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Title: Resolution authorizing the issuance of conduit refunding revenue bonds for the Rossy and Richard Shaller Family Sholom East Campus Project, 730 Kay Avenue and 740 Kay Avenue, under Minnesota Statutes, Chapter 462C and Approving Related Documents, District 9, Ward 2

Sponsors: Rebecca Noecker

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Attachments: 1. Board Report, 2. Map, 3. District 9 Profile

Date	Ver.	Action By	Action	Result
6/13/2018	1	Housing & Redevelopment Authority	Adopted	Pass

Resolution authorizing the issuance of conduit refunding revenue bonds for the Rossy and Richard Shaller Family Sholom East Campus Project, 730 Kay Avenue and 740 Kay Avenue, under Minnesota Statutes, Chapter 462C and Approving Related Documents, District 9, Ward 2

WHEREAS, Minnesota Statutes, Chapter 462C, as amended (the "Act"), confers upon cities, or housing and redevelopment authorities authorized by ordinance to exercise on behalf of a city, the powers conferred by the Act, which include the power to issue revenue bonds to finance or refinance a program for the purposes of planning, administering, making or purchasing loans with respect to one or more combination multifamily housing and health care developments within the boundaries of the city; and

WHEREAS, Sholom Home East, Inc., a Minnesota nonprofit corporation (the "Borrower"), has requested that the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA"), issue its Refunding Revenue Bonds (Rossy and Richard Shaller Family Sholom East Campus Project), Series 2018 (the "Series 2018 Bonds") pursuant to a Trust Indenture between the HRA and Wells Fargo Bank, National Association (the "Trustee"), dated on or after July 1, 2018 (the "Indenture") to (i) refund, in whole or in part, the HRA's Revenue Bonds (Rossy and Richard Shaller Family Sholom East Campus Project), Series 2007A (the "Prior Bonds"), the proceeds of which previously financed the acquisition, construction and equipping of a combination housing and health care facility, which presently consists of (a) the 66-unit assisted living/memory care facility (the "Bentson Family Residence"), located at 730 Kay Avenue in the City of Saint Paul (the "City"); and (b) the 118-bed skilled-nursing-care facility (the "Shirley Chapman Sholom Home East"), located at 740 Kay Avenue in the City (the Bentson Family Residence and Shirley Chapman Sholom Home East are hereinafter referred to collectively as the "Facilities"); (ii) fund one or more reserves to secure the timely payment of the Series 2018 Bonds, and (iii) pay a portion of the costs of issuing the Series 2018 Bonds (together, the "Project"); and

WHEREAS, a public hearing on refinancing the Facilities and the issuance of the Series 2018 Bonds was held by the Board of Commissioners of the HRA this same date following duly published notice; and

WHEREAS, the Series 2018 Bonds will be issued in one or more series of tax-exempt or taxable bonds in an aggregate principal amount not to exceed \$24,500,000, and will include a pledge of, among other things,

revenues of the Borrower and the Facilities; and

WHEREAS, the HRA, the Borrower and Dougherty & Company LLC (the “Underwriter”) have agreed upon sufficient details of the Series 2018 Bonds to enable the HRA to adopt this bond resolution (the “Resolution”) on this date.

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

1. Proposal for Issuance of Series 2018 Bonds. For the purpose of providing funds to refinance the acquisition, construction and equipping of the Facilities there is hereby authorized the issuance, sale and delivery of the Series 2018 Bonds, in one or more series of tax-exempt or taxable bonds, in an aggregate principal amount not to exceed \$24,500,000, the proceeds of which, together with funds provided by the Borrower, shall be used to refinance the Facilities. The Series 2018 Bonds shall be special, limited obligations of the HRA payable solely from the funds pledged therein. The Series 2018 Bonds are not to be payable from nor charged upon any funds of the HRA or the City other than the revenues pledged to their payment, nor is the HRA or the City subject to any liability thereon; no holders of the Series 2018 Bonds shall ever have the right to compel any exercise of the taxing power of the HRA or the City to pay any of the principal of, premium, if any, or interest on the Series 2018 Bonds; the Series 2018 Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the HRA or the City, and each Series 2018 Bond shall recite that the Series 2018 Bonds, including interest thereon, are payable solely from the revenues pledged to the payment thereof and that no Series 2018 Bond shall constitute a debt of the HRA or the City within the meaning of any constitutional or statutory limitation. The Series 2018 Bonds shall contain a recital that they are issued pursuant to the Act and such recital shall be conclusive evidence of the validity and regularity of the issuance thereof. The Borrower shall pay to the HRA any and all costs incurred by the HRA in connection with the Series 2018 Bonds or the refinancing of the Project, whether or not the refinancing is carried to completion, and whether or not the Series 2018 Bonds or operative instruments are executed and delivered. The Borrower shall also comply with the HRA's fee policies respecting such revenue bond issues.

