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Title: Resolution approving the issuance of conduit multifamily housing revenue bonds; approving related documents; adopting a related Housing Program; and approving the execution of a tax increment financing development agreement, including a Pooled TIF Loan and related documents, 2285 Hillcrest Avenue (Nellie Francis Court Project), District 15, Ward 3

Sponsors: Chris Tolbert

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Date	Ver.	Action By	Action	Result
10/26/2022	1	Housing & Redevelopment Authority	Adopted	Pass

Resolution approving the issuance of conduit multifamily housing revenue bonds; approving related documents; adopting a related Housing Program; and approving the execution of a tax increment financing development agreement, including a Pooled TIF Loan and related documents, 2285 Hillcrest Avenue (Nellie Francis Court Project), District 15, Ward 3

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA"), is a political subdivision of the State of Minnesota, duly organized and existing under the Constitution and laws of the State of Minnesota; and

WHEREAS, pursuant to Minnesota Statutes, Chapter 462C, as amended (the "Act") and by ordinance of the City of Saint Paul, Minnesota (the "City"), the HRA is authorized to carry out the public purposes described in the Act by issuing revenue bonds or other obligations to finance or refinance multifamily housing developments located within the City, and as a condition to the issuance of such revenue bonds, adopt a housing program providing the information required by Section 462C.03, subdivision 1a, of the Act; and

WHEREAS, in the issuance of the HRA's revenue bonds and in the making of a loan to finance a multifamily housing development, the HRA may exercise, within the corporate limits of the City, any of the powers that the Minnesota Housing Finance Agency may exercise under Minnesota Statutes, Chapter 462A, as amended, without limitation under the provisions of Minnesota Statutes, Chapter 475, as amended; and

WHEREAS, Nellie Francis Court Limited Partnership, a Minnesota limited partnership (the "Borrower") has requested that the HRA issue its housing revenue bonds in one or more series (collectively, the "Bonds") under the Act and lend the proceeds thereof to the Borrower to: (i) finance the acquisition, construction and equipping of an approximately 78,162 square-foot, 5-story building containing approximately 75 affordable workforce rental housing units, underground parking and related facilities, to be located at 2285 Hillcrest Avenue in the City of Saint Paul, Minnesota (the "City"); (ii) fund one or more reserve funds to secure the timely payment of the Bonds, if necessary; (iii) pay interest on the Bonds during the construction of the Project, if necessary; and (iii) pay the costs of issuing the Bonds (collectively, the "Project"); and

WHEREAS, the HRA has prepared a housing program (the "Housing Program") to authorize the issuance by

the HRA of tax-exempt revenue bonds in one or more series to be issued to finance the Project in an aggregate principal amount not to exceed \$11,200,000; and

WHEREAS, a public hearing on the Housing Program and the Project was held by the HRA on this date, following duly published notice in the *Pioneer Press*, a newspaper of general circulation in the City, with respect to: (i) the required public hearing under Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”); (ii) the required public hearing under Section 462C.04, subdivision 2, of the Act; (iii) the Housing Program; and (iv) approval of the issuance of the Bonds; and

WHEREAS, during said public hearing a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing; and

WHEREAS, this resolution constitutes a reimbursement resolution and an official intent to reimburse expenditures with respect to the Project from the proceeds of tax-exempt revenue bonds in accordance with the provisions of Treasury Regulations, Section 1.150-2; and

WHEREAS, the HRA has heretofore established the Ford Site Redevelopment Project Area (the “Project Area”) and has adopted a redevelopment plan therefor (the “Redevelopment Plan”) pursuant to Minnesota Statutes, Sections 469.001 to 469.047, as amended; and

WHEREAS, said Redevelopment Plan contains an identification of need and statement of objectives and program of the HRA for carrying out of a redevelopment project, including property to be acquired, public improvements to be provided, development and redevelopment to occur, and sources of revenue to pay redevelopment costs within the Project Area; and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended, (the “TIF Act”), the HRA has created, within the Project Area, the Ford Site Housing Tax Increment Financing District #1, qualified as a housing tax increment financing district (the “TIF District”), and adopted a tax increment financing plan therefor approved by the St. Paul City Council on April 14, 2021 and adopted by the HRA on June 23, 2021 (the “TIF Plan”) which provides for the use of tax increment financing in connection with certain development within the Project Area and TIF District; and

WHEREAS, the Borrower has submitted an application to the HRA for financial assistance and requested that the HRA cause to be prepared a Development Agreement (the “Development Agreement”) between the HRA and the Borrower setting forth the terms and conditions under which the HRA will provide tax increment financing assistance to the Borrower, a copy of which is on file with the Executive Director of the HRA; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “Board”), as follows:

SECTION 1. LEGAL AUTHORIZATION AND FINDINGS.

