive the annual tax credit.

Applicants pay fees throughout the process to administer the tax credits that equal 5% of the annual allocation. These fees are used to cover staff administration of the program.

☒ None ☐ Current budget ☐ Amendment Requested ☐ Other

RESOLUTION

WHEREAS, pursuant to Minnesota Statutes §462A.221 through 462A.225 (the Act), the Dakota County CDA is a Suballocator of 9% Low Income Housing Tax Credits (Tax Credits); and

WHEREAS, in accordance with Section 42 of the Internal Revenue Code of 1986, as amended (the Code), by Resolution No. 25-6956, adopted on March 25, 2025, following a public hearing for which notice was duly published, the CDA adopted a Qualified Allocation Plan for 2026 tax credits (the 2026 QAP) setting forth criteria governing the award of the Agency's 2026 Tax Credits; and

WHEREAS, because the members of the Dakota County Board of Commissioners are the ex-officio members of the CDA, the approval of such Resolution by the CDA satisfies the requirement that the 2026 QAP be approved by the applicable elected representative of the CDA; and

WHEREAS, the CDA received three applications for the 2026 Tax Credits by the first-round deadline, with applications from: (1) Camber Hill, LLLP, the developer of which is Twin Cities Housing Development Corporation, for the acquisition and rehabilitation of a 44-units townhome development in South St. Paul, known as Camber Hill Townhomes; (2) Kenyon Green Limited Partnership, the developer of which is Connolly Development, LLC/Ron Clark Construction and Design, for the construction of a 49-unit multifamily development in Lakeville, known as Kenyon Green; and (3) Lofts on Cahill, Limited Partnership, the developer of which is Velair Development Company (fka MWF

Properties LLC), for the construction of a 48-unit multifamily development in Inver Grove Heights known as Lofts on Cahill; and

WHEREAS, pursuant to Minnesota Statutes § 462A.222, Subd. 3, any 2026 Tax Credits which are not committed by the CDA prior to Minnesota Housing's second round of application deadline are required to be returned to Minnesota Housing.

NOW, THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, as follows:

1. The CDA hereby finds and determines with respect to the Camber Hill, LLLP, Kenyon Green Limited Partnership, and Lofts on Cahill, Limited Partnership applications that:
 - a. The applications for Tax Credits for Kenyon Green, Camber Hill Townhomes and Lofts on Cahill are complete in all material respects.
 - b. The allocation of Tax Credits requested by each of the applicant does not exceed the amount necessary for the financial feasibility of the respective projects and their viability as qualified low-income housing projects throughout the 15-year compliance period.
 - c. On the basis of the applications submitted, the Tax Credit scores for the applicants are as follows:

Camber Hill, LLLP – Camber Hill Townhomes.....	78 points
Kenyon Green Limited Partnership – Kenyon Green.....	110 points
Lofts on Cahill, Limited Partnership – Lofts on Cahill.....	75 points
2. In making the determination set forth in 1b above, the CDA considered (a) the sources and uses of funds and the total financing planned for each project; (b) any proceeds or receipts expected to be generated by reason of tax benefits; (c) the percentage of the tax credit dollar amount used for project costs other than costs of the intermediaries; and (d) the reasonableness of the development and operational costs of each project.
3. The CDA hereby approves the commitment of a portion of its 2026 Tax Credits to Kenyon Green Limited Partnership for Kenyon Green in the amount of \$985,000.
4. The CDA hereby approves the commitment of the balance of its 2026 Tax Credit to Camber Hill, LLLP for Camber Hill Townhomes in the amount of \$198,124.
5. The CDA hereby authorizes the establishment of a waiting list for additional Tax Credits for the Camber Hill Townhomes project. The purpose of the waiting list is to permit the CDA to commit any 2026 Tax Credit that may become available from Minnesota Housing to the project.
6. Staff is authorized to prepare, execute and deliver all documentation necessary or convenient to provide for the commitment of its 2026 Tax Credits pursuant to this regulation and the subsequent carryover and allocation of the same, based on findings made in accordance with the requirements of the Code as each such steps. Staff is further authorized to take any actions necessary to return any unused 2026 Tax Credits to Minnesota Housing prior to the second round deadline in the event Tax Credits are returned and not fully committed to a project on the waiting list.

PREVIOUS BOARD ACTION

25-6941; 2/18/2025

25-6956; 3/25/2025

ATTACHMENTS

Attachment A: Kenyon Green Location and Site Map

Attachment B: Camber Hill Townhomes Location and Site Map

Attachment C: Lofts on Cahill Location and Site Map

CONTACT

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