

HENNEPIN COUNTY

MINNESOTA

FINAL BOARD AGENDA

BOARD OF HENNEPIN COUNTY COMMISSIONERS HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

TUESDAY, JULY 23, 2019

1:30 PM

Chair: Irene Fernando, District 2

Vice-Chair: Debbie Goettel, District 5

Members: Mike Opat, District 1

Marion Greene, District 3

Angela Conley, District 4

Jan Callison, District 6

Jeff Johnson, District 7

1. Approval of the Agenda

2. Minutes from Previous Meeting

- A. 6/11/19 HRA Meeting Minutes

3. Claims Register

- A. **19-HCHRA-0027**

Claims Register for the period ending June 28, 2019

4. New Business

- A. **19-HCHRA-0028**

Establish a public hearing on Tuesday, August 20 at 1:30 p.m. for public comment on the issuance of one or more tax-exempt multifamily housing revenue bonds for an affordable housing project at 114 5th St SE, Mpls

- B. **19-HCHRA-0029**

Neg Agmt PR00001314 with the City of Brooklyn Park for a Qualitative Study of Evictions, 07/01/19–06/30/20, NTE \$15,000

- C. **19-HCHRA-0030**

Agmts with Dakota, Ramsey and Scott counties for CEO Next Business Institute, total recv \$450,000; Agmt PR00001289 with Edward Lowe Foundation for CEO Next Business Institute, 07/23/19-06/30/23, NTE \$720,000; PR00001277 with MCCD for Open to Business, 07/23/19-12/31/22, NTE \$405,000

HENNEPIN COUNTY

MINNESOTA

MEETING MINUTES

BOARD OF HENNEPIN COUNTY COMMISSIONERS HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

TUESDAY, JUNE 11, 2019
1:30 PM

Chair: Irene Fernando, District 2
Vice-Chair: Debbie Goettel, District 5

Members: Mike Opat, District 1
Marion Greene, District 3
Angela Conley, 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 June 11, 2019. The meeting was called to order at 3:46 PM by Commissioner Fernando, Chair. All Commissioners were present, with the exception of Commissioner Greene, who was absent.

1. Approval of the Agenda APPROVED

Commissioner Jeff Johnson moved to approve the agenda, seconded by Commissioner Debbie Goettel and approved - 6 Yeas 1 Absent: Greene

2. Public Hearing

- A. Public Comment on the sale of residential land within the Lake and Hiawatha redevelopment project to L&H Station Development

Commissioner Irene Fernando opened the Public Hearing at 3:49 PM. Being that no individuals came forward to testify, the Public Hearing was closed at 3:49 PM.

3. Minutes from Previous Meeting

- A. Minutes 5-14-2019

APPROVED

Commissioner Angela Conley moved to approve the Minutes, seconded by Commissioner Jan Callison and approved - 6 Yeas 1 Absent: Greene

4. New Business

- A. 19-HCHRA-0023

Authorize the conveyance of property located at 2225 Lake St E, Mpls (HSPHD South Mpls Regional Service Center, retail, transit plaza, and associated parking) to Hennepin County

BE IT RESOLVED, that the Hennepin County Housing and Redevelopment Authority (HCHRA) authorizes conveyance to Hennepin County of Tracts A, B, C, D, E, F, G, and M, in a registered land survey to be recorded, located at 2225 Lake Street East, Minneapolis (also known as the HSPHD South Minneapolis Regional Service Center, retail, transit plaza, and associated parking); and that following the review and approval by the County Attorney's Office, the Chair be authorized to sign all documents associated with the conveyance on behalf of the authority; and

BE IT FURTHER RESOLVED, that the HCHRA authorizes conveyance to the State of Minnesota (Minnesota Department of Transportation) Tract L, in a registered land survey to be recorded, located at 2225 Lake Street East, Minneapolis; and that following the review and approval by the County Attorney's Office, the Chair be authorized to sign all documents associated with the conveyance on behalf of the authority.