1.1 Findings. The HRA hereby finds, determines and declares as follows:

(a) The issuance and sale of the Bonds by the HRA, pursuant to the Act, is in the best interest of the HRA and the City, and the HRA hereby determines to issue the Bonds and to sell the Bonds to Greater Minnesota Housing Fund, or another financial institution selected by the Borrower (the “Lender”). The HRA will loan the proceeds of the Bonds (the “Loan”) to the Borrower in order to finance the Project.

(b) Pursuant to a Loan Agreement (the “Loan Agreement”) to be entered into between the HRA and the Borrower, the Borrower will agree to repay the Loan in specified amounts and at specified times sufficient to pay in full when due the principal of, premium, if any, and interest on the Bonds. In addition, the Loan Agreement contains provisions relating to the construction, maintenance and operation of the Project,

indemnification, insurance, and other agreements and covenants which are required or permitted by the Act and which the HRA and Borrower deem necessary or desirable for the financing of the Project.

(c) Pursuant to an Assignment of Loan Agreement between the HRA, the Borrower and the Lender (the "Assignment of Loan Agreement"), the HRA will pledge and grant a security interest in all of its rights, title, and interest in the Loan Agreement to the Lender (except for certain rights of indemnification and to reimbursement for certain costs and expenses).

(d) The obligations of the Borrower under the Loan Agreement and payment of amounts due under the Bonds will be secured by certain security instruments required by the Lender and in forms authorized by the Borrower to be executed by or on behalf of the Borrower in favor of the Lender, which may include: (i) a mortgage or security agreement granting a mortgage lien or security interest with respect to the Project or any portion thereof to the Lender or to the HRA and assigned to the Lender pursuant to an Assignment of Mortgage to be executed by the HRA (the "Mortgage Assignment"); (ii) one or more collateral assignments of the contracts between the Borrower and the architect and contractor with respect to the Project; (iii) one or more security agreements, guaranty agreements, and indemnity agreements; and (iv) other security documents that are intended to ensure timely payment of the loan and the Bonds (collectively, the "Security Documents").

(e) In addition, the obligations of the Borrower under the Loan Agreement and payment of amounts due under the Bonds will be further secured by certain security instruments required by the Lender and in forms authorized by the Borrower to be executed by or on behalf of the Borrower in favor of the Lender which may include a Collateral Assignment of Tax Increment Revenue Note from the Borrower to the Lender (the "TIF Assignment") granting a security interest in the HRA's Taxable Tax Increment Revenue Note, Series (Nellie Francis Court Project) (the "TIF Note") to be issued by the HRA to the Borrower in accordance with the Development Agreement.

(f) As determined by the Lender, the proceeds of the Bonds may be disbursed pursuant to a Disbursing Agreement (the "Disbursing Agreement") by and among the Lender, Borrower and a title insurance company.

(g) Certain requirements of federal and state law which require that a portion of the housing units in the Project be occupied by families of low and moderate income are set forth in a Regulatory Agreement (the "Regulatory Agreement") by and among the HRA, Borrower and the Lender.

(h) Certain requirements of the City and the HRA that apply to the Project are set forth in a Bond Compliance Agreement between the HRA and the Borrower (the "Bond Compliance Agreement")

(i) The Bonds will be special, limited revenue obligations of the HRA. The Bonds shall not be payable from or a charge upon any funds other than the revenues pledged to the payment thereof, nor shall the HRA or the City be subject to any liability thereon. No holder of any of the Bonds shall ever have the right to compel any exercise of the taxing power of the HRA or the City to pay the Bonds or the interest thereon, nor to enforce payment thereof against any property of the HRA or the City. None of the Bonds shall constitute a debt of the HRA or the City within the meaning of any constitutional, charter or statutory limitation.

(j) It is desirable, feasible and consistent with the objects and purposes of the Act to issue the Bonds for the purpose of financing the costs of the Project.

(k) The Project constitutes a "qualified residential rental project" within the meaning of Section 142(d) of the Code, and a "multifamily housing development" authorized by the Act, and furthers the purposes of the Act.

