

HENNEPIN COUNTY

MINNESOTA

FINAL BOARD AGENDA

BOARD OF HENNEPIN COUNTY COMMISSIONERS HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

TUESDAY, AUGUST 20, 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. Public Hearing

- A. 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

3. Minutes from Previous Meeting

- A. Minutes 7-23-2019

4. Claims Register

- A. **19-HCHRA-0031**
Claims Register for the period ending July 29, 2019

5. New Business

- A. **19-HCHRA-0032**
Establish a special meeting of the Hennepin County Housing and Redevelopment Authority on Tuesday, September 24, 2019 at 1:30 p.m. to set the maximum levy for year 2020
- B. **19-HCHRA-0033**
Establish a public hearing on Tuesday, September 17, 2019 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 6247 Bloomington Rd, Fort Snelling Upper Post
- C. **19-HCHRA-0034**
Approval of final authorization to issue tax-exempt multifamily housing revenue bonds for an affordable housing project at 1125 Fremont Ave N, and 1121 and 1227 12th Ave N, Mpls

HENNEPIN COUNTY

MINNESOTA

MEETING MINUTES

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

The Board of Commissioners of the Hennepin County Housing and Redevelopment Authority met in the Hennepin County Government Center on July 23, 2019. The meeting was called to order at 2:49 PM by Commissioner Fernando, Chair. All Commissioners were present.

1. Approval of the Agenda

APPROVED

Commissioner Debbie Goettel moved to approve the agenda, seconded by Commissioner Angela Conley and approved - 7 Yeas

2. Minutes from Previous Meeting

A. 6/11/19 HRA Meeting Minutes

APPROVED

Commissioner Jeff Johnson moved to approve the Minutes, seconded by Commissioner Marion Greene and approved - 7 Yeas

3. Claims Register

A. 19-HCHRA-0027

Claims Register for the period ending June 28, 2019

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

APPROVED/RATIFIED

Commissioner Debbie Goettel moved to approve/ratify, seconded by Commissioner Angela Conley and approved - 7 Yeas

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

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.

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.

ADOPTED

Commissioner Jan Callison moved to adopt the Resolution, seconded by Commissioner Mike Opat and approved - 7 Yeas

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

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.

ADOPTED

Commissioner Mike Opat moved to adopt the Resolution, seconded by Commissioner Marion Greene and approved - 7 Yeas

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

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.

ADOPTED

Patricia Fitzgerald, Community Works, gave a brief presentation on the topic. Commissioner Jan Callison moved to adopt the Resolution, seconded by Commissioner Marion Greene and approved - 7 Yeas

5. Adjournment

On motion the Housing and Redevelopment Authority was adjourned at 3:03 p.m. until Tuesday August 20, 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-0031

Item Description:

Claims Register for the period ending July 29, 2019

Resolution:

BE IT RESOLVED, that the Claims Register for the period ending July 29, 2019 be approved/ratified.

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
Claims Register for the period ending July 29, 2019	8/13/2019	Claims

HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

Period Ending July 29, 2019

ACCOUNT NAME	VENDOR NAME	AMOUNT
Advertising	Finance and Commerce	\$ 74.30
Consulting	The Edward Lowe Foundation	\$ 50,000.00
Courier Services	OnTrac	\$ 11.16
Other Services General	City of Minneapolis	\$ 81.09
		\$ 50,166.55

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 19-HCHRA-0032

Item Description:

Establish a special meeting of the Hennepin County Housing and Redevelopment Authority on Tuesday, September 24, 2019 at 1:30 p.m. to set the maximum levy for year 2020

Resolution:

BE IT RESOLVED, that a special meeting of the Hennepin County Housing and Redevelopment Authority Board (HCHRA) be held on Tuesday, September 24, 2019, 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, to set the HCHRA maximum levy for year 2020.

