



## Legislation Text

---

**File #:** RES PH 21-68, **Version:** 1

---

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

WHEREAS, on September 9, 2020, the HRA Board considered RES 20-1263 impacting charter school bond issuances, and laid over this resolution until October 14, 2020; and

WHEREAS, on October 14, 2020, the HRA Board decided on a scope of study regarding conduit bonds and laid over RES 20-1263 until March 10, 2021; and

WHEREAS, the results of the study were presented to the HRA Board on March 10, 2021; and

WHEREAS, the HRA Board received public comments pertaining to conduit revenue bond issuance for charter schools and therefore RES 20-1263 was withdrawn and this resolution was set up as a public hearing in order to allow for the addition of public comments to the HRA record; and

WHEREAS, the action contemplated in this resolution 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.