(l) The purpose of the Project is, and the effect thereof will be, to promote the public

welfare by the acquisition, construction and equipping of a facility for use as a multifamily housing development designed primarily for occupancy by persons of low and moderate income.

(m) The Act authorizes (i) the acquisition, construction and equipping of the Project, (ii) the issuance and sale of the Bonds, (iii) the execution and delivery by the HRA of related documents and the performance of all covenants and agreements of the HRA contained therein, and (iv) the performance of all other acts and things required under the constitution and laws of the State of Minnesota to make the Bonds and such agreements valid and binding obligations of the HRA in accordance with its terms.

(n) It is desirable that the Borrower be authorized, subject to the terms and conditions set forth in the Loan Agreement, which terms and conditions the HRA determines to be necessary, desirable and proper, to complete the acquisition, construction and installation of the Project by such means as shall be available to the Borrower and in the manner determined by the Borrower, and with or without advertisement for bids as required for the acquisition and installation of municipal facilities.

(o) The payments under the Loan Agreement are fixed to produce revenue sufficient to provide for the prompt payment of principal of, premium, if any, and interest on the Bonds, when due, and the Loan Agreement also provides that the Borrower (or its general partner) is required to pay all expenses of the operation and maintenance of the Project, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all taxes and special assessments levied upon or with respect to the Project and payable during the term of the Loan Agreement.

(p) The HRA hereby finds, determines and declares that it is in the public interest of the residents of the City that the Project be undertaken in order to further the public purposes of redeveloping blighted property and increasing the supply of decent, safe, and sanitary rental housing units available to residents of the City.

1.2 Authorization and Ratification of Project. The HRA does hereby authorize the Borrower, in accordance with the provisions of the Act and subject to the terms and conditions imposed by the Lender, to provide for the acquisition, construction and equipping of the Project by such means as shall be available to the Borrower and in the manner determined by the Borrower, and without advertisement for bids as may be required for the construction and acquisition of other municipal facilities; and the HRA hereby ratifies, affirms, and approves all actions heretofore taken by the Borrower consistent with and in anticipation of such authority.

SECTION 2. THE BONDS.

2.1 Authorized Maximum Amount, Form of Bond and Interest Rate.

(a) Subject to approval by the City, the Bonds are hereby approved and shall be issued pursuant to this Resolution in substantially the form on file with the Executive Director of the HRA with such appropriate variations, omissions and insertions as are necessary and appropriate and are permitted or required by this Resolution, and in accordance with the further provisions hereof. The Bonds shall be in minimum denominations of at least \$100,000. The Bonds shall be issued in a denomination equal to its entire principal amount. The Bonds shall mature in the year and amount and be subject to redemption as therein specified, as such may be modified by agreement of the Lender, Borrower and the HRA; and the principal amount of the Bonds that may be outstanding hereunder is expressly limited to \$11,200,000, provided that the City's and HRA's current year or carryforward bonding authority allocated to the bonds shall not exceed 53% of the Borrower's basis in the Project. The actual amount of the Bonds shall be determined by the agreement of the Lender and the Borrower and the Chair or a Commissioner, the Executive Director and the Director, Office of Financial Services of the City (the "Authorized Officers") as evidenced by their execution of the Bonds.

(b) The Bonds will bear interest at the fixed or variable rates determined by the Borrower and the Lender, and set forth in the Bonds as executed by the Authorized Officers; provided that such rates shall be subject to adjustment pursuant to the terms as set forth in the Bonds, this Resolution, the Loan Agreement, the Assignment of Loan Agreement, a Loan Purchase Agreement or similar agreement with respect to the purchase of the Bonds by the Lender and dated as of the date of delivery of the Bonds, between the Borrower (or its general partner) and the Lender, (the "Loan Purchase Agreement"), or the Security Documents. The sale of the Bonds to the Lender at a purchase price equal to its stated amount is hereby accepted.

2.2 The Bonds. The Bonds shall be dated as of the date of delivery to the Lender, shall be payable at the times and in the manner and shall be subject to such other terms and conditions as are set forth therein.

2.3 Execution of Bonds. The Bonds shall be executed on behalf of the HRA by the Authorized Officers. In case any Authorized Officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such signatory had remained in office until delivery. In the event of the absence or disability of any Authorized Officers, such officer(s) of the HRA as, in the opinion of the HRA Attorney, may act in their behalf, shall without further act or authorization of the Board execute and deliver the Bonds.