2. Series 2018 Bond Structure. Pursuant to a Loan Agreement, to be dated on or after July 1, 2018 (the “Loan Agreement”), the HRA will loan the proceeds of the Series 2018 Bonds to the Borrower to refund all or a portion of the Prior Bonds. The payments to be made by the Borrower under the Loan Agreement are fixed so as to produce revenue sufficient to pay the principal of, premium, if any, and interest on the Series 2018 Bonds when due. When executed, the right, title and interest of the HRA in, to and under, among other things, the Loan Agreement (except as therein provided) will be assigned to the Trustee pursuant to the Indenture between the HRA and the Trustee. The proceeds of the Series 2018 Bonds will be disbursed pursuant to the Loan Agreement and the Indenture. It is further proposed that the Borrower and the Trustee will execute an Amended and Restated Mortgage and Security Agreement (the “Mortgage”) as security for payment of the Series 2018 Bonds, which will amend and restate the Mortgage and Security Agreement, dated as of May 1, 2007, between the Borrower and the HRA, which was previously assigned to the Trustee pursuant to an Assignment of Mortgage and Security Agreement, dated as of May 1, 2007 between the HRA and the Trustee. The Series 2018 Bonds will be purchased by the Underwriter pursuant to a Bond Purchase Agreement among the HRA, the Underwriter and the Borrower (the “Bond Purchase Agreement”). The Series 2018 Bonds shall be designated, shall be numbered, shall be dated, shall mature, shall be subject to redemption prior to maturity, shall be in such form, and have such other details and provisions as may be prescribed in the Indenture, as executed in accordance with this Resolution; provided that the average coupon on the Series 2018 Bond shall not exceed 5.25% per annum. The HRA hereby authorizes the issuance of the Series 2018 Bonds as unrated debt in minimum denominations of \$25,000 to be sold to the public; and therefore, the HRA hereby waives the requirement that unrated debt be sold in minimum denominations of \$100,000 found in paragraph 4 of Section 2 under the heading Additional Bond Requirements in the HRA's internal policy referred to as Conduit Revenue Bond Application Process and Procedures. In accordance with the policy of the HRA, the initial purchasers of the Series 2018 Bonds will each be required to execute and deliver an investor letter to the HRA, confirming that each initial purchaser of the Series 2018 Bonds 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 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 for its own account and without registration under state or other securities laws, pursuant to an exemption for such issuance.

3. Findings. It is hereby found, determined and declared that:

(a) the Project furthers the policies of the Act;

(b) the Project promotes the public welfare by providing necessary multifamily rental housing and health care facilities, so that adequate multifamily rental housing and health care facilities are available to residents of the City at a reasonable cost;

(c) the Act authorizes refinancing the Facilities, the issuance and sale of the Series 2018 Bonds, the execution and delivery of the Series 2018 Bonds, the Bond Purchase Agreement, the Indenture, the Loan Agreement, and the Mortgage, and such other documents as Bond Counsel considers appropriate in connection with the issuance of the Series 2018 Bonds (collectively, the “Financing Documents”), the performance of all covenants and agreements of the HRA contained in the Financing Documents to which it is a party, and the performance of all other acts and things required under the constitution and laws of the State of Minnesota to make the Financing Documents to which it is a party and Series 2018 Bonds valid and binding obligations of the HRA in accordance with their terms;

(d) it is desirable that the Series 2018 Bonds be issued by the HRA upon the terms set forth in the Indenture;

(e) 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 Series 2018 Bonds issued under the Indenture when due, and the Loan Agreement and Indenture also provide that the Borrower is required to pay all expenses of the operation and maintenance of the facilities to be refinanced by the Series 2018 Bonds, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and any taxes and special assessments levied upon or with respect to the premises of said facilities and payable during the term of the Loan Agreement and Indenture;

(f) as provided therein and in the Loan Agreement and Indenture, the Series 2018 Bonds are not to be payable from or charged upon any funds other than the revenue pledged to the payment thereof; neither the HRA nor the City is subject to any liability thereon; no holder of any Bond shall ever have the right to compel any exercise by the HRA or the City of any taxing powers to pay any of the Series 2018 Bonds or the interest or premium thereon, or to enforce payment thereof against any property of the HRA or the City, except the interests of the HRA in the Loan Agreement which has been assigned to the Trustee under the Indenture; the Series 2018 Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the HRA except the interests of the HRA in the Loan Agreement as assigned; the Series 2018 Bonds shall recite that the Series 2018 Bonds do not constitute or give rise to a pecuniary liability or moral obligation of the HRA, the City, the State of Minnesota or any political subdivision, and that the Series 2018 Bonds, including interest thereon, are payable solely from the revenues pledged to the payment thereof; and the Series 2018 Bonds shall not constitute a debt of the HRA or the City within the meaning of any constitutional or statutory limitation.

