



## Legislation Text

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**File #:** RES 16-2172, **Version:** 1

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Resolution Amending RES PH 16-419 and Waiving Internal Policy on Conduit Debt to Authorize the Issuance and Sale of Conduit Senior Housing and Health Care Revenue Refunding Bonds in Denominations of \$25,000 for the Carondelet Village Project, 525 Fairview Avenue South, District 15, Ward 3

(a) Minnesota Statutes, Chapter 462C (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

(b) CV Senior Housing, LLC a Minnesota limited liability company, (the “Borrower”) whose only member is Carondelet Village, Inc., a Minnesota nonprofit corporation (the “Sole Member”) has requested that the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “HRA”) issue its Senior Housing and Health Care Revenue Refunding Bonds (Carondelet Village Project), Series 2016A (the “Series 2016A Bonds”) to (i) advance refund in whole or in part the HRA’s Senior Housing and Health Care Revenue Bonds, Series 2010A (Carondelet Village Project) (the “Series 2010A Bonds”) and current refund in whole or in part the HRA’s Subordinate Senior Housing and Health Care Revenue Bonds, Series 2010B and 2010C (Carondelet Village) (the “Prior Subordinate Bonds” and, together with the Series 2010A Bonds, the “Prior Bonds”) the proceeds of which previously financed the acquisition, construction and equipping of a combination housing and health care facility, consisting of approximately 149 independent housing units, 46 assisted living units, 19 memory care units and 45 skilled nursing care beds, (collectively, the “Project”) located at 525 Fairview Avenue South in the City of Saint Paul, Minnesota (the “City”); (ii) fund any necessary reserves and (iii) pay a portion of the costs of issuing the Series 2016A Bonds, as defined below; and

(c) On November 9, 2016, following a duly noticed public hearing, the HRA approved Resolution RES PH 16-419 (the “Prior Resolution”) authorizing, among other things, the issuance of and sale of the Series 2016A Bonds; and

(d) The Prior Resolution provided that the Series 2016A Bonds would be issued in denominations of at least \$100,000; and

(e) The Borrower has requested that the HRA amend the Prior Resolution to allow the Series 2016A Bonds to be issued in denominations of at least \$25,000 due to changes in the market for tax exempt bonds.

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. Amending Section 2 of Prior Resolution. Paragraph 2 of the Prior Resolution is hereby deleted in its entirety and replaced with the following in order to revise the requirement for minimum denominations of the Series 2016A Bonds:

Series 2016A Bond Structure. Pursuant to a Loan Agreement, to be dated on or after November 1, 2016 (the “Series 2016A Loan Agreement”) the HRA will loan the proceeds of the Series 2016A Bonds to the Borrower to refund all or a portion of the Series 2010A Bonds and a portion of the

Prior Subordinate Bonds. The payments to be made by the Borrower under the Series 2016A Loan Agreement are fixed so as to produce revenue sufficient to pay the principal of, premium, if any, and interest on the Series 2016A Bonds when due. When executed, the right, title and interest of the HRA in, to and under, among other things, the Series 2016A 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 2016A Bonds will be disbursed pursuant to the Series 2016A Loan Agreement, the Indenture and an Escrow Agreement between the Borrower and the Wells Fargo Bank, National Association, as escrow agent (the "Escrow Agreement"). It is further proposed that the Borrower will execute a Combination Mortgage, Security Agreement and Fixture Financing Statement and Assignment of Leases and Rents in favor of the HRA which the HRA will assign to the Trustee pursuant to an Assignment of Mortgage (the "Senior Assignment") as security for payment of the Series 2016A Bonds (the "Series 2016A Mortgage") and a Collateral Assignment of Development Agreement (the "TIF Assignment") which assigns the Borrower's interest in the Development Agreement as amended by the TIF Amendment. The Series 2016A 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 2016A Bonds shall be in denominations of at least \$25,000 in such principal amounts, shall bear interest at the rates, shall be numbered, shall be dated, shall mature, shall be subject to redemption prior to maturity, and 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 2016A Bond shall not exceed 5.25% per annum. In accordance with the policy of the HRA, the initial purchasers of the Series 2016A Bonds will be required to execute and deliver an investor letter to the HRA, confirming that each initial purchaser of the Series 2016A 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.

2. Waiver of Policy Regarding Unrated Debt. The HRA hereby waives the requirement that non-rated 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 to authorize the Series 2016A Bonds to be in denominations of at least \$25,000.

3. Confirmation of Prior Resolution. Except as specifically amended by this Resolution, the Prior Resolution is hereby ratified and confirmed and remains in full force and effect.

4. Effective Date. This Resolution shall be in full force and effect from and after its approval.

5. 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 Prior Resolution.