2.4 Disposition of the Proceeds of the Bonds. Upon delivery of the Bonds to the Lender, the Lender shall, on behalf of the HRA, disburse the purchase price thereof for payment of Project costs in accordance with the terms of the Loan Agreement, any Disbursing Agreement and any applicable Loan Purchase Agreement.

2.5 Registration of Transfer. The HRA will cause to be kept at the office of the Executive Director of the HRA a Bond Register for the Bonds in which, subject to such reasonable regulations as it may prescribe, the HRA shall provide for the registration of transfers of ownership of the Bonds. The Bonds shall be initially registered in the name of the Lender and, subject to the limitations on transfer provided herein, shall be transferable upon the Bond Register for such Bond by the Lender in person or by its agent duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer satisfactory to the Executive Director of the HRA, duly executed by the Lender or its duly authorized agent. The HRA will require, as a precondition to any transfer, that the transferee provide to the HRA an investor letter or certification in a form satisfactory to the HRA and other evidence satisfactory to the HRA that the transferee is a financial institution or other accredited investor under the securities laws. The following form of assignment shall be sufficient for purposes of assigning the Bonds.

For value received _____ hereby sells, assigns and transfers unto _____ the attached Bond of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, and does hereby irrevocably constitute and appoint _____ attorney to transfer said Bond on the books of said HRA, with full power of substitution in the premises. The undersigned certifies that the transfer is made in accordance with the provisions of Sections 2.5, 2.7 and 2.8 of the Resolution authorizing the issuance of the Bond.

Dated: _____

Registered Owner

Upon such transfer the Executive Director of the HRA shall note the date of registration and the name and address of the successor Lender in the applicable Bond Register for such Bond and in the registration blank appearing on such Bond; subject to receipt of a purchaser letter or certification as required by Section 2.8 hereof.

2.6 Mutilated, Lost or Destroyed Bonds. In case the Bonds shall become mutilated or be destroyed

or lost, the HRA shall, if not then prohibited by law, cause to be executed and delivered a new Bond of like outstanding principal amount, number and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond destroyed or lost, upon the payment by the Lender of the reasonable expenses and charges of the HRA in connection therewith, and in the case of a Bond destroyed or lost, the filing with the HRA of evidence satisfactory to the HRA with indemnity satisfactory to it. If the mutilated, destroyed or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

2.7 Ownership of Bonds. In accordance with the policy of the HRA, the Lender will be required to execute and deliver an investor letter or certification to the HRA, confirming that the Lender is either (a) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “1933 Act”), that purchases the Bonds for its own account or for the account of a qualified institutional buyer, or (b) an “accredited investor” as defined in Regulation D promulgated under the 1933 Act, that purchases the Bonds for its own account and without registration under state or other securities laws, pursuant to an exemption for such sale. The HRA may deem and treat the person in whose name the Bond is last registered in the Bond Register and by notation on the Bond, whether or not such Bond shall be overdue, as the absolute owner of such Bond for the purpose of receiving payment of or on account of the Principal Balance, redemption price or interest and for all other purposes whatsoever, and the HRA shall not be affected by any notice to the contrary.

2.8 Limitation on Bond Transfers. The Bonds will be issued to a “qualified institutional buyer” or an “accredited investor” and without registration under state or other securities laws, pursuant to an exemption for such sale; and accordingly the Bonds may not be assigned or transferred in whole or part, except to another “accredited investor” or “qualified institutional buyer”. The HRA will require, as a precondition to any transfer, that the transferee provide to the HRA an investor letter or certification substantially in the form required of, and delivered upon issuance of the Bonds by the Lender in accordance with Section 2.7 hereof and other evidence satisfactory to the HRA that the transferee is a “qualified institutional buyer” or other “accredited investor”.

SECTION 3. MISCELLANEOUS.

3.1 Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions contained herein invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or paragraphs contained in this Resolution shall not affect the remaining portions of this Resolution or any part thereof.

3.2 Authentication of Transcript. The officers of the HRA are directed to furnish to Bond Counsel certified copies of this Resolution and all documents referred to herein, and affidavits or certificates as to all other matters which are reasonably necessary to evidence the validity of the Bonds. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute recitals of the HRA as to the correctness of all statements contained therein.

3.3 Approval of Development Documents. The Board hereby approves the Development Agreement, which includes authorization of the TIF Note and the Pooled TIF Loan in a principal amount of up to \$600,000 (both as defined therein), in substantially the form on file with the Executive Director, together with any related documents necessary in connection therewith, including, without limitation, all documents, exhibits, certifications or consents referenced in or attached to the Development Agreement and any subordinations, assignments or consents necessary in connection with the Borrower’s financing and approved by legal counsel to the HRA (collectively, the “Development Documents”).