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 19-HCHRA-0033

Item Description:

Establish a public hearing on Tuesday, September 17, 2019 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 6247 Bloomington Rd, Fort Snelling Upper Post

CALLING FOR A PUBLIC HEARING AND AUTHORIZING PUBLICATION OF A NOTICE OF PUBLIC HEARING ON A HOUSING PROGRAM WITH RESPECT TO THE FORT SNELLING UPPER POST PROJECT AND THE ISSUANCE OF REVENUE BONDS OR OTHER OBLIGATIONS TO FINANCE SUCH PROJECT

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 August 14, 2018 and June 11, 2019, the Board of Commissioners of the HCHRA (the “Board”) adopted Resolution No. 18-HCHRA-0023 and Resolution No. 19-HCHRA-0026, respectively (together, the “Preliminary Resolution”), preliminarily 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 \$88,000,000, under the provisions of the Housing Act, to assist in the financing of the acquisition, rehabilitation, and equipping of an approximately 210-unit multifamily rental housing development and facilities functionally related and subordinate thereto located at 6247 Bloomington Road, within unincorporated Hennepin County, for occupancy by persons and families of low and moderate income (the “Project”), to be owned and operated by Fort Snelling Leased Housing Associates I, LLLP, a Minnesota limited liability limited partnership (the “Borrower”); and

WHEREAS, pursuant to the Preliminary Resolution, the Board authorized and directed 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 for an allocation of bonding authority, and the preparation and submission to the Metropolitan Council for its review and comments 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, prior to the issuance of the Bonds a public hearing duly noticed must be held by 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 Hennepin County Housing and Redevelopment Authority (HCHRA) approves 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 September 17, 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. Kennedy & Graven, Chartered, 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: Housing revenue bonds are a financing mechanism available to the Hennepin County Housing and Redevelopment Authority (HCHRA) to fund eligible projects that are determined to be in the public interest, including the development and/or rehabilitation of affordable housing. The bonds are a special limited obligation of HCHRA, are repayable solely from revenue and assets pledged in their support and are not a debt or property tax obligation of Hennepin County or the HCHRA.

Dominium, through affiliated entity Fort Snelling Leased Housing Associates I, LLLP (the “Developer”), submitted an application for housing revenue bond financing to assist in the rehabilitation of 26 historic buildings into a multifamily residential rental project at 6247 Bloomington Road (the “Project”) in the Fort Snelling Upper Post, unincorporated Hennepin County. The Developer is based in Plymouth, Minnesota.

The Fort Snelling Upper Post site was part of the larger Fort Snelling military base established in 1819. Construction of the Upper Post buildings began in 1879 and continued into the early 1900s. Over time, the Upper Post served as a defense facility, administration base, and rehabilitation center for wounded veterans. After the site was decommissioned in 1946, the property was transferred to the Minnesota Department of Natural Resources. Fort Snelling was placed on the National Register of Historic Places in 1966. The buildings have remained predominately vacant since that time and have fallen into disrepair. Once completed, the Project will include 210 rental housing units comprised of seven studio, 69 one-bedroom, 79 two-bedroom, 35 three-bedroom, and 19 four-bedroom, and one five-bedroom units. All units will be affordable to households at or below 60 percent of area median income, as defined by the U.S. Department of Housing and Urban Development (HUD). Units will remain affordable for at least 25 years and veterans will receive a rental preference. 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.

Resolutions 18-HCHRA-0023 (adopted on August 14, 2018) and 19-HCHRA-0026 (adopted June 11, 2019) granted preliminary authorization to issue tax-exempt multifamily housing revenue bonds up to \$88,000,000 for the Project. At a future meeting, the HCHRA Board 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 the Fort Snelling Apartments, totaling approximately \$170.8 million in revenue bonds and 752 affordable housing units, currently have obtained HCHRA’s preliminary and/or final approval for future issuance.

Current Request: This request is to establish a public hearing on September 17, 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 6247 Bloomington Road, Fort Snelling

Upper Post.

