

HENNEPIN COUNTY

MINNESOTA

FINAL BOARD AGENDA

BOARD OF HENNEPIN COUNTY COMMISSIONERS
HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
THURSDAY, DECEMBER 6, 2018
1:30 PM

Chair: Linda Higgins, District 2
Vice-Chair: Debbie Goettel, District 5
Members: Mike Opat, District 1
Marion Greene, District 3
Peter McLaughlin, District 4
Jan Callison, District 6
Jeff Johnson, District 7

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1. **Approval of the Agenda**
 2. **Public Hearing**
 - A. Receive comment on the proposed sale of 2947 Thomas Avenue North
 3. **Minutes from Previous Meeting**
 - A. 11/15/18 Meeting Minutes
 4. **Claims Register**
 - A. **18-HCHRA-0037**
Claims Register for the period ending November 15, 2018
 5. **New Business**
 - A. **18-HCHRA-0038**
Neg Agmt A189321 with MN Housing for the Healthy Homes Assistance Project, 12/01/18-12/31/20, \$75,000 (recv)
 - B. **18-HCHRA-0039**
Neg Agmt A189323 with MN Housing for the MN Cities Participation Program, 01/01/19-12/31/19, no county cost
 - C. **18-HCHRA-0040**
Preliminary approval to issue one or more tax-exempt multifamily housing revenue bonds for an affordable housing project at 500 S 3rd St, Mpls; authorization to apply for allocation of issuance authority
 - D. **18-HCHRA-0041**
Establish the Client-based Housing program as a capital project in the 2019 Hennepin County Housing and Redevelopment Authority budget

HENNEPIN COUNTY

MINNESOTA

MEETING MINUTES

Chair: Linda Higgins, District 2
Vice-Chair: Debbie Goettel, District 5

BOARD OF HENNEPIN COUNTY COMMISSIONERS
HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
THURSDAY, NOVEMBER 15, 2018
1:30 PM

Members: Mike Opat, District 1
Marion Greene, District 3
Peter McLaughlin, District 4
Jan Callison, District 6
Jeff Johnson, District 7

The Board of Commissioners of the Hennepin County Housing and Redevelopment Authority met in the Hennepin County Government Center on November 15, 2018. The meeting was called to order at 4:19 PM by Commissioner Linda Higgins, Chair. All Commissioners were present except Commissioner Peter McLaughlin who was absent.

1. Approval of the Agenda
APPROVED

Commissioner Debbie Goettel moved to approve the agenda, seconded by Commissioner Mike Opat and approved - 6 Yeas 1 Absent: McLaughlin

2. Minutes from Previous Meeting

A. 10/02/2018 HRA Minutes

APPROVED

Commissioner Jan Callison moved to approve the Minutes, seconded by Commissioner Linda Higgins and approved - 6 Yeas 1 Absent: McLaughlin

3. New Business

A. **18-HCHRA-0032**

Establish a meeting of the Housing and Redevelopment Authority on Tuesday, December 11, 2018

BE IT RESOLVED, that a meeting of the Hennepin County Housing and Redevelopment Authority Board (HCHRA) be held on Tuesday, December 11, 2018, at 1:30 p.m., or as soon thereafter as practicable, in room A-2400 of the Hennepin County Government Center, in the city of Minneapolis.

ADOPTED

Commissioner Jan Callison moved to adopt the Resolution, seconded by Commissioner Debbie Goettel and approved - 6 Yeas 1 Absent: McLaughlin

B. **18-HCHRA-0033**

Neg Amd 1 to Agmt A166355 with MN Housing for the Healthy Homes Assistance Project, extend contract period to 03/26/19, no change in recv of \$75,000

BE IT RESOLVED, that the Executive Director be authorized to negotiate Amendment 1 to Agreement A166355 with the Minnesota Housing Finance Agency to provide funding for the Healthy Homes Assistance project, extending the contract period from December 31, 2018 to March 26, 2019, with no change in the estimated receivable amount of \$75,000; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the Amendment on behalf of the Authority; and that the Controller be authorized to accept and disburse funds as directed.

