

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS

DATE: FEBRUARY 14, 2024

**REGARDING: APPROVAL OF THE TRANSFER OF FUNDS FROM THE CITY OF SAINT
PAUL COST OF ISSUANCE ACCOUNT TO THE HOUSING AND
REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL.**

Requested Board Action

Approval of the transfer of \$1,500,000 from the Minneapolis – Saint Paul Cost of Issuance account to the HRA

Background

The Minneapolis – Saint Paul Housing Finance Board (the “Joint Board”) issued a number of single-family Mortgage Revenue Bonds (MRBs) from 2005 to 2011 to make affordable mortgages available through the CityLiving homeownership program (the program is no longer active/making new loans). The Joint Board has a Cost of Issuance (COI) trust account with Wells Fargo that is funded with interest and fees associated with CityLiving loans. Each city has a COI sub-account, into which funds are directed according to each city’s original bond issuance.

In accordance with the Joint Board governing documents, the funds are used to pay bond counsel fees, costs associated with administering the City’s Housing Tax Credit program, audits, program training, and other related expenses.

HRA staff have analyzed the funding needs to operate these programs and determined that \$1.5 million of the Saint Paul COI sub-account balance may be made available to help address affordable housing needs in the City of Saint Paul. On December 6, 2023, the Joint Board approved a request from HRA staff to transfer the funds to the HRA account. The HRA must accept these funds before they can be allocated to specific affordable housing needs.

Budget Action

The attached Financial Analysis amends the 2024 HRA budget.

Future Action

If the transfer of the funds is approved, staff will allocate funds to affordable housing projects based on specific needs and seek HRA Board approval for each project that would receive the allocation.

Recommendation:

The Executive Director recommends that the HRA Board approve the transfer of funds from the City of Saint Paul Cost of Issuance account to the Housing and Redevelopment Authority of the City of Saint Paul.

Sponsored by: Chair Rebecca Noecker

Staff: Jules Atangana, 651-266-6660

Attachments:

- **Financial Analysis**