Impact/Outcomes: Issuance of multifamily housing revenue bonds will create 210 housing units serving households at or below 60 percent of area median income and preserve 26 historic buildings at the Fort Snelling Upper Post.

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
Exhibit A - Public Hearing Notice - Revenue Bonds - Fort Snelling	8/13/2019	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, September 17, 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 unincorporated Hennepin County. The Bonds are proposed to be issued in an aggregate principal amount not to exceed \$88,000,000. 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 210-unit multifamily rental housing development and facilities functionally related and subordinate thereto located at 6247 Bloomington Road, within unincorporated Hennepin County, for occupancy by persons and families of low and moderate income (the “Project”). The Project will be owned and operated by Fort Snelling Leased Housing Associates I, LLLP, a Minnesota limited liability 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, Hennepin County (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-0034

Item Description:

Approval of final authorization to issue tax-exempt multifamily housing revenue bonds for an affordable housing project at 1125 Fremont Ave N, and 1121 and 1227 12th Ave N, Mpls

AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF ITS MULTIFAMILY HOUSING REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$28,800,000 TO FINANCE A MULTIFAMILY HOUSING DEVELOPMENT TO BE LOCATED IN THE CITY OF MINNEAPOLIS; ADOPTING A HOUSING PROGRAM PURSUANT TO MINNESOTA STATUTES, CHAPTER 462C, AS AMENDED; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE MULTIFAMILY HOUSING REVENUE OBLIGATIONS AND RELATED DOCUMENTS

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 is authorized under Laws of Minnesota 1987, Chapter 177, as amended, and Minnesota Statutes, Chapters 462C, as amended (the “Housing Act”), to issue revenue obligations to finance multifamily housing developments; and

WHEREAS, in accordance with the provisions of the Housing Act, the Issuer is authorized to carry out the public purposes described in the Housing Act by issuing revenue obligations to finance or refinance multifamily housing developments located within Hennepin County (the “County”), and as a condition to the issuance of such revenue obligations, adopt a housing program providing the information required by Section 462C.03, subdivision 1a, of the Housing Act; and

WHEREAS, in the issuance of the Issuer’s revenue obligations and in the making of a loan to finance a multifamily housing development, the Issuer may exercise, within its corporate limits, any of the powers that 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, Parkview Apartment Associates, LP, a Delaware limited partnership (the “Borrower”), has requested that the Issuer issue its revenue obligations under the Housing Act and lend the proceeds thereof to the Borrower to finance the following: (i) the acquisition, rehabilitation, and equipping of an approximately 223-unit multifamily rental housing development and facilities functionally related and subordinate thereto, located at 1125 Fremont Avenue N., and 1121 and 1227 12th Avenue N., Minneapolis (the “City”), within Hennepin County, for occupancy by persons and families of low and moderate income (the “Project”); (ii) the funding of one or more reserve funds to secure the timely payment of the obligations; (iii) the payment of a portion of the interest on the revenue obligations; and (iv) the payment of the costs of issuing the obligations; and

WHEREAS, on February 12, 2019, the Board of Commissioners (the “Board”) of the Issuer adopted Resolution No. 19-HCHRA-0007 (the “Preliminary Resolution”), under the terms of which the Issuer: (i) granted preliminary approval to the issuance of multifamily housing revenue bonds or other obligations (the “Bonds”), in an aggregate principal amount not to exceed \$28,800,000, under the terms of the Housing Act to finance the Project; (ii) authorized the submission of an application to the Minnesota Department of Management and Budget (“MMB”) for an allocation of bonding authority under Minnesota

Statutes, Chapter 474A, as amended (the "Allocation Act"), in a principal amount not to exceed \$28,800,000; (iii) authorized the preparation of a housing program with respect to the Project in accordance with the requirements of the Housing Act and authorized the submission of the housing program to the Metropolitan Council for its review and comment; and (iv) authorized a public hearing to be conducted by the Board of the Issuer on such other date, and at such time and place, as is deemed appropriate by the Clerk of the Board, with respect to the Project, the housing program, and the proposed issuance of revenue obligations by the Issuer to finance the Project; and