ADOPTED

Commissioner Angela Conley moved to adopt the Resolution, seconded by Commissioner Jan Callison

and approved - 6 Yeas 1 Absent: Greene

B. 19-HCHRA-0024

Neg Amd 1 to Agmts A177673 with MN Housing for an operating subsidy program grant for Park Avenue Apts, incr rcv to \$111,000, and A177674 with MN Housing to assign the operating subsidy grant to Lutheran Social Service, extend both contract dates to 12/31/20

BE IT RESOLVED, that the Executive Director be authorized to negotiate Amendment 1 to Agreement A177673 with the Minnesota Housing Finance Agency accepting additional operating subsidy grant funds for 10 housing units owned by the Hennepin County Housing and Redevelopment Authority at the Park Avenue Apartments, located at 2418 Park Avenue in Minneapolis, extending the contract period from December 31, 2019 to December 31, 2020, increasing the receivable amount by \$37,000 for a new total receivable amount of \$111,000; 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; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to negotiate Amendment 1 to Agreement A177674 with the Minnesota Housing Finance Agency to assign the operating subsidy grant Agreement A177673, as amended, to Lutheran Social Service of Minnesota, extending the contract period from December 31, 2019 to December 31, 2020; 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

BE IT FURTHER RESOLVED, that sponsorship and acceptance of grant funding for this program by the Hennepin County Housing and Redevelopment Authority Board of Commissioners does not imply a continuing funding commitment by the Hennepin County Housing and Redevelopment Authority for this program if these grant funds are not made available or when grant funds are no longer available.

ADOPTED

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

C. 19-HCHRA-0025

Preliminary approval to issue one or more tax-exempt multifamily housing revenue bonds for an affordable housing project at 114 Fifth St SE, Mpls; authorization to apply for allocation of issuance authority

GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS; 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 ESTABLISHING THE DATE 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, Holmes Housing Partners, LP, a Minnesota limited partnership, whose general partner is Holmes Housing Management, LLC, a Minnesota limited liability company, or an affiliate (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 \$10,000,000 under the provisions of the Housing Act to assist in the acquisition, construction, rehabilitation, and equipping of an approximately 54-unit existing multifamily rental housing facility and facilities functionally related and subordinate thereto located at 114 Fifth Street Southeast in the City of Minneapolis (the "City") known as Holmes Greenway Housing for occupancy by persons of low and moderate income (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 (the "Board") of the HCHRA. 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 after one publication of notice in a newspaper circulating generally in the County, at least fifteen (15) days before the hearing.

BE IT RESOLVED, that the Board of the Hennepin County Housing and Redevelopment Authority (HCHRA) approve the following:

1. The Project and the issuance of the Bonds therefore in an amount not to exceed \$10,000,000 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 Hennepin County.
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 Hennepin County or a charge against the general credit, full faith and credit, or taxing powers of the Issuer or Hennepin County.
3. No holder of any such Bonds shall ever have the right to compel any exercise of the taxing power of the Issuer or Hennepin 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.
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.
5. The Executive Director and other official employees, and agents of the Issuer, with the assistance of the Borrower and Kennedy & Graven, Chartered in its capacity as bond counsel to the Issuer ("Bond Counsel") are authorized and directed to prepare and submit an application to the Minnesota Department of Management and Budget for an allocation of issuance authority for the Project and the Bonds to be issued therefore in an amount not to exceed \$10,000,000, pursuant to Minnesota Statutes, Chapter 474A, as amended.
6. The Executive Director and other officers, employees and agents of the Issuer are hereby authorized to:
 - (i) prepare a 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 (ii) participate in the preparation and review of necessary documents relating to the Project and Bonds issued in connection therewith.
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.
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 of the Bonds 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 in paragraph 1 hereof, 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.
9. A public hearing on a housing program relating to the Project and the issuance of the Bonds shall be held before the Board of the HCHRA on a date in September 2019, in Room A-2400 of the Hennepin County Government Center, Minneapolis, Minnesota, or on such other date, and at such 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 Hennepin County. Bond Counsel is hereby directed to publish notice of the public hearing in the Star Tribune, a newspaper of general circulation in Hennepin 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. HCHRA staff may post the notice on the HCHRA's website at least seven (7) days before the meeting of the Board of Commissioners at which the public hearing will take place.