3.4 Authorization to Execute Agreements. The forms of the proposed Bonds, the Loan Agreement, the Assignment of Loan Agreement, Regulatory Agreement, the Bond Compliance Agreement and the Mortgage Assignment (collectively, and together with any Loan Purchase Agreement, any Disbursing Agreement, the Security Documents, any TIF Assignment, the Development Documents and such other documents as Bond Counsel considers appropriate in connection with the issuance of the Bonds, the “Financing Documents”) are hereby approved in substantially the forms on file with the Executive Director of HRA, together with such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by Bond Counsel prior to the execution of the documents, and the Authorized Officers are authorized to execute, in the name of and on behalf of the HRA, the Financing Documents to which the HRA is a party. In the event of the absence or disability of any of the Authorized Officers, such officers of the HRA as, in the opinion of the City Attorney for the HRA, may act on their behalf shall without further act or authorization of the Board do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers. The execution of any instrument by the appropriate officer or officers of the HRA herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. The electronic signature of a party to the Financing Documents, including all acknowledgements, authorizations, directions, waivers and consents thereto (or any amendment or supplement thereto) shall be as valid as an original signature of such party and shall be effective to bind such party to the Financing Documents. Any electronically signed Financing Documents shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, (i) “electronic signature” means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign, Adobe or a similarly digitally auditable signature gathering process; (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message; and, (iii) “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

3.5 Future Amendments. The authority to approve, execute and deliver future amendments to the Financing Documents entered into by the HRA in connection with the issuance of the Bonds and consents required under the Financing Documents is hereby delegated to the Authorized Officers of the HRA, subject to the following conditions: (a) such amendments or consents do not materially adversely affect the interests of the HRA; (b) such amendments or consents do not contravene or violate any policy of the HRA, (c) such amendments or consents do not require the consent of the holder or such consent has been obtained; and (d) such amendments or consents are acceptable in form and substance to the counsel retained by the HRA to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Executive Director shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Executive Director, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the HRA or the City authorized to act in his or her place and stead.

3.6 Governmental Program. The HRA has established a governmental program of acquiring purpose investments for qualified residential rental projects. The governmental program is one in which the following requirements of §1.148-1(b) of the federal regulations relating to tax-exempt obligations shall be met:

(a) the program involves the origination or acquisition of purpose investments;

(b) at least 95% of the cost of the purpose investments acquired under the program represents one or more loans to a substantial number of persons representing the general public, states or political subdivisions, 501(c)(3) organizations, persons who provide housing and related facilities, or any

combination of the foregoing;

(c) at least 95% of the receipts from the purpose investments are used to pay principal, interest, or redemption prices on issues that financed the program, to pay or reimburse administrative costs of those issues or of the program, to pay or reimburse anticipated future losses directly related to the program, to finance additional purpose investments for the same general purposes of the program, or to redeem and retire governmental obligations at the next earliest possible date of redemption;

(d) the program documents prohibit any obligor on a purpose investment financed by the program or any related party to that obligor from purchasing bonds of an issue that finances the program in an amount related to the amount of the purpose investment acquired from that obligor; and

(e) the HRA shall not waive the right to treat the investment as a program investment.

3.7 Adoption of Housing Program. The preparation of the Housing Program is hereby ratified, confirmed, and approved in all respects. The Housing Program is hereby adopted, ratified, and approved. The Executive Director of the HRA is hereby authorized to do all other things and take all other actions as may be necessary or appropriate to carry out the Housing Program in accordance with the Act and any other applicable laws and regulations.

3.8 Costs; Indemnification by Borrower. The Borrower has agreed and it is hereby determined that any and all costs incurred by the HRA in connection with the financing of the Project whether or not the Project is carried to completion will be paid by the Borrower, as the case may be. It is understood and agreed that the Borrower shall indemnify the HRA against all liabilities, losses, damages, costs and expenses (including attorney's fees and expenses incurred by the HRA) arising with respect to the Project, the Financing Documents, or the Bonds, as further provided for and agreed to by and between the Borrower and the HRA in the Loan Agreement.

3.9 Headings; Terms. Paragraph headings in this resolution are for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof. Capitalized terms used, but not defined, herein shall have the meanings given them in, or pursuant to, the Financing Documents. This Resolution shall be in full force and effect from and after its approval.