

HENNEPIN COUNTY

MINNESOTA

FINAL BOARD AGENDA

BOARD OF HENNEPIN COUNTY COMMISSIONERS HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

TUESDAY, SEPTEMBER 17, 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 6247 Bloomington Rd, Fort Snelling Upper Post

3. Minutes from Previous Meeting

- A. Minutes 8-20-2019

4. Claims Register

- A. **19-HCHRA-0035**
Claims Register for the period ending August 26, 2019

5. New Business

- A. **19-HCHRA-0036**
Reschedule the Hennepin County Housing and Redevelopment Authority meeting from October 1, 2019 to October 15, 2019
- B. **19-HCHRA-0037**
Neg Amd 1 to Agmt A178053 with MN Housing for the Home Accessibility Ramps Program, extend contract period to 03/01/20, no change in recv of \$250,000
- C. **19-HCHRA-0038**
Authorize the issuance and sale of one or more multifamily housing revenue bonds for a 54-unit affordable housing project at 114 5th St SE, Mpls

HENNEPIN COUNTY

MINNESOTA

MEETING MINUTES

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

The Board of Commissioners of the Hennepin County Housing and Redevelopment Authority met in the Hennepin County Government Center on August 20, 2019. The meeting was called to order at 3:14 PM by Commissioner Fernando, Chair. All Commissioners were present.

1. Approval of the Agenda

Commissioner Jeff Johnson moved to approve the agenda, seconded by Commissioner Irene Fernando and approved - 7 Yeas

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

Commissioner Irene Fernando opened the Public Hearing at 3:15 PM. The following individuals came forward to testify:

- Frank Lorenz, Edina, MN – District 6

Being that no other individuals came forward, Commissioner Irene Fernando closed the Open Forum portion of the meeting at 3:18 p.m.

3. Minutes from Previous Meeting

A. Minutes 7-23-2019

APPROVED

Commissioner Mike Opat moved to approve the Minutes, seconded by Commissioner Debbie Goettel and approved - 7 Yeas

4. Claims Register

A. 19-HCHRA-0031

Claims Register for the period ending July 29, 2019

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

APPROVED/RATIFIED

Commissioner Jan Callison moved to approve/ratify, seconded by Commissioner Marion Greene and approved - 7 Yeas

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

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.

ADOPTED

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

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

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.

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.

ADOPTED

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

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

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.

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.

ADOPTED

Followed by a presentation given by Spencer Agnew – Community Works, Commissioner Angela Conley moved to adopt the Resolution, seconded by Commissioner Mike Opat and approved - 7 Yeas

6. Adjournment

On motion the Housing and Redevelopment Authority was adjourned at 3:23 p.m. until Tuesday September 17, 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-0035

Item Description:

Claims Register for the period ending August 26, 2019

Resolution:

BE IT RESOLVED, that the Claims Register for the period ending August 26, 2019 be approved/ratified.

ATTACHMENTS:

Description	Upload Date	Type
Claims Register for the period ending August 26, 2019	9/3/2019	Claims

HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

Period Ending August 26, 2019

ACCOUNT NAME	VENDOR NAME	AMOUNT
Advertising	Finance and Commerce	\$ 60.21
Consulting	Ehlers	\$ 2,700.00
Courier Services	OnTrac	\$ 13.40
Other Services General	City of Minneapolis	\$ 77.23
		\$ 2,850.84

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 19-HCHRA-0036

Item Description:

Reschedule the Hennepin County Housing and Redevelopment Authority meeting from October 1, 2019 to October 15, 2019

Resolution:

BE IT RESOLVED, that the Hennepin County Housing and Redevelopment Authority meeting on Tuesday, October 1, 2019 as scheduled by Resolution 19-HCHRA-0002 be changed to Tuesday, October 15, 2019 following the Hennepin County Board Committee meetings 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.

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 19-HCHRA-0037

Item Description:

Neg Amd 1 to Agmt A178053 with MN Housing for the Home Accessibility Ramps Program, extend contract period to 03/01/20, no change in recv of \$250,000

Resolution:

BE IT RESOLVED, that the Executive Director be authorized to negotiate Amendment 1 to Agreement A178053 with the Minnesota Housing Finance Agency for the construction of accessibility ramps and stairs under the Hennepin County Housing and Redevelopment Authority (HCHRA) Modular Ramps and Steps Program, extending the contract period from December 31, 2019 to March 1, 2020, with no change in the receivable amount of \$250,000; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the amendment on behalf of the Authority; and that the Controller be authorized to accept and disburse funds as directed; and

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

Background:

History: In November 2017, the Hennepin County Housing and Redevelopment Authority (HCHRA) accepted a \$250,000 award from the Minnesota Housing Finance Agency (Minnesota Housing) for the Modular Ramps and Steps (Home Accessibility Ramps) Program (Resolution 17-HCHRA-0045).

