

MULTIFAMILY RENTAL HOUSING PROGRAM OF THE
CITY OF SAINT PAUL, MINNESOTA, AND THE
HOUSING AND REDEVELOPMENT AUTHORITY OF
THE CITY OF SAINT PAUL, MINNESOTA
(PLATO APARTMENTS AT FARWELL YARDS PROJECT)

Adopted December 14, 2022

Proposal; Authority. The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “HRA”), proposes to issue revenue bonds and to take other actions in furtherance of the objective of financing the acquisition, construction, and equipping of the multifamily rental housing project described herein (this “Program”) pursuant to applicable authority conferred upon the HRA by the laws of the State of Minnesota, including without limitation Minnesota Statutes, Chapter 462C, as the same may be amended from time to time (collectively, the “Act”).

Purposes. In creating this Program, the City of Saint Paul, Minnesota (the “City”) and the HRA are acting in furtherance of their findings that the preservation of the quality of life in the City is in part dependent upon the maintenance and provision of adequate, decent, safe, sanitary, and affordable housing stock; that accomplishing the goals of this Program is a public purpose and will benefit the residents of the City; that the need exists within the City to provide in a timely fashion additional affordable rental housing; that there exist or are expected to exist persons within the City who are and will be able to benefit from and are in need of the Program; that the Program is necessary in view of the limited resources that may be available to such persons relative to the expenses involved in accomplishing the type of objectives outlined in this Program in the absence of one or more of the forms of assistance described herein or otherwise available pursuant to the Act; and that the City and HRA hereby find that such forms of assistance are often necessary for the benefit of such persons, families, and goals and that, furthermore, the successful implementation of the objectives of the kind described in this Program has been found to provide impetus for the development of other housing in the City, as well as the general development of the City, by other persons who are not the beneficiaries of such governmentally sponsored or assisted activities.

Rental Housing Purposes. More particularly, the City and the HRA find that there exists a need for multifamily rental housing, due to a variety of factors, including that the cost of construction of multifamily rental units, may in many cases prove economically unfeasible, given the high costs of construction and prevailing area rental levels, and that therefore appropriate levels of public assistance may be helpful and necessary in bridging that gap.

General Description of the Program. The “Project” this Program addresses consists of the acquisition of property and the demolition of an existing building thereon and the construction and equipping of a 4-story approximately 63-unit rental housing facility and related amenities all located at 115 Plato Boulevard West in Saint Paul, Minnesota (the “Project”). The initial owner of the Project will be 115 Plato, LP, a Minnesota limited partnership (or another entity to be formed by or affiliated with Buhl Investors, the “Borrower”).

In accordance with section 462C.05, subdivision 2 of the Act, the Project is designed to be affordable by persons and families with adjusted gross income not in excess of the limits set forth in section 462C.03, subdivision 2, and by other persons and families to the extent determined to be necessary in furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, with at least

20% of the dwelling units held for occupancy by families or individuals with adjusted gross income not in excess of 80% of the median family income as estimated by the United States department of housing and urban development for the standard metropolitan statistical area.

Under federal law, at least 20% of the units must be occupied by persons or families whose family incomes do not exceed 50% of area median gross income or 40% of the units must be occupied by persons or families whose family incomes do not exceed 60% of area median gross income.

Location. This Program is limited to the Project. The Project consists of the Project located at 115 Plato Boulevard West in the City and referred to as Plato Apartments at Farwell Yards Project.

Revenue Bonds. The estimated maximum aggregate principal amount of tax-exempt and taxable revenue bonds to be issued by the HRA in one or more series, at one time or from time to time, bearing interest at fixed or variable rates, to be offered publicly and/or privately, to be issued to finance the Project shall not exceed \$11,000,000 (the “Bonds”). The proceeds (i) will finance the costs of the acquisition, demolition, construction, and equipping of the Project, (ii) may finance the costs of issuing the Bonds, (iii) may be used to fund one or more reserve funds, and (iv) may be used to pay interest on the Bonds during the construction of the Project.

The Bonds may be structured so as to take advantage of whatever means are available or necessary, and are permitted by law, to enhance the security for and marketability of the Bonds. Substantially all of the net proceeds of the Bonds (the initial principal amount thereof, less any amounts deposited in a reasonably required reserve or paid out as costs of issuance of the Bonds) will be used to pay the costs of the Project, including any functionally related and subordinate facilities. Bonds are expected to be issued in the first calendar quarter of 2023.

The Project will be operated as a multifamily rental housing development within the meaning of Minnesota Statutes, Section 462C.05, Subd. 1. Substantially all of the proceeds of the sale of the Bonds will be applied to the acquisition, construction and equipping of the Project, the payment of the costs of issuing the Bonds, the payment of interest on the Bonds during the construction of the Project, and the funding of any required reserves.

The HRA has adequate existing capacity to administer, monitor and supervise the Project in order to ensure that the Project will be consistent with the HRA’s Housing Plan. The Borrower will construct the Project in compliance with all applicable development restrictions, and all new construction is subject to applicable state and local building codes. The Borrower will be required to operate the Project in accordance with state and local anti-discrimination laws and ordinances.

The costs of the Project and the Program undertaken to finance the Project, including specifically the costs to the HRA, will be paid or reimbursed by the Borrower.

Housing Plan. The City and HRA hereby adopt the Housing Chapter within the City’s adopted Comprehensive Plan of the City of Saint Paul as the housing plan relating to the Project.

Monitoring. The Program will be monitored by the HRA. The HRA expects to enter into or continue suitable agreements with necessary parties to ensure consistent compliance with the objectives of this Program, as well as with the requirements of applicable law.

Meeting Needs; Methods. The Program will help meet the need for affordable rental housing. The City and the HRA believe that this Program will help meet the identified needs under this Program. The specific methods anticipated to be used include the issuance of revenue bonds under the Act to provide

feasible financing for various aspects of the Program so undertaken. The HRA will monitor the implementation of this Program pursuant to its loan agreement or other revenue agreement for the Project.

Authorization. The Program is undertaken pursuant to Minnesota Statutes, Chapter 462C and is consistent with the Housing Chapter within the City's adopted Comprehensive Plan.