Legislation Details (With Text)

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Title: Reciting a proposal for a Housing Finance Program for a multifamily rental housing development, giving preliminary approval to the project and the program pursuant to Minnesota Statutes, Chapter 462C, authorizing the Housing and Redevelopment Authority of the City to issue conduit multifamily housing revenue bonds and authorizing the preparation of necessary documents and materials in connection with said project and program, northwest corner of Fillmore and Livingston Avenues (West Side Flats Phase III B Apartment Project District 3, Ward 2).

Sponsors: Rebecca Noecker

Indexes:

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Attachments:

Date	Ver.	Action By	Action	Result
12/8/2017	1	Mayor's Office	Signed	
12/6/2017	1	City Council	Adopted	Pass

Reciting a proposal for a Housing Finance Program for a multifamily rental housing development, giving preliminary approval to the project and the program pursuant to Minnesota Statutes, Chapter 462C, authorizing the Housing and Redevelopment Authority of the City to issue conduit multifamily housing revenue bonds and authorizing the preparation of necessary documents and materials in connection with said project and program, northwest corner of Fillmore and Livingston Avenues (West Side Flats Phase III B Apartment Project District 3, Ward 2).

RECITALS

(a) Minnesota Statutes, Chapter 462C (the “Act”) confers upon cities, or housing and redevelopment authorities or port authorities authorized by ordinance to exercise on behalf of a city the powers conferred by the Act, the power to issue revenue bonds to finance a program for the purposes of planning, administering, making or purchasing loans with respect to one or more multifamily housing project developments within the boundaries of the city; and

(b) The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “HRA”) has been designated, by ordinance, to exercise, on behalf of the City of Saint Paul, Minnesota (the “City”) the powers conferred by Minnesota Statutes, Section 462C.01 to 462C.081; and

(c) The HRA has received a proposal from WSF Phase III B Limited Partnership, a Minnesota limited partnership (or an affiliated entity, the “Borrower”), that the HRA undertake a housing finance program (the “Housing Program”) to finance the Project hereinafter described, pursuant to Minnesota Statutes, Chapter 462C, through the issuance of housing revenue bonds in one or more series in an estimated principal amount not to exceed $14,500,000, of which the maximum aggregate principal amount of tax-exempt revenue Bonds shall not exceed the lesser of $13,000,000 or 51% of the Borrower’s basis in the Project (the “Bonds”); and

(d) The Project to be financed by the Bonds is the acquisition, construction and equipping of an approximately 82-unit multifamily rental housing development and functionally related facilities, with related parking, to be located on an approximately 2.6 acre site at the northwest corner of Fillmore and Livingston Avenues and is bounded by the Union Pacific railroad tracks on the west in the City (the "Project"); and

(e) The Project will be owned and operated by the Borrower, or an affiliated entity; and

(f) The proposal calls for the HRA to loan the proceeds realized upon the issuance and delivery of the Bonds to the Borrower pursuant to a loan agreement wherein the Borrower will be obligated to pay all costs and expenses of the HRA and the City incident to the issuance of the Bonds; and

(g) The City desires to facilitate the construction and development of multifamily housing facilities within the City; and the Project will assist the City in achieving these objectives; and

(h) A public hearing on the Housing Program and the Project was held on this date following duly published notice, at which time all persons that desired to speak were heard; and

(i) No public official of the City has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Saint Paul, Minnesota, as follows:

1. The City hereby gives preliminary approval to the multifamily rental housing Project, described above, to be undertaken by the Borrower pursuant to the Borrower's specifications, and approves the Housing Program therefor, pursuant to the Act.

2. On the basis of information available to the City it appears, and the City hereby finds, that the Project constitutes a multifamily housing development within the meaning of subdivision 5 of Section 462C.02 of the Act; that the availability of the financing under the Act and the willingness of the City to furnish such financing will be a substantial inducement to the Borrower to undertake the Project, and that the effect of the Project, if undertaken, will be to provide multifamily rental housing opportunities to residents of the City, and to promote more intensive development and use of land within the City.

3. The Project, and the program to finance the Project by the issuance of the Bonds, is hereby given preliminary approval by the City subject to final approval by the HRA, the Borrower and the purchaser of the Bonds as to ultimate details of the financing of the Project, all subject to the availability of an allocation of tax exempt bonding authority for the Bonds.

4. Pursuant to Chapter 72, Saint Paul, Minnesota Administrative Code, the City hereby authorizes and directs the HRA to issue the Bonds to finance the Project and to implement the Housing Program and to take all actions necessary or desirable in connection therewith, and no further approval or authorization of the City shall be required.

5. The Borrower has agreed and it is hereby determined that any and all costs incurred by the City or the HRA in connection with the financing of the Project whether or not the Project is carried to completion and whether or not approved by HRA will be paid by the Borrower.

6. Kennedy & Graven, Chartered, acting as bond counsel, and such financial institutions as may be selected by Borrower, with the consent of the HRA, are authorized to assist in the preparation and review of necessary documents relating to the Project and the financing program therefor, to consult with the City Attorney, Borrower and the purchaser of the Bonds as to the maturities, interest rates and other terms and provisions of the Bonds and as to the covenants and other provisions of the necessary documents and submit

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such documents to the HRA for final approval.

7. Nothing in this Resolution or the documents prepared pursuant hereto shall authorize the expenditure of any municipal funds on the Project other than the revenues derived from the Project. The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City or the HRA except the revenue and proceeds pledged to the payment thereof, nor shall the City or the HRA be subject to any liability thereon. The holders of the Bonds shall never have the right to compel any exercise of the taxing power of the City or HRA to pay the outstanding principal on the Bonds or the interest thereon, or to enforce payment thereon against any property of the City or the HRA. The Bonds shall recite in substance that the Bonds, including the interest thereon, are payable solely from the revenue and proceeds pledged to the payment hereof. The Bonds shall not constitute a debt of the City or HRA within the meaning of any constitutional or statutory limitation.

8. In anticipation of the issuance of the Bonds to finance all or a portion of the Project, and in order that completion of the Project pursuant to the Borrower's specifications will not be unduly delayed when approved, the Borrower is hereby authorized to make such expenditures and advances toward payment of that portion of the costs of the Project to be financed from the proceeds of the Bonds, as the Borrower considers necessary, including the use of interim, short-term financing, subject to reimbursement from the proceeds of the Bonds if and when delivered but otherwise without liability on the part of the City or the HRA.

9. The City's PED Director and staff are hereby authorized and directed to take all actions necessary to implement this Resolution.

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