WHEREAS, the Preliminary Resolution constitutes a reimbursement resolution and an official intent of the Issuer to reimburse expenditures with respect to the Project from the proceeds of tax-exempt revenue obligations in accordance with the provisions of Treasury Regulations, Section 1.150-2; and

WHEREAS, on March 19, 2019 the Board of the Issuer adopted Resolution No. 19-HCHRA-0009, under the terms of which the Issuer established the date for the public hearing to be conducted by the Board of the Issuer on April 16, 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; and

WHEREAS, on April 16, 2019, in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 462C.04, subdivision 2 of the Housing Act, the Board of the Issuer held a public hearing at which a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing, with respect to the Project and the proposed issuance of revenue obligations to provide financing for the Project; and

WHEREAS, the public hearing was preceded by publication of a notice of public hearing in Finance and Commerce, the official newspaper of the County, and in the Star Tribune, a newspaper of general circulation in the County, at least fifteen days before the public hearing held on April 16, 2019; and

WHEREAS, a housing program was prepared with respect to the Project (the "Housing Program") and a copy of the Housing Program was submitted to the Metropolitan Council for its review and comment, in accordance with the requirements the Housing Act; and

WHEREAS, in accordance with the authority granted under the Preliminary Resolution, the Issuer and Dorsey & Whitney LLP, acting as bond counsel to the Issuer ("Bond Counsel"), in cooperation with the Borrower, submitted an application for an allocation of bonding authority to MMB, in the amount of \$28,800,000, pursuant to Section 146 of the Code and the requirements of the Allocation Act; and

WHEREAS, the Issuer received a Certificate of Allocation (the "Allocation Certificate"), from MMB allocating bonding authority to the Issuer in the amount of \$28,800,000 (the "Allocation Amount") pursuant to the Allocation Act; and

WHEREAS, in accordance with the Allocation Act, the Bonds must be issued within one hundred twenty (120) days from the date of the allocation (the "Allocation Expiration Date"); and

WHEREAS, the Borrower has requested that the Issuer issue its Multifamily Housing Revenue Note (Parkview Apartment Associates, LP Project), Series 2019, in one or more series, in the amount of \$28,800,000 to provide financing for the Project; and

WHEREAS, with respect to the Bonds, there have been presented before the Board (i) a form of Funding Loan Agreement proposed to be entered into by and among the Issuer, JLL Capital Markets, as the initial funding lender (the "Initial Funding Lender"), and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"); (ii) a form of Project Loan Agreement proposed to be entered into by and among the Issuer, the Fiscal Agent, and the Borrower, pursuant to which the Issuer will loan the proceeds of the Bonds to the Borrower; (iii) a form of the Bonds; (iv) a form of Regulatory Agreement (the "Regulatory Agreement") proposed to be entered into by and among the Issuer, the Borrower, and the Fiscal Agent pursuant to which certain rental and occupancy restrictions will be imposed on the Project;

(v) a form of Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Mortgage") proposed to be executed by the Borrower, as mortgagor, in favor of the Issuer, as mortgagee; and (vi) a form of Assignment of Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Assignment of Mortgage") proposed to be executed by the Issuer, as assignor, in favor of the Fiscal Agent, as assignee, pursuant to which the Issuer will assign the Fiscal Agent its interest in the Mortgage (the Funding Loan Agreement, the Project Loan Agreement, the Regulatory Agreement, the Mortgage, and the Assignment of Mortgage are hereinafter collectively referred to as the "Bond Financing Documents"); and

WHEREAS, to assist in financing the Project, certain property pledged to the Governmental Lender as collateral under the Funding Loan Agreement (the "Pledged Security") and the Mortgage will be assigned to the Fiscal Agent as security for the Funding Loan; and

