



Legislation Text

File #: RES 22-935, **Version:** 1

Reciting a proposal for a Housing Finance Program for a multifamily rental housing development, approving 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 obligations and authorizing the preparation of necessary documents and materials in connection with said project and program, and approving an ARPA Loan, and related documents, 1222 University Avenue West (Twelve22 Apartment Project) District 13, Ward 1.

- (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 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 1222 Partners 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 taxable and tax exempt housing revenue bonds or notes, in one or more series in an estimated aggregate principal amount not to exceed \$12,500,000, (the “Bonds”); and
- (d) The project to be financed by the Bonds is the acquisition, construction and equipping of an approximately 55-unit multifamily rental housing development and functionally related facilities, with related parking, to be located at 1222 University Avenue 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 by the HRA at a regularly scheduled meeting of the Board of Commissioners of the HRA following duly published notice, at which time a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing; and
- (i) Following the public hearing, the HRA adopted a resolution providing approval to the issuance of the Bonds by the HRA subject to the approval of the City Council; and
- (j) The City has received funds (“ARPA Funds”) from the United States Department of the Treasury, as

authorized by Congress pursuant to the American Rescue Plan Act ("ARPA"); and

(l) The City Council has determined that it is in the best interests of the City to loan \$2,534,489 of the ARPA Funds to the Borrower for the Project and the loan for the Project will comply with federal and state guidelines for the use of the Funds under ARPA; and

(n) The City Council has, by separate resolution, authorized the transfer of \$2,534,489 of American Rescue Plan funds from the 30% AMI Deeply Affordable Housing account to a specific account for the Twelve-22 Apartment Project; and

(o) 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 approves 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 approved by the City subject to final approval by 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, 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 such documents to the HRA for final approval.

7. The Council hereby approves the American Rescue Plan Act and Pooled TIF Loan Agreement, between the City, the HRA and the Borrower, (the "ARPA and Pooled TIF Loan Agreement") which includes authorization of the ARPA Funds in an aggregate principal amount of up to of \$2,534,489, in substantially the form on file with the Executive Director, together with any related documents necessary in connection therewith, including, without limitation, all documents, exhibits, certifications or consents referenced in or attached to the ARPA and Pooled TIF Loan Agreement including, without limitation, a

promissory note, mortgage, assignment of rents and leases, and a disbursing agreement and any subordinations, assignments or consents necessary in connection with the Developer's financing, (collectively, the "ARPA and Pooled TIF Loan Documents").

8. The City's Mayor or Deputy Mayor; Director, Department of Planning and Economic Development; and Director, Office of Financial Services (the "Authorized Officials") are hereby authorized to execute and deliver the ARPA and Pooled TIF Loan Documents to which the City is a party.

The approval hereby given to the ARPA and Pooled TIF Loan Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate as determined by the parties thereto and approved by the Saint Paul City Attorney, the appropriate City staff person or by the officers authorized herein to execute or accept, as the case may be, said documents prior to their execution; and said officers or staff members are hereby authorized to approve said changes on behalf of the City. The execution of any instrument by the appropriate officer or officers of the City herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Council by such officer or officers of the City as, in the opinion of the Saint Paul City Attorney, may act in their behalf.

9. Nothing in this Resolution or the documents prepared pursuant hereto shall authorize the expenditure of any municipal funds on the Project other than ARPA funds described in Section 7 hereof. 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 the 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 the HRA within the meaning of any constitutional or statutory limitation.

10. 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.

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