ADOPTED

Commissioner Debbie Goettel moved to adopt the Resolution, seconded by Commissioner Marion Greene and approved - 6 Yeas 1 Absent: McLaughlin

C. **18-HCHRA-0034**

Neg Agmt PR00000631 with City of Bloomington HRA to provide matching gap funding for construction of a new single-family home on a tax forfeit lot, 11/15/18- 12/31/19, NTE \$35,000

BE IT RESOLVED, that the Executive Director be authorized to negotiate Agreement PR00000631 with the City of Bloomington Housing and Redevelopment Authority to provide one-to-one matching gap funding for construction of a new single-family home on a tax forfeit lot located at 10508 Xerxes Avenue, Bloomington, during the period November 15, 2018 through December 31, 2019, with the not to exceed amount of \$35,000; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreement and related documents on behalf of the Authority; and that the Controller be authorized to disburse funds as directed.

ADOPTED

Commissioner Debbie Goettel moved to adopt the Resolution, seconded by Commissioner Marion Greene and approved - 6 Yeas 1 Absent: McLaughlin

D. 18-HCHRA-0035

Authorization to acquire 2947 Thomas Ave N in Mpls, NTE \$145,000; establish a public hearing on 12/6/18 on the proposed sale of 2947 Thomas Ave N to City of Lakes Community Land Trust

BE IT RESOLVED, that the acquisition of 2947 Thomas Avenue North in the City of Minneapolis, (PID 08-029-24-42-0005), legally described as Lot 4, Block 3, Gardner's Addition to Minneapolis, (Torrens property, Certificate of Title No. 1424963) by the Hennepin County Housing and Redevelopment Authority from the Hennepin County Resident and Real Estate Services Department, during the period November 15, 2018 through December 31, 2018, in consideration of a total amount not to exceed \$145,000, be authorized; that the Chair and the Executive Director be authorized to execute all related conveyance documents on terms they deem appropriate and meeting the public purpose of increasing the supply of affordable housing on behalf of the Authority; and that the Controller be authorized to accept and disburse any funds as directed pursuant to the conveyance; and

BE IT FURTHER RESOLVED, that a public hearing to obtain public comment on the proposed sale of 2947 Thomas Avenue North, Minneapolis, to the City of Lakes Community Land Trust be held before the Hennepin County Housing and Redevelopment Authority on Thursday, December 6, 2018 at 1:30 p.m., or as soon thereafter as practicable, in Room A-2400 of the Hennepin County Government Center, Minneapolis and that the Clerk of the Board shall publish notice of the hearing, in substantially the form attached hereto as Exhibit A in Finance and Commerce, the official newspaper of Hennepin County at least once, 15 days prior to the date of the public hearing.

18-HCHRA-0035 R1 Revised

Authorization to acquire 2947 Thomas Ave N in Mpls, NTE \$147,000; establish a public hearing on 12/6/18 on the proposed sale of 2947 Thomas Ave N to City of Lakes Community Land Trust

BE IT RESOLVED, that the acquisition of 2947 Thomas Avenue North in the City of Minneapolis, (PID 08-029-24-42-0005), legally described as Lot 4, Block 3, Gardner's Addition to Minneapolis, (Torrens property, Certificate of Title No. 1424963) by the Hennepin County Housing and Redevelopment Authority from the Hennepin County Resident and Real Estate Services Department, during the period November 15, 2018 through June 30, 2019, in consideration of a total amount not to exceed \$147,000, be authorized; that the Chair and the Executive Director be authorized to execute all related conveyance documents on terms they deem appropriate and meeting the public purpose of increasing the supply of affordable housing on behalf of the Authority; and that the Controller be authorized to accept and disburse any funds as directed pursuant to the conveyance; and

BE IT FURTHER RESOLVED, that a public hearing to obtain public comment on the proposed sale of 2947 Thomas Avenue North, Minneapolis, to the City of Lakes Community Land Trust be held before the Hennepin County Housing and Redevelopment Authority on Thursday, December 6, 2018 at 1:30 p.m., or as soon thereafter as practicable, in Room A-2400 of the Hennepin County Government Center, Minneapolis and that the Clerk of the Board shall publish notice of the hearing, in substantially the form attached hereto as Exhibit A in Finance and Commerce, the official newspaper of Hennepin County at least once, 15 days prior to the date of the public hearing.

