



Legislation Text

File #: RES PH 12-285, **Version:** 1

Authorizing the Housing and Redevelopment Authority to issue Housing Revenue Refunding Bonds pursuant to Minnesota Statutes, Chapter 462C, and authorizing the preparation of necessary documents and materials in connection with said refinancing.

(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, the power to issue revenue bonds and refunding bonds to finance a program for the purposes of planning, administering, making or purchasing loans with respect to one or more multifamily housing developments within the boundaries of the city;

(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, Sections 462C.01 to 462C.08;

(c) The HRA has received a proposal from Wellington PFP, LLC, Wellington NFLP, LLC, Wellington SHN, LLC, and Wellington HRG, LLC, each a Minnesota limited liability company (together, the "Company"), that the HRA issue its housing revenue refunding bonds pursuant to the Act in an aggregate principal amount not to exceed \$5,695,000 (the "Refunding Bonds") to refund certain multifamily housing revenue refunding bonds (the "Prior Bonds") previously issued by the HRA and thereby refinance the project hereinafter described;

(d) Proceeds of the Prior Bonds were loaned to the Company in order to refinance the latest in a series of bonds originally issued to finance the acquisition and construction of a 122-unit senior housing facility, located at 2235 West Rockwood Avenue in the City (the "Project");

(e) The proposal calls for the HRA to loan the proceeds of the Refunding Bonds to the Company pursuant to a loan agreement wherein the Company will be obligated to repay the Refunding Bonds and pay all costs and expenses of the HRA and the City incident to the issuance and sale of the Refunding Bonds;

(f) A public hearing regarding the issuance of the Refunding Bonds was held on the date hereof following duly published notice, at which hearing all persons that desired to speak were heard; and

(g) 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, as follows:

1. The City hereby gives preliminary approval to the proposal of the Company that the City and HRA undertake the refinancing of the Project, described above, pursuant to Minnesota Statutes, Chapter 462C.

2. On the basis of information available to the City Council, it appears, and the City Council hereby finds, that the Project constitutes a multifamily rental housing development and furthers the purposes of the Act; that the Project is designed for rental by elderly persons; that the availability of financing under the Act and the willingness of the HRA to furnish such financing will be a substantial benefit to the Project; and that the effect of the Project is to encourage the provision of multifamily rental housing opportunities to residents of the City and to promote more intensive development and use of land within the City.

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

4. The Company 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 refinancing of the Project is carried to completion and whether or not approved by the HRA will be paid by the Company.

5. Leonard, Street and Deinard Professional Association, acting as bond counsel, and Wells Fargo Bank, National Association, as the Trustee and purchaser of the Refunding Bonds, are authorized to assist in

the preparation and review of necessary documents relating to refinancing of the Project, to consult with the City Attorney and Company as to the maturities, interest rates and other terms and provisions of the Refunding Bonds and as to the covenants and other provisions of the necessary documents and submit such documents to the HRA for final approval.

6. Nothing in this resolution shall be construed to require the HRA to approve the issuance of the Refunding Bonds, nor shall this resolution be construed as vesting in the Company any cause of action against the City or the HRA arising from any failure or refusal by the HRA to approve the issuance of the Refunding Bonds.

7. Nothing in this resolution or the documents prepared pursuant hereto shall authorize the expenditure of any municipal funds on the refinancing of the Project or the payment of the Refunding Bonds other than from the revenues derived from the Project or otherwise granted to the City or the HRA for this purpose. The Refunding 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 revenues and proceeds pledged to the payment thereof, nor shall the City or the HRA be subject to any direct liability thereon. The holder of the Refunding Bonds shall never have the right to compel any exercise of the taxing power of the City or the HRA to pay the outstanding principal on the Refunding Bonds or the interest thereon, or to enforce payment thereon against any property of the City or the HRA. The Refunding Bonds shall recite in substance that the Refunding Bonds, including the interest thereon, are payable solely from the revenues and proceeds pledged to the payment thereof. The Refunding Bonds shall not constitute an indebtedness of the City or the HRA within the meaning of any constitutional or statutory provision.