4. Approval of Forms; Execution. Subject to the approval of the Saint Paul City Attorney, and the provisions of Sections 9 and 10 hereof, the forms of the Financing Documents and exhibits thereto and all other documents listed in Section 2 hereof are approved substantially in the forms on file with the HRA. The

Financing Documents to which the HRA is a party are authorized and directed to be executed in the name and on behalf of the HRA by the Chair or Commissioner and Executive Director of the HRA and by the Director, Office of Financial Services of the City (collectively, the "Authorized Officials"); provided that the Bond Purchase Agreement may be executed on behalf of the HRA solely by the Executive Director of the HRA. The Series 2018 Bonds are to be executed in the name of and on behalf of the HRA by the Authorized Officials, and are to be delivered to the Trustee for authentication and delivery to the Underwriter or the Purchaser. Any other HRA documents and certificates necessary to the transaction described above may be executed by one or more appropriate officers of the HRA, including but not limited to the Executive Director. Copies of all of the documents necessary to the transaction herein described shall be delivered, filed and recorded as provided herein and in the Loan Agreement and Indenture.

5. Official Statement. The HRA has not participated in the preparation of the Preliminary Official Statement or the Final Official Statement relating to the offer and sale of the Series 2018 Bonds (collectively, the "Official Statement"), and has made no independent investigation with respect to the information contained therein (other than with respect to information provided under the captions "THE ISSUER" and "ABSENCE OF LITIGATION - Issuer," as it relates to the HRA), including the appendices thereto, and the HRA assumes no responsibility for the sufficiency, accuracy, or completeness of such information. Subject to the foregoing, the HRA hereby consents to the distribution and the use by the Underwriter of the Official Statement in connection with the offer and sale of the Series 2018 Bonds. The Official Statement is the sole material consented to by the HRA for use in connection with the offer and sale of the Series 2018 Bonds. The HRA hereby approves the Continuing Disclosure Agreement, dated on or after July 1, 2018 (the "Continuing Disclosure Agreement"), among the Company and the Trustee, as dissemination agent, in substantially the form on file with the HRA.

6. Issuance. The HRA shall proceed forthwith to issue the Series 2018 Bonds, in the forms and upon the terms set forth in the Indenture and this Resolution. The Series 2018 Bonds shall be payable or prepayable at such time or times, shall bear interest at such rates and shall be subject to such other terms and conditions as set forth therein which the Underwriter, the Borrower and the HRA shall agree to, which agreement shall be deemed to have been made upon execution and delivery of the Series 2018 Bonds by the Authorized Officials. The Authorized Officials are authorized and directed to execute and deliver the Series 2018 Bonds as prescribed in the Indenture and this Resolution.

7. Records and Certificates. The Authorized Officials and other officers of the HRA are authorized and directed to prepare and furnish to the Underwriter certified copies of all proceedings and records of the HRA and the City relating to the Series 2018 Bonds, and such other affidavits and certificates as may be required to show the facts relating to the legality of the Series 2018 Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the HRA as to the truth of all statements contained therein. The officers of the HRA, bond counsel, other attorneys, engineers, and other agents or employees of the HRA are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, and the Series 2018 Bonds for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Series 2018 Bonds, the aforementioned documents, and this resolution.

8. Changes in Forms Approved; Absent and Disabled Officers. The approval hereby given to the various documents referred to above includes approval of 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 the Saint Paul City Attorney to the HRA, the appropriate HRA staff person or by the officers authorized herein to execute or accept, as the case may be, said documents prior to their execution; and said officers or staff members are hereby authorized to approve said changes on behalf of the HRA. 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 document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any member of the Board

or any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the Saint Paul City Attorney to the HRA, may act in their behalf.

9. Future Amendments. The authority to approve, execute and deliver future amendments to Financing Documents entered into by the HRA in connection with the issuance of the Series 2018 Bonds and consents required under the Financing Documents is hereby delegated to the Executive Director, subject to the following conditions: (a) such amendments or consents do not require the consent of the respective holders of the Series 2018 Bonds or such consent has been obtained; (b) such amendments or consents do not materially adversely affect the interests of the HRA; (c) such amendments or consents do not contravene or violate any policy of the HRA, 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 of Saint Paul authorized to act in his or her place and stead.

10. Indemnification by Borrower. 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 Facilities or the Series 2018 Bonds, as provided for and agreed to by and between the Borrower and the HRA in the Loan Agreement.

11. 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.

12. Beneficiaries. Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the HRA or any holder of the Series 2018 Bonds issued under the provisions of this resolution, any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provisions hereof, this resolution, the aforementioned documents and all of their provisions being intended to be and being for the sole and exclusive benefit of the HRA and any holder from time to time

of the Series 2018 Bonds issued under the provisions of this resolution;

13. Severability. In case any one or more of the provisions of this resolution, other than the provisions contained in Section 4 hereof, or of the aforementioned documents, or of the Series 2018 Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Series 2018 Bonds, but this resolution, the aforementioned documents, and the Series 2018 Bonds shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein;

14. 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 the Financing Documents.

15. Effective Date. This resolution shall be in full force and effect from and after its passage.