WHEREAS, the loan repayments to be made by the Borrower under the Project Loan Agreement will be fixed so as to produce revenue sufficient to pay the principal of, premium, if any, and interest on the Bonds when due; and

WHEREAS, the Bonds and the interest on the Bonds (i) shall be payable solely from the revenues pledged therefor under the Project Loan Agreement and additional sources of security provided by or on behalf of the Borrower; (ii) shall not constitute a debt of the Issuer or the County within the meaning of any constitutional or statutory limitation; (iii) shall not constitute nor give rise to a pecuniary liability of the Issuer or the County or a charge against their general credit or taxing powers; (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Issuer or the County other than the Issuer's interest in the Project Loan Agreement; and (v) shall not constitute a general or moral obligation of the Issuer or the County.

Resolution:

BE IT RESOLVED, by the Board of Commissioners of the Hennepin County Housing and Redevelopment Authority the following:

1. The Issuer acknowledges, finds, determines, and declares that the issuance of the Bonds is authorized by the Housing Act and is consistent with the purposes of the Housing Act and that the issuance of the Bonds, and the other actions of the Issuer under the Funding Loan Agreement, the Project Loan Agreement, and this resolution ("Resolution") constitute a public purpose and are in the interests of the Issuer. The Project constitutes a "qualified residential rental project" within the meaning of Section 142(d) of the Code, and a "multifamily housing development" authorized by the Housing Act, and furthers the purposes of the Housing Act. In authorizing the issuance of the Bonds for the financing of the Project and the related costs, the Issuer's purpose is and the effect thereof will be to promote the public welfare of the Issuer and its residents by providing multifamily housing developments for low-or-moderate-income residents of the County and otherwise furthering the purposes and policies of the Housing Act.
2. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Bonds, in the Allocation Amount allocated to the Issuer for the Project prior to the Allocation Expiration Date. The Bonds shall bear interest at the rate or rates, shall be designated, shall be numbered, shall be dated, shall mature, shall be in the aggregate principal amount, shall be subject to redemption prior to maturity, shall be in such form, and shall have such other terms, details, and provisions as are prescribed in the Funding Loan Agreement, substantially in the form now on file with the Issuer, with the amendments referenced herein. The Issuer hereby authorizes all or a portion of the Bonds to be issued as "tax-exempt bonds," the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes.
3. All of the provisions of the Bonds, when executed as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Bonds shall be substantially in the form now on file with the Issuer, which form is hereby approved, with such

necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Bonds, the stated maturity of the Bonds, the interest rate or rates on the Bonds and the terms of redemption of the Bonds) as the Chair of the Issuer and the Executive Director of the Issuer (the "Chair" and the "Executive Director"), in their discretion, shall determine. The execution of the Bonds with the manual or facsimile signatures of the Chair and the Executive Director and the delivery of the Bonds by the Issuer shall be conclusive evidence of such determination.