ADOPTED

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

D. 19-HCHRA-0026

Preliminary approval to issue one or more tax-exempt multifamily housing revenue bonds for an affordable housing project at 6247 Bloomington Road, Fort Snelling Upper Post; authorization to apply for allocation of issuance authority

GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS (FORT SNELLING UPPER POST PROJECT) IN AN ADDITIONAL AMOUNT NOT TO EXCEED \$30,000,000; AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR AN ALLOCATION OF BONDING AUTHORITY UNDER MINNESOTA STATUTES, CHAPTER 474A; RATIFYING THE AUTHORIZATION GRANTED FOR THE PREPARATION OF A HOUSING PROGRAM PURSUANT TO MINNESOTA STATUTES, CHAPTER 462C; AND ESTABLISHING THE DATE 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, Fort Snelling Leased Housing Associates I, LLLP, a Minnesota limited liability limited partnership (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 \$58,000,000 under the provisions of the Housing Act to assist in the financing of the acquisition, rehabilitation, and equipping of an approximately 176-unit multifamily rental housing development and facilities functionally related and subordinate thereto, located at 6247 Bloomington Road, in the Fort Snelling Upper Post, within unincorporated Hennepin County, for occupancy by persons and families of low-and moderate income (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 (the "Board") of the HCHRA. 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 fifteen (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, on August 14, 2018, the Board of Commissioners of the HCHRA adopted Resolution 18-HCHRA-0023 (the "Preliminary Resolution") under the terms of which the HCHRA, among other things: (i) granted preliminary approval to the Project and the issuance of the Bonds in an amount not to exceed \$58,000,000 pursuant to the Housing Act to finance the Project; (ii) authorized and directed the Executive Director and official employees and agents of the Issuer, with the assistance of the Borrower and Kennedy & Graven, Chartered in its capacity as bond counsel with respect to the Project and the Bonds ("Bond Counsel"), to prepare and submit an application to the State of Minnesota Department of Management and Budget ("MMB") for an allocation of bonding authority for the Project and the Bonds in an amount not to exceed \$58,000,000 pursuant to the Allocation Act, including in particular, Section 474A.22 of the Allocation Act, added by special legislation enacted by the Minnesota Legislature (the "Special Law"), which reserves bonding authority for the issuance of residential rental project bonds for purposes of the Project; and (iii) authorized the Executive Director and other officers, employees and agents of the Issuer to prepare a housing program with respect to the Project (the "Housing Program") and submit such Housing Program to the Metropolitan Council for its review and comment in accordance with Section 462C.04, subdivision 2 of the Housing Act and to participate in the preparation and review of necessary documents relating to the Project and Bonds; and

WHEREAS, following the adoption of the Preliminary Resolution, due to increased projected costs of the acquisition, rehabilitation, and equipping of the Project, the Borrower submitted another application to the Issuer requesting the issuance of the Bonds, in the additional aggregate principal amount not to exceed \$30,000,000 for a new total amount not to exceed \$88,000,000 under the provisions of the Housing Act to finance the acquisition, rehabilitation, and equipping of the Project, now estimated to comprise 210 units; and

WHEREAS, the Board may grant preliminary approval to the issuance of the Bonds in the proposed additional amount to finance the Project, and may authorize the submission of an application to 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, including the Special Law.

BE IT RESOLVED, that the Board of the Hennepin County Housing and Redevelopment Authority (HCHRA) approve the following:

1. The issuance of the Bonds in an additional aggregate principal amount not to exceed \$30,000,000 for a new total amount not to exceed \$88,000,000 to finance the Project is 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 Hennepin County.
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 Hennepin County or a charge against the general credit, full faith and credit, or taxing powers of the Issuer or Hennepin County.
3. No holder of any such Bonds shall ever have the right to compel any exercise of the taxing power of the Issuer or Hennepin 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.
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. The Preliminary Resolution and this resolution, together, shall constitute an "official intent" to reimburse such expenditures for purposes of Treasury Regulations, Section 1.150-2.
5. The Executive Director and other officials, employees, and agents of the Issuer, with the assistance of the Borrower and 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 \$88,000,000 (based on the authority granted pursuant to the Preliminary Resolution for the issuance of the Bonds in an amount not to exceed \$58,000,000 and this resolution for the issuance of the Bonds in an additional amount not to exceed \$30,000,000), pursuant to the Allocation Act and the Special Law.
6. The authorization granted to the Executive Director and other officers, employees and agents of the Issuer pursuant to the Preliminary Resolution with respect to the preparation and submission of the Housing Program to the Metropolitan Council for its review and comments and the participation in the preparation and review of necessary documents relating to the Project and Bonds issued in connection therewith is hereby ratified, confirmed, and approved.
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.
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 in paragraph 5 hereof, 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.
9. A public hearing on the Housing Program relating to the Project and the issuance of the Bonds shall be held before the Board of the HCHRA 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 Hennepin County. Bond Counsel is hereby directed to publish notice of the public hearing in the form attached hereto as Exhibit A in the Star Tribune, a newspaper of general circulation in Hennepin 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. The form of notice of public hearing attached hereto as Exhibit A shall amend and replace the form of notice of public hearing attached to the Preliminary Resolution.

ADOPTED

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

5. Adjournment

On motion the Housing and Redevelopment Authority was adjourned at 4:03 p.m. until Tuesday July 23, 2019

Maria Rose
Clerk to the County Board

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

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 19-HCHRA-0027

Item Description:

Claims Register for the period ending June 28, 2019

Resolution:

BE IT RESOLVED, that the Claims Register for the period ending June 28, 2019 be approved/ratified.

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
Claims Register ending June 28, 2019	7/10/2019	Claims

HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

Period Ending June 28, 2019

ACCOUNT NAME	VENDOR NAME	AMOUNT
Advertising	Finance and Commerce	\$ 192.15
Consulting	Ehlers	\$ 1,860.00
Consulting	The Edward Lowe Foundation	\$ 40,000.00
Courier Services	OnTrac	\$ 13.40
Other Services General	City of Minneapolis	\$ 154.46
		\$ 42,220.01

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 19-HCHRA-0028

Item Description:

Establish a public hearing on Tuesday, August 20 at 1:30 p.m. for public comment on the issuance of one or more tax-exempt multifamily housing revenue bonds for an affordable housing project at 114 5th St SE, Mpls

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, on June 11, 2019, the Board of Commissioners of the HCHRA (the “Board”) adopted Resolution No. 19-HCHRA-0025 approving 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 \$10,000,000, under the provisions of the Housing Act, to assist in the financing of the acquisition, rehabilitation, and equipping of an approximately 54-unit existing multifamily rental housing development and facilities functionally related and subordinate thereto located at 114 Fifth Street Southeast, Minneapolis, within Hennepin County (the “County”), for occupancy by persons and families of low and moderate income (the “Project”), to be owned and operated by Holmes Housing Partners, LP, a Minnesota limited partnership, whose general partner is Holmes Housing Management, LLC, a Minnesota limited liability company, or its affiliate or assigns (the “Borrower”); and

WHEREAS, on June 11, 2019, the Board further approved the Executive Director and other officers, employees, and agents of the Issuer to participate in the preparation and review of necessary documents relating to the Project and the Bonds issued in connection therewith, including application to the State of Minnesota Department of Management and Budget (“MMB”) for allocation of bonding authority, and preparation and submission to the Metropolitan Council for its review and comments on a housing program with respect to the Project (the “Housing Program”) in accordance with the requirements of Section 462C.04, subdivision 2 of the Housing Act; 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 the Housing Program after publication of notice in a newspaper circulating generally in the County, at least fifteen (15) days before the hearing.

Resolution:

BE IT RESOLVED, that the Board of the HCHRA approve the following:

A public hearing on the Housing Program relating to the Project and the issuance of the Bonds shall be held before the Board of the HCHRA on August 20, 2019, 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 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 Hennepin County. Bond Counsel is hereby directed to publish notice of the public hearing in the Star Tribune, a newspaper of general circulation in Hennepin County. The notice shall be published at least once, in each newspaper, at least fifteen (15) days prior to the date of the public hearing, but not more than thirty (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: Vitus Development III, LLC (the “Developer”) has submitted an application for housing revenue bond financing to assist in the acquisition and rehabilitation of 54 affordable rental housing units at 114 Fifth Street SE (the “Project”) in northeast Minneapolis.