The HCHRA's Home Accessibility Ramps Program provides financial support for the construction of accessibility ramps and/or low-rise, long-tread steps for low and moderate-income homeowners in Hennepin and Ramsey counties. Under the current Minnesota Housing funding award, a number of projects have required greater specialization resulting in higher costs and slower construction. Despite these added challenges, the program has completed 26 ramp/step projects, and extending the agreement through March 1, 2020 will fully expend the award and enable completion of 12 additional accessibility ramp or step projects.

Current Request: This request is for authorization to negotiate Amendment 1 to Agreement A178053 with the Minnesota Housing Finance Agency for construction of accessibility ramps and steps extending the contract period to March 1, 2020, with no change in the receivable amount of \$250,000.

Impact/Outcomes: Approval of this amendment will allow for the full spending of the funding award from Minnesota Housing and create 12 additional accessibility ramp or step projects.

Recommendation from County Administrator: Recommend Approval

ATTACHMENTS:

Description	Upload Date	Type
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HENNEPIN COUNTY

MINNESOTA

Housing and Redevelopment Authority Board Action Request 19-HCHRA-0038

Item Description:

Authorize the issuance and sale of one or more multifamily housing revenue bonds for a 54-unit affordable housing project at 114 5th St SE, Mpls

AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF ITS MULTIFAMILY HOUSING REVENUE OBLIGATIONS; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE MULTIFAMILY HOUSING REVENUE OBLIGATIONS AND RELATED DOCUMENTS; APPROVING A HOUSING PROGRAM; AND TAKING OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Hennepin County Housing and Redevelopment Authority (the “Issuer”) 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 the Laws of Minnesota 1987, Chapter 177, as amended, and Minnesota Statutes, Chapter 462C, as amended (the “Housing Act”), to issue revenue obligations to finance multifamily housing developments; and

WHEREAS, pursuant to 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 multifamily housing developments, 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, 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 (collectively, 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 54-unit existing multifamily rental housing development and facilities functionally related and subordinate thereto located at 114 Fifth Street SE, Minneapolis, within Hennepin County, Minnesota (the “County”), for occupancy by persons and families of low and moderate income (the “Project”), to be owned and operated by the Borrower; (ii) fund any required reserves; (iii) finance capitalized interest, if necessary; and (iv) pay costs of issuing the obligations; and

WHEREAS, on June 11, 2019, the Board of Commissioners of the Issuer (the “Board”) adopted Resolution No. 19-HCHRA-0025 (the “Preliminary Resolution”), under the terms of which the Issuer (i) granted preliminary approval to the issuance of one or more series of multifamily housing revenue bonds or other obligations (the “Obligations”) in an aggregate principal amount not to exceed \$10,000,000, pursuant to 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 \$10,000,000; and (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 July 23, 2019, the Board adopted Resolution No. 19-HCHRA-0028 calling for a public hearing to be conducted by the Board of the Issuer on August 20, 2019 with respect to the Project, the housing program, and the proposed issuance of revenue obligations by the Issuer to finance the Project; and

WHEREAS, under Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the Obligations must receive an allocation of the bonding authority of the State of Minnesota, and an application for such an allocation was made pursuant to the requirements of Minnesota Statutes, Chapter 474A, as amended (the "Allocation Act"); and

WHEREAS, in accordance with the authority granted under the Preliminary Resolution, the Chair of the Issuer and the Executive Director of the Issuer (the "Chair" and the "Executive Director"), and Kennedy & Graven, Chartered, acting as bond counsel ("Bond Counsel"), in cooperation with the Borrower, submitted an application for an allocation of bonding authority to MMB, in the amount of \$10,000,000, pursuant to Section 146 of the Code and the requirements of the Allocation Act; and

WHEREAS, on August 5, 2019, the Issuer received Certificate of Allocation No. 359 from the Minnesota Department of Management & Budget allocating bonding authority of the State of Minnesota to the Issuer in the amount of \$10,000,000, pursuant to the Allocation Act; and

