

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

**REPORT TO THE COMMISSIONERS**

**DATE: FEBRUARY 4, 2026**

**REGARDING: RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF CONDUIT  
HEALTH CARE REVENUE BONDS UNDER MINNESOTA STATUTES,  
SECTIONS 469.152 THROUGH 469.1655, FOR THE EPISCOPAL HOMES  
OBLIGATED GROUP (THE WILLOWS PROJECT), 80 MACKUBIN  
STREET AND APPROVING RELATED DOCUMENTS; DISTRICT 8,  
WARD 1**

## **Requested Board Action**

The requested action includes a public hearing and approval for the HRA to issue up to \$18,000,000 in conduit revenue bonds for the benefit of Episcopal Homes of Minnesota, a Minnesota nonprofit corporation, to acquire an existing 58-unit senior living property located at 80 Mackubin Street (the “Project”). The proceeds of the “Series 2026 Bonds” will be used to finance the Project. The proposed issuance includes a request for a waiver of our minimum bond denominations consistent with past approval for Episcopal Homes of Minnesota.

## **Background**

Episcopal Homes is a Saint Paul based not-for-profit Senior Housing and Care Provider with roots dating back to 1894. They offer a variety of services including memory care, assisted living, senior living, end of life care, and transitional care. Episcopal Homes of Minnesota and their affiliates own and operate multiple senior housing facilities at a consolidated campus located at the corner of University and Fairview Avenues. There are currently seven housing developments with various levels of care, services, and income qualifications. These seven developments include: 1) Episcopal Church Homes, an 131-unit skilled nursing facility and short-term transitional rehabilitative care; 2) Iris Park Commons, a 59-unit facility with assisted living units, which includes 10 subsidized affordable homes with services; 3) The Gardens, a 60-unit skilled nursing and memory care facility; 4) The Terrace at Iris Park, a 58-unit facility offering market rate senior housing; 5) Cornelia House, a 47-unit independent living facility blending market rate and subsidized homes; 6) Seabury, a 50-unit affordable independent living project financed with HUD 202 funding; and 7) Midway Pointe, a 59-unit affordable independent living facility financed with

HUD 202 funding. Each of the seven buildings are owned, managed, and operated by affiliates of Episcopal Homes of Minnesota.

Over the years, the HRA has issued multiple conduit revenue bonds involving Episcopal Homes of Minnesota, the following two issuances remain outstanding:

1. Series 2021A/B, \$14,800,000 issued to refund prior HRA issued bonds relating to the first two projects listed, \$12,800,000 remains outstanding (Series 2021A only)
2. Series 2013, \$26,860,000 issued to finance the 3rd and 4th projects listed, \$23,060,000 remains outstanding

The Borrower has applied to the HRA to issue conduit revenue bonds to finance the acquisition of an existing 58-unit facility located at 80 Mackubin Street (a map is attached). The Project property is zoned RM-2 in District 8 (the profile of the planning district is attached); the zoning permits the existing land uses.

The Project site is in the Cathedral Hill neighborhood of Saint Paul three blocks north of Summit Avenue. The Project known as The Willows of Ramsey Hill is a 58-unit Assisted Living and Memory Care facility that serves seniors with dementia, Alzheimer's, and other memory loss. The Willows Facility was constructed in 1896 and operated formerly as a nursing home with an adjacent hotel, which were completely renovated in 2014 and received a certificate of occupancy in April 2015. Residents of the Willows require a physician's order to receive memory care and reside at the Willows Facility. Episcopal Homes desired to acquire this facility to expand their presence in the city and add memory care units to their continuum of care. The current Episcopal Homes waitlist for memory care services is approximately 100 individuals, with 45 of those ready to move within the next year.

The requested financing for The Willows of Ramsey Hill acquisition will occur under the existing Master Trust Indenture (MTI) established in 2021 and the Project will be the third Obligated Group Member under the MTI. The Series 2026 Bonds will be secured on a parity with the Series 2021A Bonds.

## **Budget Action**

**This is a conduit bond issue.** The Series 2026 Bonds shall not constitute an indebtedness, liability, general or moral obligation, or pledge of the faith or credit or taxing power of the HRA, City of Saint Paul, or any agency or political subdivision thereof, and shall not constitute indebtedness of any of the foregoing within the meaning of any constitutional, statutory, or charter provision, nor be a charge against their respective general assets, credit or taxing powers, and do not grant the owners or holders of the bonds any right to have the HRA, City of Saint Paul or any agency or political subdivision thereof to levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Principal and interest on the Series 2026 Bonds are payable solely out of the revenues and other sources pledged to the payment thereof as described in the bond documents.