The Project contains 18 one-bedroom and 36 two-bedroom apartments. All 54 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). The project has an existing Section 8 rental assistance contract for 50 of the 54 units. The developer has committed to retaining the Section 8 contract and extending the affordability period for an additional 30 years.

The current 60 percent annual income limits established by HUD for Hennepin County range from \$42,000 for a one-person household to \$60,000 for a four-person household.

The Hennepin County Housing and Redevelopment Authority (HCHRA) granted preliminary authorization to issue tax-exempt multifamily housing revenue bonds for the Project (Resolution 19-HCHRA-0025). At a future meeting, the HCHRA will consider final authorization to issue bonds. In a similar timeframe, the Hennepin County Board of Commissioners will consider a companion resolution approving the HCHRA’s action.

Since 2000, the HCHRA has issued approximately \$158.6 million in conduit financing for seven projects supporting 1,066 affordable housing units. Another five projects - including 114 Fifth Street SE, totaling approximately \$170.8 million in revenue bonds and 752 affordable housing units, currently have obtained HCHRA’s preliminary approval.

Current Request: This request is to establish a public hearing on Tuesday, August 20, 2019 at 1:30 p.m., or as soon thereafter as practicable, for the purpose of public comment on the issuance of tax-exempt multifamily housing revenue bonds for a project to be located at 114 Fifth Street SE, Minneapolis.

Impact/Outcomes: Issuance of multifamily housing revenue bonds will rehabilitate and preserve 54 housing units serving households at or below 60 percent of AMI, of which 50 units will have project-based Section 8 rental assistance.

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
Exhibit A - Public Hearing Notice - Holmes Greenway	7/16/2019	Backup Material

EXHIBIT A

Form of Notice of Public Hearing

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, August 20, 2019, 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, Minnesota (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 Bonds are proposed to be issued in an aggregate principal amount not to exceed \$10,000,000. 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, rehabilitation, and equipping of an approximately 54-unit existing multifamily rental housing development and facilities functionally related and subordinate thereto located at 114 Fifth Street Southeast, Minneapolis within Hennepin County (the “County”), for occupancy by persons and families of low and moderate income (the “Project”). The Project will be known as Holmes Greenway Housing and will be owned and operated by Holmes Housing Partners, LP, 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 of the Project and the security pledged to the payment thereof. The Bonds will not constitute a general or moral obligation of the HCHRA, the County, 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 and amounts to be received under a loan agreement relating thereto) or assets of 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 Project.

For further information, please contact Julia Welle Ayres, Manager of Housing Development and Finance, 612-543-4342.

Dated: [date of publication]

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 19-HCHRA-0029

Item Description:

Neg Agmt PR00001314 with the City of Brooklyn Park for a Qualitative Study of Evictions, 07/01/19–06/30/20, NTE \$15,000

Resolution:

BE IT RESOLVED, that the Executive Director be authorized to negotiate participation Agreement PR00001314 with the City of Brooklyn Park, or affiliated entity, for a Qualitative Study of Evictions in Brooklyn Park during the period July 1, 2019 through June 30, 2020, with the amount not to exceed \$15,000; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreement on behalf of the authority; and that the Controller be authorized to disburse funds as directed.

Background:

History: Data from the Hennepin County Eviction Dashboard indicates that the top four zip codes in the county for number of eviction filings and highest eviction filing rates are 55411 and 55412 in Minneapolis, and 55443 and 55429 in Brooklyn Park. In 2018, HOMELINE, in partnership with the University of Minnesota's Center for Urban and Regional Affairs (CURA), found that of the eviction cases filed in 2015 through 2017 in Brooklyn Park, 61 percent of eviction cases were filed by four owner groups with most filings (98 percent) taking place along the Zane Avenue Corridor between 63rd Avenue North and 83rd Avenue North. In addition, three-quarters of evicted households in HOMELINE's Brooklyn Park analysis were African American or Native American.