ADOPTED

Commissioner Debbie Goettel moved to adopt the Resolution, seconded by Commissioner Marion Greene and approved - 6 Yeas 1 Absent: McLaughlin

E. 18-HCHRA-0036

Neg Amd 5 to Agmt A111093 with Lyndale Gardens, LLC, to modify loan terms, extend contract period to 12/31/23; Neg Amd 1 to Agmt A165446 with City of Mpls, extend contract period to 12/31/19

BE IT RESOLVED, that the Executive Director be authorized to negotiate Amendment 5 to Agreement A111093 with Lyndale Gardens, LLC for the Lyndale Garden Center project, extending the contract period from December 31, 2018 to December 31, 2023, reducing the outstanding loan principal from \$850,000 to \$500,000, and modifying repayment terms accordingly; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the amendment and related documents on behalf of the Authority; and that the Controller be authorized to accept and disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to negotiate Amendment 1 to Agreement A165446 with the City of Minneapolis for the Green Fourth Street project, extending the contract period from December 31, 2018 to December 31, 2019 with no change in the not to exceed amount of \$485,000; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the amendment and related documents on behalf of the Authority; and that the Controller be authorized to accept and disburse funds as directed.

ADOPTED

Commissioner Debbie Goettel moved to adopt the Resolution, seconded by Commissioner Marion Greene and approved - 6 Yeas 1 Absent: McLaughlin

4. Adjournment

Commissioner Linda Higgins adjourned the Hennepin County Housing and Redevelopment Authority at 4:23 PM until Tuesday December 11, 2018.

Yolanda C Clark
Deputy Clerk to the Board

Contracting opportunities can be found on the Hennepin County website: www.hennepin.us

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 18-HCHRA-0037

Item Description:

Claims Register for the period ending November 15, 2018

Resolution:

BE IT RESOLVED, that the Claims Register for the period ending November 15, 2018 be approved/ratified.

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
Claims Register for the period ending November 15, 2018	11/28/2018	Claims

HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

Period Ending November 15, 2018

ACCOUNT NAME	VENDOR NAME	AMOUNT
Advertising	Finance and Commerce	\$ 728.34
Consulting	Ehlers	\$ 1,181.25
Membership Fees	NACCED (National Association for County Community and Economic Development)	\$ 2,850.00
Membership Fees	Minnesota National Association of Housing and Redevelopment Officials (NAHRO)	\$ 360.00
Other Services General	City of Minneapolis	\$ 149.98
		\$ 5,269.57

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 18-HCHRA-0038

Item Description:

Neg Agmt A189321 with MN Housing for the Healthy Homes Assistance Project, 12/01/18-12/31/20, \$75,000 (recv)

Resolution:

BE IT RESOLVED, that that the Executive Director be authorized to negotiate Agreement A189321 with the Minnesota Housing Finance Agency accepting Healthy Homes Assistance project funding during the period December 1, 2018 through December 31, 2020, in the estimated receivable amount of \$75,000; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreement and related documents on behalf of the Authority; and that the Controller be authorized to accept and disburse funds as directed; and

BE IT FURTHER RESOLVED, that sponsorship and acceptance of grant funding for the program by the Hennepin County Housing and Redevelopment Authority (HCHRA) Board of Commissioners does not imply a continued commitment by the HCHRA for these programs when grant funds are no longer available.

Background:

History: In June 2018, the Minnesota Housing Finance Agency (Minnesota Housing) accepted proposals to maintain and increase the supply of affordable owner-occupied housing. The Hennepin County Housing and Redevelopment Authority (HCHRA) submitted a successful application for its Healthy Homes Assistance project.

The Healthy Homes Assistance project was awarded \$75,000 to continue the HCHRA's work to help address health and safety hazards in residents' homes. The award will be used to assist at least 14 homeowners in addressing emergency health and safety repairs, hazards in manufactured homes, or repairs such as radon mitigation and fall prevention. This is the third award from Minnesota Housing for the Healthy Homes Assistance project.

Current Request: This request seeks authorization to negotiate Agreement A189321 with Minnesota Housing Finance Agency for the Healthy Homes Assistance project during the period December 1, 2018 through December 31, 2020, in the receivable amount of \$75,000.