4. The Bonds shall be special, limited obligations of the Issuer payable solely from the revenues provided by the Borrower pursuant to the Project Loan Agreement and other funds and property pledged to the payment of the Bonds. The Bonds shall not be payable from, nor charged upon any funds other than the revenue pledged to their payment, nor shall the Issuer nor the County be subject to any liability thereon, except as otherwise provided in this paragraph. No owner of the Bonds shall ever have the right to compel any exercise by the Issuer or the County of any taxing powers of the Issuer or the County to pay the Bonds or the interest or premium thereon, or to enforce payment thereof against any property of the Issuer or the County except the interests of the Issuer in the Project Loan Agreement and the revenues and assets thereunder, which will be assigned to the Trustee. The Bonds shall recite that the Bonds are issued pursuant to the Housing Act, and that the Bonds, including interest and premium, if any, thereon, are payable solely from the revenues and assets pledged to the payment thereof, and the Bonds shall not constitute a debt of the Issuer or the County within the meaning of any constitutional or statutory limitations.
5. The Chair and the Executive Director are hereby authorized and directed to execute and deliver the Funding Loan Agreement and the Project Loan Agreement or such other documents as necessary to effectuate the transaction contemplated herein. All of the provisions of the Funding Loan Agreement and the Project Loan Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Funding Loan Agreement and the Project Loan Agreement shall be substantially in the forms on file with the Issuer which are hereby approved, with such omissions and insertions as do not materially change the substance thereof, and as the Chair and the Executive Director, in their discretion, shall determine, and the execution thereof by the Chair and the Executive Director shall be conclusive evidence of such determinations.
6. To ensure compliance with certain rental and occupancy restrictions imposed by the Housing Act and Section 142(d) of the Code, and to ensure compliance with certain restrictions imposed by the Issuer, the Chair and Executive Director are also hereby authorized and directed to execute and deliver the Regulatory Agreement. All of the provisions of the Regulatory Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Regulatory Agreement shall be substantially in the form on file with the Issuer which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Chair and the Executive Director, in their discretion, shall determine, and the execution thereof by the Chair and the Executive Director shall be conclusive evidence of such determination.
7. The Board authorizes the execution and delivery of the following closing documents relating to the Bonds (collectively, the "Closing Documents"): (i) one or more certificates of the Issuer; (ii) an Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038; (iii) an endorsement to a tax certificate of the Borrower relating to arbitrage, rebate, and other tax matters; and (iv) similar documents. All of the provisions of the Bonds, the Bond Financing Documents and the Closing Documents, when executed and delivered as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

8. The Issuer hereby authorizes Bond Counsel to prepare, execute, and deliver its approving legal opinions with respect to the Bonds and related matters.
9. Simultaneously with the execution and delivery of the Bond Financing Documents and the Closing Documents, there shall be delivered to the Issuer the following: (i) an opinion of counsel to the Borrower as to such matters as shall be required by the Issuer and Bond Counsel; (ii) one or more opinions of Bond Counsel as may be required by the Issuer, the Initial Funding Lender, counsel to the Initial Funding Lender, the Borrower, and counsel to the Borrower; and (iii) such other opinions, instruments, and documents as the Issuer may require as a condition to the issuance of the Bonds and the other actions of the County and City authorized by this Resolution.
10. The Housing Program is hereby adopted, ratified, and approved in all respects in the form now on file with the Issuer, without amendment. The preparation of the Housing Program is hereby ratified, confirmed, and approved. The Executive Director is hereby authorized to do all other things and take all other actions as may be necessary or appropriate to carry out the Housing Program in accordance with the Housing Act and any other applicable laws and regulations.
11. Except as otherwise provided in this Resolution, all rights, powers, and privileges conferred and duties and liabilities imposed upon the Issuer or the Board by the provisions of this Resolution or of the aforementioned documents shall be exercised or performed by the Issuer or by such members of the Board, or such officers, board, body or agency thereof as may be required or authorized by law to exercise such powers and to perform such duties.
12. No covenant, stipulation, obligation or agreement herein contained or contained in the aforementioned documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member of the Board, or any officer, agent or employee of the Issuer or the County in that person's individual capacity, and neither the Board nor any officer or employee executing the Bonds shall be personally liable on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.
13. No provision, covenant or agreement contained in the aforementioned documents, the Bonds, or in any other document relating to the Bonds, and no obligation therein or herein imposed upon the Issuer or the breach thereof, shall constitute or give rise to a general or moral obligation of the Issuer or the County or any pecuniary liability of the Issuer or the County or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the Issuer has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Project Loan Agreement which are to be applied to the payment of the Bonds, as provided therein.
14. Except as herein otherwise expressly provided, nothing in this Resolution or in the aforementioned documents expressed or implied is intended or shall be construed to confer upon any person or firm or corporation, other than the Issuer or any holder of the Bonds issued under the provisions of this Resolution, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provisions hereof, this Resolution, the aforementioned documents, and all of their provisions being intended to be and being for the sole and exclusive benefit of the Issuer, and any holder from time to time of the Bonds issued under the provisions of this Resolution.
15. In case any one or more of the provisions of this Resolution, other than the provisions contained in paragraph 4 hereof, or of the aforementioned documents, or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, or of the aforementioned documents, or of the Bonds, but this Resolution, the aforementioned documents, and the Bonds shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.
16. The Bonds, when executed and delivered, shall contain a recital that they are issued pursuant to

the Housing Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this Resolution, to the issuance of the Bonds, and to the execution of the aforementioned documents to happen, exist, and be performed precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

