

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

REPORT TO THE COMMISSIONERS

DATE: MARCH 24, 2021

**REGARDING: RESOLUTION APPROVING A TEMPORARY POLICY
REGARDING THE ISSUANCE OF CONDUIT REVENUE BONDS
FOR THE BENEFIT OF CHARTER SCHOOL PROJECTS, CITYWIDE**

Requested Board Action

Consideration of a resolution public hearing establishing a temporary policy regarding the issuance of conduit revenue bonds for the benefit of Charter School projects. **This resolution public hearing replaces RES 20-1263 that was withdrawn on MARCH 10, 2021 in order to allow the addition of public comments.**

Background

On August 26, 2020, the HRA Board discussed a proposal from a charter school for the issuance of conduit revenue bonds. The following issues were identified:

- Commissioners expressed a number of concerns about charter schools and HRA bond issuance supporting charter schools including, but not limited to, impacts to the City tax base and impacts to public services including infrastructure and parks.
- HRA Board members made various requests for information from City staff before another charter school proposal for the issuance of conduit revenue bonds can be brought forward.
- HRA staff has received several inquiries from charter schools that may be planning to request the issuance of conduit revenue bonds
- On September 9, 2020, staff presented a resolution (“RES 20-1263”) recommending that a temporary policy be enacted that halts the consideration of proposals for the issuance of conduit revenue bonds for charter schools either through direct issuance or through host approval. This action would serve to notify all charter schools that they will need to explore an alternative financing plan for their project. This policy will ONLY apply to charter schools and will apply to ALL charter school requests for the issuance of conduit revenue bonds, including requests to finance or refinance charter school facilities. All other

proposals for conduit revenue bonds from any other type of entity besides charter schools will continue to be considered by the HRA Board.

- On September 9, 2020, the HRA Board discussed the proposed resolution, amended the contents of the resolution by adding an end date to the temporary halt: until March 9, 2021 unless earlier amended or revoked; however, the amended resolution (RES 20-1263) was laid over until October 14, 2020.
- Between the September and October meetings, staff gathered additional input from board members regarding the requested scope of the study.
- On October 14, 2020, the HRA Board discussed and finalized the scope of the conduit bond study and laid over RES 20-1263, as previously amended, to March 10, 2021.
- The results of the study were presented to the HRA Board on March 10, 2021.
- The HRA Board received public comments pertaining to conduit revenue bond issuance for charter schools and therefore RES 20-1263 was withdrawn and this resolution was set up as a public hearing in order to allow for the addition of public comments to the HRA record.

Budget Action

N/A

Future Action

N/A

Financing Structure

N/A

PED Credit Committee Review

N/A

Compliance

N/A

Green/Sustainable Development

N/A

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance

N/A

Recommendation:

The HRA Executive Director does not have a recommendation regarding the adoption of the resolution.

Sponsored by: Chair Tolbert

Staff: Jenny Wolfe, 266-6680