Impact/Outcomes: Approval of this agreement will provide health and safety repairs for 14 homes.
Grant IDs: CON000000000690

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
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HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 18-HCHRA-0039

Item Description:

Neg Agmt A189323 with MN Housing for the MN Cities Participation Program, 01/01/19-12/31/19, no county cost

Resolution:

BE IT RESOLVED, that the Executive Director be authorized to negotiate Agreement A189323 with the Minnesota Housing Finance Agency for the Minnesota Cities Participation Program to support first-time homebuyer loans in suburban Hennepin County during the period January 1, 2019 through December 31, 2019; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreement and related documents on behalf of the Authority.

Background:

History: The Hennepin County Housing and Redevelopment Authority (HCHRA) has participated in the Minnesota Cities Participation Program (MCP) since 1997. Through the MCP, the Minnesota Housing Finance Agency (Minnesota Housing) sells mortgage revenue bonds on behalf of city and county housing and redevelopment authorities, port authorities and economic redevelopment authorities (except for communities receiving direct entitlement of bonding authority, such as the City of Minneapolis). The proceeds of these bonds provide below-market interest rate home mortgage loans for low and moderate-income first-time homebuyers.

Participating private mortgage lenders originate home mortgage loans, which Minnesota Housing buys in accordance with the Minnesota Housing Mortgage Program Procedural Manual. MCP mortgages must meet the requirements of standard mortgage insuring and guaranteeing entities, underwriting standards accepted by the mortgage industry, and state and federal laws governing mortgages provided through the issuance of mortgage revenue bonds.

Borrower household income may not exceed certain limits, which are currently \$94,300 for a one or two-person household. The maximum sales price for a property is currently set at \$328,200.

Minnesota Housing provides marketing support in the form of first-time homebuyer brochures and inserts, press releases and advertising templates. Minnesota Housing absorbs all program underwriting costs and risks of bond issuance. HCHRA staff time is primarily limited to completing the application and monitoring fund usage.

The MCP program is widely used in suburban Hennepin County, with over 600 residents accessing more than \$118 million to purchase homes through the program so far this year. The average loan was \$194,674.

To continue participation in the MCP, the HCHRA must enter into a commitment agreement with Minnesota Housing.

Current Request: Negotiate Agreement A189323 with the Minnesota Housing Finance Agency to participate in the MCP during the period January 1, 2019 through December 31, 2019.

Impact/Outcomes: Approximately 500 Hennepin County first-time homeowners will receive below-interest

mortgages through the MCPP in 2019.

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 18-HCHRA-0040

Item Description:

Preliminary approval to issue one or more tax-exempt multifamily housing revenue bonds for an affordable housing project at 500 S 3rd St, Mpls; authorization to apply for allocation of issuance authority

GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS (PORTLAND AT THIRD PROJECT); AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR AN ALLOCATION OF BONDING AUTHORITY UNDER MINNESOTA STATUTES, CHAPTER 474A; AUTHORIZING THE PREPARATION OF A HOUSING PROGRAM PURSUANT TO MINNESOTA STATUTES, CHAPTER 462C; AND CALLING FOR A PUBLIC HEARING AND AUTHORIZING PUBLICATION OF A NOTICE OF PUBLIC HEARING

WHEREAS, the Hennepin County Housing and Redevelopment Authority (the “Issuer” or “HCHRA”) is a housing and redevelopment authority and a public body corporate and politic duly organized and existing under the Constitution and laws of the State of Minnesota; and

WHEREAS, pursuant to Minnesota Statutes, Chapter 462C, as amended (the “Housing Act”), the Issuer is authorized to carry out the public purposes described in the Housing Act by issuing revenue bonds or other obligations to finance or refinance multifamily housing developments, and as a condition to the issuance of such revenue bonds, adopt a housing program providing the information required by Section 462C.03, subdivision 1a of the Housing Act; and

WHEREAS, in the issuance of revenue bonds to finance multifamily housing developments, the Issuer may exercise within its corporate limits any of the powers the Minnesota Housing Finance Agency may exercise under Minnesota Statutes, Chapter 462A, as amended, without limitation under the provisions of Minnesota Statutes, Chapter 475, as amended; and