17. The officers of the Issuer, Bond Counsel, other attorneys, engineers, and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by or in connection with this Resolution, the aforementioned documents, and the Bonds, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, the aforementioned documents, and this Resolution. If for any reason the Chair or the Executive Director is unable to execute and deliver the documents referred to in this Resolution, such documents may be executed by any member of the Board or any officer of the Issuer delegated the duties of the Chair or the Executive Director with the same force and effect as if such documents were executed and delivered by the Chair or the Executive Director.
18. The Borrower shall pay the administrative fee of the Issuer when due in accordance with the terms of the Project Loan Agreement. The Borrower will also pay, or, upon demand, reimburse the Issuer for payment of, any and all costs incurred by the Issuer in connection with the Project and the issuance of the Bonds, whether or not the Bonds are issued, including any costs for reasonable attorneys' fees.
19. The Board hereby affirms its findings in the Preliminary Resolution. The Bonds are authorized to be issued to provide, among other things, permanent financing for the Project.
20. This Resolution shall be in full force and effect from and after its passage, conditional upon final approval by the Board of Commissioners of the County.

Background:

History: Housing revenue bonds are a financing mechanism available to the Hennepin County Housing and Redevelopment Authority (HCHRA) to fund eligible projects that are determined to be in the public interest, including the development and/or rehabilitation of affordable housing. The bonds are a special limited obligation of HCHRA, repayable solely from revenue and assets pledged in their support and are not a debt or property tax obligation of Hennepin County or the HCHRA.

DeSola Capital, on behalf of Parkview Apartment Associates, LP, (the "Developer"), submitted an application to the HCHRA for housing revenue bond financing to assist in acquisition and rehabilitation of an existing housing development with 223 affordable rental units (the "Project") in Minneapolis. On February 12, 2019, the HCHRA approved Resolution 19-HCHRA-0007 granting preliminary approval to issue multifamily revenue bonds not to exceed \$28,800,000 for the Project.

The project contains a mix of one-bedroom and two-bedroom apartments. Two hundred and twenty-two (222) of the units will be affordable to households at or below 50 percent of area median income (AMI), as determined by the U.S. Department of Housing and Urban Development, and one unit will be affordable to households at or below 60 percent of AMI. The project has an existing Section 8 contract for 222 of the 223 units. The developer has committed to retaining the Section 8 contract and extending the affordability period for an additional 30 years. The current 50 percent annual income limits established by HUD for Hennepin County range from \$35,000 for a one-person household to \$50,000 for a four-person household. The 60 percent annual income limits from \$42,000 for a one-person household to \$60,000 for a four-person household.

In addition to the housing revenue bonds, project costs will be financed by four percent low-income housing tax credits and developer equity. The project meets the guidelines for conduit financing established by Resolution 02-HCHRA-32.

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 Parkview Apartments, totaling approximately \$170.8 million in revenue bonds and 752 affordable housing units, currently have obtained HCHRA's preliminary and/or final approval for future issuance.

Current Request: This request is for final authorization to issue tax-exempt multifamily housing revenue bonds for an affordable housing project at 1125 Fremont Ave N, and 1121 and 1227 12th Avenue North in the city of Minneapolis.

Impact/Outcomes: Issuance of multifamily housing revenue bonds will rehabilitate and preserve the affordability of 223 housing units, with 222 units serving households at or below 50 percent of area median income and one unit serving households at or below 60 percent of area median income.