In response to these findings, Brooklyn Park is seeking support to further investigate the issues of eviction, housing stability, and renter quality of life. The year-long research project would involve interviews with 30 tenants and 10 landlords and would be developed in collaboration with a variety of community members and stakeholders. The estimated study cost is \$78,000. Brooklyn Park is also seeking support from Minnesota Housing and philanthropic partners.

Evictions and eviction filings have significant impacts on current and future resident housing stability. Understanding the factors behind evictions is essential to develop ways to increase housing access, stability, and quality, and reduce racial disparities.

The Brooklyn Park study, along with the work already completed in Minneapolis (supported by Hennepin County through the Hennepin University Partnership), will provide the county with a broader understanding of evictions in both its urban and suburban areas.

This contract is before the board because the City of Brooklyn Park has other contracts with Hennepin County which in total exceed \$50,000.

Current Request: Authorize negotiation of a participation Agreement PR00001314 with the City of Brooklyn Park for a Qualitative Study of Evictions during the period July 1, 2019 through June 30, 2020, in the not to exceed amount of \$15,000.

Impact/Outcomes: The Brooklyn Park study, along with the work already completed in Minneapolis, will provide the county with a broader understanding of evictions in both its urban and suburban areas.

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
-------------	-------------	------

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 19-HCHRA-0030

Item Description:

Agmts with Dakota, Ramsey and Scott counties for CEO Next Business Institute, total recv \$450,000; Agmt PR00001289 with Edward Lowe Foundation for CEO Next Business Institute, 07/23/19-06/30/23, NTE \$720,000; PR00001277 with MCCD for Open to Business, 07/23/19-12/31/22, NTE \$405,000

Resolution:

BE IT RESOLVED, that Agreements A199618 with Dakota County Community Development Agency in the receivable amount of \$90,000, A199619 with Ramsey County Housing and Redevelopment Authority in the receivable amount of \$240,000, and A199620 with Scott County in the receivable amount of \$120,000, for participation in a regional CEO Next Business Institute program serving businesses in Hennepin, Dakota, Ramsey and Scott counties during the period July 23, 2019 through June 30, 2023, be approved; that the Chair be authorized to sign the agreements on behalf of the authority; and that the Controller be authorized to accept and disburse funds as directed; and

BE IT FURTHER RESOLVED, that Agreement PR00001289 with Edward Lowe Foundation to provide a regional CEO Next Business Institute Program serving businesses in Hennepin, Dakota, Ramsey and Scott counties during the period July 23, 2019 through June 30, 2023, with the not to exceed amount of \$720,000, be approved; that the Chair be authorized to sign the agreement on behalf of the authority; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that Agreement PR00001277 with the Metropolitan Consortium of Community Developers to operate the Open to Business Program providing technical assistance and support for entrepreneurs in suburban communities during the period July 23, 2019 through December 31, 2022, with the not to exceed amount of \$405,000, be approved; that the Chair be authorized to sign the agreement on behalf of the authority; and that the Controller be authorized to disburse funds as directed.

Background:

History: Hennepin County's Economic Development Framework focuses on four objectives: enhance livability, attract private investment, support entrepreneurs and grow businesses, and tell our story. Entrepreneurs and small businesses are the backbone of our economy: Businesses with less than 100 employees represent nearly 98 percent of the total businesses in Hennepin County, provide 58 percent of the jobs, and 68 percent of the sales revenue.

Supported by the Hennepin County Housing and Redevelopment Authority (HCHRA) since 2011, the CEO Next Business Institute Program (prior years' programming was known as Economic Gardening) and Open to Business programs have provided economic opportunities by cultivating and supporting entrepreneurs, promoting strategic and sustained growth of companies, and creating and retaining jobs. Research shows that startups with quality mentoring are more likely to attract financing, and generate substantially more growth.