WHEREAS, Portland at Third Limited Partnership, a Minnesota limited partnership (or its affiliates or assigns, the “Borrower”), submitted an application to the Issuer requesting the issuance of one or more series of multifamily housing revenue bonds or other obligations (the “Bonds”), in an aggregate principal amount not to exceed \$16,000,000, under the provisions of the Housing Act to assist in the financing of the acquisition, construction, and equipping of an approximately 90-unit multifamily rental housing development and facilities functionally related and subordinate thereto, located at 500 S. 3rd Street, Minneapolis, within Hennepin County (the “County”), for occupancy by persons and families of low- and- moderate- income (the “Project”). The Project will be part of a comprehensive, mixed-use development to be located on the land (the “Development”). The Development will be subdivided, and other portions of the Development may be owned by parties other than the Borrower. The proceeds of the Bonds will only be used to finance the Project; and

WHEREAS, under Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), prior to the issuance of the Bonds a public hearing duly noticed must be held by the Board of Commissioners of the HCHRA (the “Board”). Under Section 462C.04, subdivision 2 of the Housing Act, a public hearing must be held on a housing program with respect to the Project (the “Housing Program”) after one publication of notice in a newspaper circulating generally in the County, at least 15 days before the hearing; and

WHEREAS, under Section 146 of the Code, the Bonds must receive an allocation of the bonding authority of

the State of Minnesota, and an application for such an allocation must be made pursuant to the requirements of Minnesota Statutes, Chapter 474A, as amended (the "Allocation Act"); and

WHEREAS, the Board may grant preliminary approval to the issuance of the Bonds to finance the multifamily housing development referred to in the Housing Program, and may authorize the submission of an application to the State of Minnesota Department of Management and Budget ("MMB") for an allocation of bonding authority with respect to the Bonds to finance the Project in accordance with the requirements of Section 146 of the Code and the Allocation Act.

Resolution:

BE IT RESOLVED, that the Board hereby approves the following:

1. The Project and the issuance of the Bonds therefore, in one or more series of tax exempt or taxable bonds in an amount not to exceed \$16,000,000 are hereby given preliminary approval by the Issuer, subject to mutual agreement of the Issuer, the Borrower, and the initial purchaser of the Bonds as to the details of the Bonds and provisions for their payment. In all events, it is understood, however, that the Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer, except the Issuer's interest in the loan agreement with the Borrower for the Project. The Bonds, when, as, and if issued, shall recite in substance that the Bonds, including interest thereon, are payable solely from the revenues received from the Project and property and security pledged to the payment thereof, and shall not constitute general or moral obligations of the Issuer or the County; and
2. The Bonds will be payable solely from the revenues of the Project and other money and security, if any, provided by the Borrower, and the Bonds will not constitute or give rise to a pecuniary liability of the Issuer or of the County or a charge against the general credit, full faith and credit, or taxing powers of the Issuer or the County; and
3. No holder of any such Bonds shall ever have the right to compel any exercise of the taxing power of the Issuer or the County to pay the Bonds, or the interest thereon, nor to enforce payment against any property of the Issuer, except revenues of the Project to be paid to the Issuer and pledged to the Bonds; and
4. The Borrower may incur expenditures on the Project prior to the issuance of the Bonds therefore, and such expenditures may be reimbursed from proceeds of the Bonds, when, and if issued. This resolution shall constitute an "official intent" to reimburse such expenditures for purposes of Treasury Regulations, Section 1.150-2; and
5. The Executive Director and other officials, employees, and agents of the Issuer, with the assistance of the Borrower and Dorsey & Whitney LLP, in its capacity as bond counsel to the Issuer ("Bond Counsel"), are authorized and directed to prepare and submit an application to MMB for an allocation of bonding authority for the Project and the Bonds to be issued therefore in an amount not to exceed \$16,000,000, pursuant to the Allocation Act; and
6. The Executive Director and other officers, employees and agents of the Issuer are hereby authorized to: (i) prepare the Housing Program in accordance with the requirements of the Act; (ii) submit the Housing Program to the Metropolitan Council for its review and comments in accordance with Section 462C.04, subdivision 2 of the Housing Act; and (iii) participate in the preparation and review of necessary documents relating to the Project and Bonds issued in connection therewith; and
7. The Borrower will be responsible for paying any and all costs incurred by the Issuer in connection with the Bonds and the Project, including reasonable costs that the Issuer may incur for legal counsel and any reasonable fees the Issuer may charge, whether or not the Project is carried to completion, and whether or not the Bonds or operative instruments are executed; and