## **Future Action**

The City Council will be considering a companion resolution on this same date.

## **Financing Structure**

The Series 2026 Bonds will be underwritten by Colliers Securities LLC, will be unrated, fixed rate obligations, and will be sold through a negotiated public offering to a mix of high net worth, middle market and institutional investors.

The underwriter, on behalf of the Borrower, has requested a waiver of our minimum bond denomination policy for unrated bonds. Our conduit bond policy would require the unrated bonds to be sold in \$100,000 minimum denominations, and they are requesting \$25,000 minimum denominations. The Series 2026 Bonds will be secured on a parity with the 2021A Bonds, which were issued with \$25,000 minimum denomination, requiring Investors Letters.

The minimum denominations are set by the PED Credit Committee, to ensure that only sophisticated investors hold any conduit revenue bond issued by the HRA and that they understand that neither the City nor HRA is backing the repayment. The underwriter has represented to the HRA that the ability to sell the bonds with the lower denominations will result in lower interest rates and lower financing costs strengthening the organization. Staff supports the requested waiver

and considers the request reasonable to benefit the City of Saint Paul through the acquisition of the existing senior living facility into an organization with a deep history and commitment to offering housing and care to seniors for over 130 years.

The estimated interest rate is 6% with a proposed final maturity of 11/1/2057 (31.5-year term). The projected annual principal and interest payments are \$1.07 million. The proposed sources and uses are shown below.

<b>Sources of Funds</b>	<b>Amount</b>
Proceeds of Series 2026 Bonds	\$15,430,000
Borrower Equity	\$1,500,000
<b>Total Sources of Funds</b>	<b>\$16,930,000</b>

<b>Uses of Funds</b>	<b>Amount</b>
Purchase Price	\$15,000,000
Bond Costs of Issuance & Real Estate Costs	\$567,525
Working Capital Fund	\$250,000
Debt Service Reserve Fund	\$1,110,400
Miscellaneous	2,075
<b>Total Uses of Funds</b>	<b>\$16,930,000</b>

### **PED Credit Committee Review**

The PED Credit Committee reviewed and approved the proposal for conduit bonds on January 20, 2026, including the requested waiver of the minimum bond denominations for unrated bonds.

### **Compliance**

Episcopal Homes of Minnesota, on behalf of the Borrowers has acknowledged receiving notice of the City/HRA compliance requirements that may be applicable to the proposed financing. There is no construction associated with the Project and therefore the only compliance required is Affirmative Action, Chapter 183.04 for the Borrowers.

## **Green/Sustainable Development**

N/A

## **Environmental Impact Disclosure**

N/A

## **Historic Preservation**

The Project is in the locally designated Historic Hill District. The proposed HRA financing only includes acquisition, however, any future exterior work, including construction or demolition, must be reviewed prior to release of a building permit.

## **Public Purpose/Comprehensive Plan Conformance:**

The public purpose is providing continued access to 58 housing units for seniors. Episcopal Homes of Minnesota employs over 630 persons in their Saint Paul facilities. The Project site currently employs 33 FTE employees and Episcopal Homes will invite all existing staff members to continue with their organization.

The Project site is zone RM-2 and the existing land uses conform to the City's 2040 Comprehensive Plan.

## **Statement of Chairman (for Public Hearing)**

“Being duly authorized by the Board of Commissioners to conduct this Public Hearing, the hearing is now open. This is a Public Hearing called for the purpose of approving the issuance of approximately \$18,000,000 in conduit revenue bonds by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA) for Episcopal Homes of Minnesota. Notice of time, place, and purpose of this hearing was published in the Pioneer Press, the official newspaper of the Authority on the 24<sup>th</sup> of January 2026. The Affidavit of Publication of the Notice of Public Hearing will be made a part of these proceedings. Is there anyone who wishes to be heard on this matter? If not, the Chair will declare this Public Hearing adjourned.”

**Recommendation:**

The HRA Executive Director recommends approval of the resolution which authorizes the issuance of up to \$18,000,000 in conduit revenue bonds for Episcopal Homes of Minnesota and the execution of related documents.

**Sponsored by: Commissioner Bowie**

**Staff:** Jenny Wolfe, 266-6680

**Attachment**

- **Map**
- **District Profile**