CEO Next Business Institute

Through the Edward Lowe Foundation, a nationally recognized entrepreneurship development organization, the CEO Next Business Institute Program provides high-end technical assistance and resources to companies that have grown beyond the startup phase, but need access to additional tools to continue their growth. The program provides leadership forums, peer-to-peer executive roundtables, and focused research in areas of marketing, customer service, supply chain and management team development. Since

2011, 112 Hennepin County businesses have participated in the cohort-based learning program, and these businesses have retained over 1,700 jobs and created over 650 new jobs.

In 2019, the HCHRA released a competitive request for proposals (RFP) for the current program years 2019-2021, with the ability to continue the agreement through program years 2020-2022 and 2021-2023. Proposals were received from two firms. A selection committee consisting of Hennepin County; the City of Saint Paul; and Dakota, Ramsey and Scott counties reviewed and evaluated the proposals. Edward Lowe Foundation was selected due to its expertise in delivering advanced support to second stage businesses.

The HCHRA will serve as the fiscal agent and program coordinator, contracting with the Edward Lowe Foundation for \$720,000 for program years 2019-2021/2020-2022/2021-2023, contingent upon annually approved budget authority and partner resources. Dakota County (\$30,000 per program year/\$90,000 total), Ramsey County (\$80,000 per program year/\$240,000 total), and Scott County (\$40,000 per program year/\$120,000 total) will join the HCHRA (\$90,000 per program year/\$270,000 total) to form the regional program. The Edward Lowe Foundation will provide intensive services for up to 24 businesses per program year, and include employment reporting at six months, program completion, and one-year post-program completion.

Open to Business

Open to Business provides one-on-one direct technical assistance and support for emerging entrepreneurs and existing businesses in suburban communities. Services include: business plan development, business start-up and expansion feasibility studies, cash flow and financing projections, marketing, preparation of loan requests, and access to capital through a variety of small business loan funds unavailable through traditional lenders. HCHRA support provides one-to-one matching funds for suburban communities to sponsor Open to Business programming.

In 2019, the HCHRA conducted a procurement process, in collaboration with the Hennepin County Purchasing and Contract Services Department, and determined that the Metropolitan Consortium of Community Developers (MCCD), a local nonprofit community development organization, provided a unique service that includes six other counties in the metropolitan region as well as twenty-one cities in Hennepin County that match HCHRA funding over multiple years. The continuing multi-jurisdictional partnership is critical for the ongoing success of this service model. MCCD has provided this unique model of contracting with cities and counties and has a successful track record of direct lending and technical assistance to local entrepreneurs. Under Agreement PR00001277, MCCD will provide technical assistance and support in participating suburban communities for program years 2019-2021/2020-2022/2021-2023 for a total not-to-exceed amount of \$405,000 (contingent upon annually approved budget authority and partner matching resources).

Since 2012, Open to Business has assisted over 2,100 entrepreneurs in suburban Hennepin County, helping to create and/or retain 1,100 jobs. In 2018, 49 percent of its clients were low income, 41 percent minorities, and 47 percent were women. In 2019, county and MCCD staff will be working to connect more entrepreneurs with Open to Business by developing Business 101 workshops, reaching out to businesses directly, and working within other Hennepin County departments to raise awareness about resources for businesses.

Current Request: Approve Agreements A199618 with Dakota County Community Development Agency with a receivable amount of \$90,000, A199619 with Ramsey County Housing and Redevelopment Authority with a receivable amount of \$240,000, and A199620 with Scott County with a receivable amount up to \$120,000, to participate in the CEO Next Business Institute Program during the period July 23, 2019 through June 30, 2023; Agreement PR000011289 with the Edward Lowe Foundation to provide the CEO Next Business Institute Program in Hennepin, Dakota, Ramsey, Scott counties during the period July 23, 2019 through June 30, 2023, with a not to exceed amount of \$720,000; Agreement PR00001277 with the MCCD to operate the Open to Business Program, during the period July 23, 2019 through December 31, 2022, with a not to exceed amount of \$405,000.

Impact/Outcomes: CEO Next Business Institute and Open to Business are anticipated to serve up to 300 entrepreneurs and growth companies, creating or retaining up to 300 jobs.

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
-------------	-------------	------