

**HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA**

REPORT TO THE COMMISSIONERS

DATE: DECEMBER 13, 2017

**REGARDING: RESOLUTION APPROVING A BOND TRANSFER AGREEMENT AND
RELATED DOCUMENTS, CITYWIDE**

Requested Board Action

Approving the attached Resolution authorizing the Saint Paul Housing and Redevelopment Authority (HRA), together with the City of Saint Paul to enter into a Bond Transfer Agreement with the City of Minneapolis who agrees to transfer up to \$18,098,203 in 2017 bonding authority to the HRA.

Background

Pending Tax Reform legislation has created uncertainty on whether tax-exempt entitlement bonds will be eliminated in 2018 causing staff to accelerate closing on bond projects able to close before December 31, 2017 using HRA's current tax-exempt entitlement allocation. The HRA has more requests for bond entitlement than is available and staff has secured an agreement with the City of Minneapolis (Minneapolis) to transfer up to \$18,098,203 in their 2017 entitlement which they will not be able to use in 2017. The December 13th City Council agenda is requesting approval for the City of Saint Paul to also enter into the Bond Transfer Agreement. If Minneapolis determines that tax-exempt bonds are permitted to be issued as private activity bonds after January 1, 2018, the HRA and Saint Paul will transfer back to Minneapolis the \$18,098,203 of bonding authority provided that the HRA receive a 2018 allocation in at least this amount.

Budget Action

Not applicable as bonds do not constitute an indebtedness, liability, general or moral obligation, or pledge of faith or credit or taxing power of the HRA, City of Saint Paul, or any agency or political subdivision thereof, and shall not constitute indebtedness of any of the foregoing within the meaning of any constitutional, statutory, or charter provision, nor be a charge against their respective general assets, credit or taxing powers, and do not grant the owners or holders of the

bonds any right to have the HRA, City of Saint Paul or any agency or political subdivision thereof levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Principal and interest on the bonds are payable solely out of the revenues and other sources pledged to the payment thereof as described in the bond documents.

Future Action

None

Recommendation:

The Executive Director recommends and requests the HRA approve the attached Resolution to enter into a Bond Transfer Agreement and related agreements.

Sponsored by: HRA Chair Brendmoen

Staff: Patty Lilledahl 266-6593