



## Legislation Text

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**File #:** RES 20-1263, **Version:** 2

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Resolution approving a temporary policy regarding the issuance of conduit revenue bonds for the benefit of Charter School Projects, Citywide

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") is duly organized and existing under the Constitution and laws of the State of Minnesota; and

WHEREAS, under the Minnesota Municipal Industrial Development Act, Minnesota Statutes, Sections 469.152-469.1655, as amended (the "Act"), each housing and redevelopment authority of the State of Minnesota, including the HRA, is authorized to issue conduit revenue bonds to finance, in whole or in part, the costs of the acquisition, construction, improvement, or extension of revenue producing enterprises, whether or not operated for profit; and

WHEREAS, IRS Code requires an applicable elected representative of the governmental unit in which a project is located to approve the issuance of an obligation following a public hearing; and

WHEREAS, on August 26, 2020, the Board of Commissioners of the HRA (the "HRA Board") discussed a proposal from a charter school for the issuance of conduit revenue bonds. During this discussion, 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; and

WHEREAS, details of the information requests are shown in the accompanying staff report; and

WHEREAS, HRA staff have received several inquiries from charter schools that may have been planning to request the issuance of conduit revenue bonds; and

WHEREAS, the amount of time necessary to compile and provide the requested information to the HRA Board is yet unknown; and

WHEREAS, Staff recommends 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; and

WHEREAS, 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.

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

1. A temporary policy is hereby adopted that halts the consideration of proposals for the issuance of conduit revenue bonds for charter schools either through direct issuance or through host approval.
2. This temporary policy will remain in place until March 9, 2021 or at such earlier date formal action is taken by the HRA Board to amend or revoke this policy.
3. The HRA Executive Director, staff and legal counsel for the HRA are directed and authorized to

take all actions necessary to implement this Resolution.

4. The HRA Board recommends that the City Council adopt a resolution approving a consistent temporary policy that halts the consideration of proposals for the issuance of conduit revenue bonds for charter schools either through direct issuance or through host approval by the City Council.