WHEREAS, on August 20, 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 published in Finance and Commerce, the official newspaper of the Issuer, and in the Star Tribune, a newspaper of general circulation in the jurisdiction of the Issuer on a date at least fifteen (15) days prior to the public hearing; and

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

WHEREAS, the Borrower has requested that the Issuer issue, sell, and deliver a portion of the principal amount of the Obligations as its Multifamily Housing Revenue Bonds (Holmes Greenway Project), Series 2019A (the "Series 2019A Bonds"), which will be sold publicly and underwritten by Dougherty & Company LLC (the "Bond Underwriter"); and

WHEREAS, the Borrower has requested that the Issuer issue, sell, and deliver the remaining portion of the principal amount of the Obligations as its Multifamily Housing Revenue Note (Holmes Greenway Project), Series 2019B (the "Series 2019B Note"), which will be sold privately to TCF Investments Management, Inc., or an affiliate thereof, or another commercial lender selected by the Borrower (the "Note Purchaser"); and

WHEREAS, the Series 2019A Bonds are expected to be issued pursuant to an Indenture of Trust (the "Bond Indenture") between the Issuer and U.S. Bank National Association, a national banking association, or another trustee selected by the Borrower (the "Bond Trustee"), the proceeds of which will be loaned to the Borrower pursuant to a Loan Agreement (the "Bond Loan Agreement") between the Issuer and the Borrower; and

WHEREAS, the loan repayments to be made by the Borrower under the Bond Loan Agreement will be

fixed so as to produce revenue sufficient to pay the principal of, premium, if any, and interest on the Series 2019A Bonds when due, and such loan repayments will be assigned to the Bond Trustee pursuant to the Bond Indenture; and

WHEREAS, the proceeds of the Series 2019B Note are expected to be loaned to the Borrower pursuant to a Loan Agreement (the "Note Loan Agreement") between the Issuer and the Borrower; and

WHEREAS, the loan repayments to be made by the Borrower under the Note Loan Agreement will be fixed so as to produce revenue sufficient to pay the principal of, premium, if any, and interest on the Series 2019B Note when due, and such the loan repayments to be made by the Borrower under the Note Loan Agreement will be assigned to the Note Purchaser along with the Issuer's right, title and interest in, to, and under, the Loan Agreement (except as therein provided) pursuant to an Assignment of Loan Agreement (the "Assignment of Note Loan Agreement") between the Issuer and the Note Purchaser; and

WHEREAS, to ensure compliance with certain rental and occupancy restrictions imposed by the Housing Act and Section 142(d) of the Code, the Issuer, the Borrower, the Bond Trustee, and the Note Purchaser are expected to enter into a Regulatory Agreement (the "Regulatory Agreement"); and

WHEREAS, the obligations of the Borrower under the Bond Loan Agreement and the Note Loan Agreement shall be secured by such mortgages, assignments of mortgages, security agreements, assignments of rents, guarantees, and other security instruments and documents as are required by the Bond Underwriter or the Note Purchaser, including but not limited to, an assignment of a portion of equity installments attributable to low-income housing tax credits for the Project and one or more guaranties (collectively, the "Security Documents"); and

WHEREAS, the Obligations and the interest thereon (i) shall be payable solely from the revenues pledged and security provided therefor under the Bond Loan Agreement and the Note Loan Agreement and additional sources of revenue 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 or 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 Bond Loan Agreement and the Note Loan Agreement; and (v) shall not constitute a general or moral obligation of the Issuer or the County.

Resolution:

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

1. The Housing Program, in the form substantially on file with the Issuer, is hereby adopted, ratified and approved.
2. The Issuer acknowledges, finds, determines, and declares that the issuance of the Obligations is authorized by the Housing Act and is consistent with the purposes of the Housing Act and that the issuance of the Obligations, and the actions of the Issuer under the Bond Indenture, Bond Loan Agreement, the Note Loan Agreement, the Assignment of Note Loan Agreement, the Regulatory Agreement, and this 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 Obligations 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.

3. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Obligations in one or more series in the aggregate principal amount not to exceed \$10,000,000. The Obligations may be given a different designation and may be issued in any additional series, as the Chair of the Issuer and the Executive Director of the Issuer (the "Chair" and the "Executive Director," respectively, and together, the "Issuer Officials"), in their discretion, shall determine. All of the provisions of the Obligations, 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 Issuer hereby authorizes all or a portion of the Obligations to be issued as "tax-exempt bonds" the interest of which is excludable from gross income for federal and state income tax purposes.
4. The Obligations shall be special, limited obligations of the Issuer payable solely from the revenues provided by the Borrower pursuant to the Bond Loan Agreement, the Note Loan Agreement, and other funds pledged pursuant to the Bond Indenture and the Bond Loan Agreement.
5. The Series 2019A Bonds shall bear interest at the 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 Bond Indenture, substantially in the form now on file with the Issuer, with the amendments referenced herein.
6. All of the provisions of the Series 2019A 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 Series 2019A Bonds shall be substantially in the form of the Bond Indenture 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 Series 2019A Bonds, the stated maturities of the Series 2019A Bonds, the interest rates on the Series 2019A Bonds and the terms of redemption of the Series 2019A Bonds) as the Issuer Officials, in their discretion, shall determine. The execution of the Series 2019A Bonds with the manual or facsimile signatures of the Issuer Officials and the delivery of the Series 2019A Bonds by the Issuer shall be conclusive evidence of such determination.
7. The Series 2019B Note shall bear interest at the rate, 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 form of Series 2019B Note now on file with the Issuer, with the amendments referenced herein.
8. All of the provisions of the Series 2019B Note, 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 Series 2019B Note shall be substantially in the form 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 Series 2019B Note, the stated maturity of the Series 2019B Note, the interest rate on the Series 2019B Note and the terms of redemption of the Series 2019B Note) as the Issuer Officials, in their discretion, shall determine. The execution of the Series 2019B Note with the manual or facsimile signatures of the Issuer Officials and the delivery of the Series 2019B Note by the Issuer shall be conclusive evidence of such determination.
9. The Issuer Officials are hereby authorized and directed to execute and deliver the Bond Indenture, the Bond Loan Agreement, the Note Loan Agreement, the Assignment of Note Loan Agreement, the Regulatory Agreement, and, with respect to the sale of the Series 2019A Bonds, a Bond

Purchase Agreement between the Issuer, the Borrower, and the Bond Underwriter. All of the provisions of such 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. The aforementioned documents shall be substantially in the forms on file with the Issuer which are hereby approved, with such variations, omissions and insertions as do not materially change the substance thereof, and as the Issuer Officials, in their discretion, shall determine, and the execution thereof by the Issuer Officials shall be conclusive evidence of such determinations.

10. The Issuer hereby authorizes the Borrower to provide such security for the payment of its obligations under the Bond Loan Agreement and the Note Loan Agreement and for the payment of the Obligations, and the Issuer hereby approves the execution and delivery of such security, including the Security Documents.
11. The Issuer will not participate in the preparation of the Preliminary Official Statement or the Official Statement relating to the offer and sale of the Series 2019A Bonds (together, the "Official Statement") and will make no independent investigation with respect to the information contained therein, including the appendices thereto, except for the information set forth in the Official Statement regarding the Issuer and certain matters relating to litigation, and the Issuer assumes no responsibility for the sufficiency, accuracy, or completeness of such information. Subject to the foregoing, the Issuer hereby consents to the distribution and the use by the Bond Underwriter of the Official Statement in connection with the offer and sale of the Series 2019A Bonds. The Official Statement is the sole material consented to by the Issuer for use in connection with the offer and sale of the Series 2019A Bonds.
12. The Issuer Officials are hereby authorized to execute and deliver, on behalf of the Issuer, such other documents and certificates as are necessary or appropriate in connection with the issuance, sale, and delivery of the Obligations, including assignments of the Security Documents, various certificates of the Issuer, one or more Information Returns for Tax-Exempt Private Activity Bond Issues, Form 8038 (Rev. September 2018), one or more endorsements of the Issuer to the tax certificate or certificates of the Borrower, and similar documents, and all other documents and certificates as shall be necessary and appropriate in connection with the issuance, sale, and delivery of the Obligations. The preparation and filing of Uniform Commercial Code financing statements with respect to the assignment of the interests of the Issuer in the Bond Loan Agreement and the Note Loan Agreement (excluding any unassigned rights as provided therein) are hereby authorized. The Issuer hereby authorizes Bond Counsel to prepare, execute, and deliver its approving legal opinions with respect to the Obligations.
13. The Issuer Officials are authorized and directed to execute any additional documents deemed necessary by Bond Counsel to carry out the intentions of this resolution and to complete the financing described herein.
14. 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. 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 in that person's individual capacity, and neither the Board nor any officer or employee executing the Obligations shall be personally liable on the Obligations or any such documents or be subject to any personal liability or accountability by reason of the issuance of the Obligations or the execution and delivery of such documents. No provision, covenant or agreement contained in the aforementioned documents, the Obligations, or in any other document relating to the Obligations, 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 their 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 Note Loan Agreement and the Bond Loan Agreement which are to be applied to the payment of the Obligations, as provided therein.