8. The adoption of this resolution does not constitute a guaranty or firm commitment that the Issuer will issue the Bonds as requested by the Borrower. The Issuer retains the right, in its sole discretion, to withdraw from participation and accordingly not to issue the Bonds or issue the Bonds in an amount less than the amount referred to herein should the Issuer at any time prior to issuance thereof determine that it is in the best interest of the Issuer not to issue the Bonds, or to issue the Bonds in an amount less than the amount referred to herein, or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents required for this transaction; and
9. A public hearing on the Housing Program relating to the Project and the issuance of the Bonds shall be held before the Board on a date, and at a time and place, as is deemed appropriate by the Clerk of the Board. The Clerk of the Board shall publish notice of the public hearing, in substantially the form attached hereto as EXHIBIT A in Finance and Commerce, the official newspaper of the County. Bond Counsel is hereby directed to publish notice of the public hearing in the Star Tribune, a newspaper of general circulation in the County. The notice shall be published at least once, in each newspaper, at least 15 days prior to the date of the public hearing, but not more than 30 days prior to the date of the public hearing, and a copy of the Housing Program shall be submitted to the Metropolitan Council for review and comment on or before the date of publication of the notice.

Background:

History: Sherman Associates (the “Developer”), applied for housing revenue bond financing to assist in the construction of 90 affordable rental housing units (the “Project”) in the East Town neighborhood of Minneapolis. The Developer is based in Minneapolis. Once completed, the Project will contain a mix of studios, one-bedroom, and two-bedroom apartments. Seventy-two of the units will be affordable to households at or below 60 percent of area median income (AMI), as determined by the U.S. Department of Housing and Urban Development (HUD), and 18 units will be affordable to households at or below 50 percent of AMI. The Project will have 10 project-based Section 8 vouchers through the Minneapolis Public Housing Authority. The Project would remain affordable for a minimum period of 40 years.

The current 60% annual income limits established by HUD for Hennepin County range from \$39,660 for a 1-person household to \$56,580 for a 4-person household. The 50% annual income limits range from \$33,050 for a 1-person household to \$47,150 for a 4-person household.

The Project is a component of a larger multi-phase redevelopment that will include 222 market-rate apartments, 7,000 square feet of commercial space, structured parking, and a new City of Minneapolis fire station. Those components will be financed separately from the affordable housing. The Project site is about a quarter-mile from U.S. Bank Stadium Station, which includes Blue and Green Line light rail transit service.

The Project total development cost is expected to be approximately \$24 million dollars. The Developer is requesting Hennepin County Housing and Redevelopment Authority’s (HCHRA) preliminary approval to issue multifamily revenue bonds not to exceed \$16,000,000.

The bonds would be special limited obligations of the HCHRA, payable solely from the revenues specifically pledged by the Developer. In addition to the housing revenue bonds, proposed sources of funding include four percent low-income housing tax credits, tax increment financing through the City of Minneapolis, state and/or local affordable housing gap funding (potentially including the HCHRA’s Affordable Housing Incentive Fund (AHIF) or Transit Oriented Development (TOD) funding), and developer equity.

The Project meets the guidelines for conduit financing, as established by Resolution No. 02-HCHRA-32, and will provide 90 units of long-term affordable housing. The request is also consistent with previous HCHRA multifamily housing revenue bond actions for the A-Mill, Village Green, and Millworks Lofts apartment projects.

Current Request: This request is for preliminary approval to issue multifamily housing revenue bonds not to exceed \$16,000,000 for the Portland at Third Apartments at 500 South 3rd Street, Minneapolis.

Impact/Outcomes: Issuance of multifamily housing revenue bonds will create 90 housing units, with 72 units serving households at or below 60 percent of area median income and 18 units serving households at or below 50 percent of area median income.

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
Exhibit A Public Hearing Notice	11/30/2018	Backup Material

EXHIBIT A

NOTICE OF PUBLIC HEARING ON THE ISSUANCE OF REVENUE BONDS TO FINANCE A MULTIFAMILY RENTAL HOUSING DEVELOPMENT UNDER MINNESOTA STATUTES, CHAPTER 462C, AS AMENDED

NOTICE IS HEREBY GIVEN that the Board of Commissioners (the “Board”) of the Hennepin County Housing and Redevelopment Authority (the “HCHRA”) will hold a public hearing on [Tuesday], [_____] [___], 20[___], commencing on or after [1:30] p.m. in the Hennepin County Commissioner Board Room (A-2400) at the Hennepin County Government Center, 300 South Sixth Street, in the City of Minneapolis (the “City”), to consider a housing program (the “Housing Program”) prepared under the provisions of Minnesota Statutes, Chapter 462C, as amended (the “Act”), for the issuance by the HCHRA of revenue bonds or other obligations (the “Bonds”) to finance a multifamily housing development located within Hennepin County (the “County”). The Bonds are proposed to be issued in an aggregate principal amount not to exceed \$16,000,000. The Bonds may be issued in one or more series of tax-exempt or taxable obligations.

The project proposed to be financed under the Housing Program consists of the acquisition, construction, and equipping of an approximately 90-unit multifamily rental housing development and facilities functionally related and subordinate thereto, located at 500 S. 3rd Street, Minneapolis, within the County, for occupancy by persons and families of low-and- moderate income (the “Project”). The Project will be developed and initially operated by Portland at Third Limited Partnership, a Minnesota limited partnership, or its affiliates or assigns. The Bonds will be issued by the HCHRA and will be a special, limited obligation of the HCHRA payable solely from the revenues pledged to the payment thereof. The Bonds will not constitute a general or moral obligation of the HCHRA, the County, or the State of Minnesota or any political subdivision thereof, and will not be secured by any taxing powers of the HCHRA or the County or other assets of the HCHRA (other than the interests of the HCHRA in the Project) or the County.

At said time and place all parties who appear shall be given an opportunity to express their views with respect to the Housing Program and the proposal to issue the Bonds to finance the Housing Program and the Project.

For further information, please contact Spencer Agnew, Housing Development and Finance, 612-348-2205.

Dated: [date of publication]

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 18-HCHRA-0041

Item Description:

Establish the Client-based Housing program as a capital project in the 2019 Hennepin County Housing and Redevelopment Authority budget

Resolution:

BE IT RESOLVED, that the Hennepin County Housing and Redevelopment Authority's (HCHRA) Capital-Client-based Housing program (843400) be identified as a program in the 2019 HCHRA Fund 37 Special Projects budget (HRA: Client-based Housing CP 1006848) with \$2,000,000 in funding authorized by Resolution 18-HCHRA-0026R1 to support capital assistance to client-focused housing projects that preserve and expand the supportive housing system; and

BE IT FURTHER RESOLVED, that staff be directed to award funding requests after joint review and evaluation with Hennepin County Health and Human Services based on population need, cost reasonableness, return on investment, and system enhancement; and present contract and funding recommendations to the HCHRA Board as necessary.

Background:

History: Lack of affordable housing in Hennepin County is most acute for households earning less than 50 percent of area median income—with 75 percent (approximately 98,000 out of 134,000) of households in this income strata paying more than 30 percent of gross household income towards housing (including almost one-half (approximately 60,000 out of 134,000) paying more than 50 percent towards housing).

A majority of Hennepin County Human Service clients fall within the cost-burdened income ranges described above. In addition, many of these residents require specialized supportive housing that is in short supply and high demand.

Specialized supportive housing projects often require capital funding commitments beyond the reach of normal affordable housing programs. As a result, housing unit production may take longer than average placing ongoing strains on residents, service providers, and the county network.

Funding support for these projects will be awarded after joint review and evaluation with Hennepin County Health and Human Services based on population need, cost reasonableness, return on investment, and system enhancement.

Current Request: This request is for authorization to establish the Client-based Housing program as a capital project in the 2019 Hennepin County Housing and Redevelopment Authority budget.