15. 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, any holders of the Obligations 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 Obligations issued under the provisions of this resolution.
16. In case any one or more of the provisions of this resolution, other than the provisions contained in the Section 4 hereof, or of the aforementioned documents or the Obligations 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, the aforementioned documents, or the Obligations, but this resolution, the aforementioned documents, and the Obligations shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.
17. The Obligations, 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 Obligations 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 Obligations, 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.
18. The authority to approve, execute, and deliver future amendments to any of the documents referred to in this resolution or other documents executed and delivered by the Issuer in connection with the issuance of the Obligations is hereby delegated to the Issuer Officials, subject to the following conditions: (i) such amendments do not materially adversely affect the interests of the Issuer; (ii) such amendments do not contravene or violate any policy of the Issuer; and (iii) such amendments are acceptable in form and substance to the Hennepin County Attorney, Dorsey & Whitney LLP, in its capacity as counsel to the Issuer (the "Issuer's Counsel"), and Bond Counsel. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this resolution. The execution of any instrument by the Issuer Officials shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.
19. The officers of the Issuer, the Issuer's Counsel, 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 Obligations, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Obligations, 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.
20. The Borrower has agreed to pay the administrative fees of the Issuer when due in accordance with the terms of the Bond Loan Agreement and the Note 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 Obligations, whether or not the Obligations are issued, including any costs for reasonable attorneys' fees.

21. It is understood and agreed by the Borrower that the Borrower shall indemnify the Issuer and the County against all liabilities, losses, damages, costs, and expenses (including attorneys' fees and expenses incurred by the Issuer) arising with respect to the Project and the Obligations, as provided for and agreed to by and between the Borrower and the Issuer in the Bond Loan Agreement and the Note Loan Agreement.
22. This resolution shall be in full force and effect from and after its approval, conditioned upon final approval by the Board of Commissioners of the County.

Background:

History: The Hennepin County Housing and Redevelopment Authority ("HCHRA") is authorized to issue conduit financing, including housing revenue bonds, pursuant to the provisions of Minnesota Statutes, Chapters 462C and 469. The bonds are repayable solely from revenue and assets pledged in their support by the developer and are not a debt or property tax obligation of Hennepin County or the HCHRA. Vitus Development III, LLC, (the "Developer"), on behalf of Holmes Housing Partners, LP, submitted an application for housing revenue bond financing to assist in acquisition and rehabilitation of 54 affordable rental housing units at 114 Fifth Street SE (the "Project") in 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 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 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.

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.

Conduit financing requests typically follow a series of formal actions by the HCHRA Board: 1) consideration of preliminary approval; 2) establishment and holding of a public hearing; and 3) consideration of final approval. The HCHRA authorized preliminary approval for this Project on June 11, 2019; and held a public hearing on the Project on August 20, 2019.

During this final approval phase, the Hennepin County Board of Commissioners will also be considering a companion resolution approving this HCHRA action.

Since 2000, the HCHRA has issued approximately \$187.4 million in conduit financing for eight projects supporting 1,289 affordable housing units. Another four projects, including the Holmes Greenway Apartments, totaling approximately \$142.0 million in revenue bonds and 529 affordable housing units, currently have obtained HCHRA's preliminary approval for future issuance.

Current Request: This request is for authorization to issue multifamily housing revenue bonds to finance a 54-unit affordable housing project at 114 5th St SE, Minneapolis.

Impact/Outcomes: Issuance of multifamily housing revenue bonds will rehabilitate and preserve the affordability of 54 housing units serving households at or below 60 percent of area median income, of which 50 units will have project-based Section 8 rental assistance. This request aligns with Hennepin County efforts to reduce housing disparities by increasing the supply of affordable housing.

Recommendation from County Administrator: Recommend Approval

