HENNEPIN COUNTY
MINNESOTA

FINAL COMMITTEE AGENDA

BOARD OF HENNEPIN COUNTY COMMISSIONERS
PUBLIC WORKS COMMITTEE
TUESDAY, SEPTEMBER 17, 2019
1:30 PM

Chair: Mike Opat, District 1
Vice-Chair: Angela Conley, District 4
Members: Irene Fernando, District 2
Marion Greene, District 3
Debbie Goettel, District 5
Jan Callison, District 6
Jeff Johnson, District 7

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1. Public Hearing

A. Public Comment on the Hennepin County Consortium Draft 2018 Consolidated Annual Performance and Evaluation Report (CAPER)

2. Minutes From Previous Meeting

A. Minutes 8-20-2019

3. New Business

Routine Items

A. **19-0350**

Agmt PR00001296 with Anoka, Carver, Dakota, Ramsey, Scott and Washington counties for reciprocal use of household hazardous waste management facilities, 01/01/20–12/31/24

B. **19-0351**

Agmt PR00001468 with Perkins + Will, Inc. to develop a marketing tool for the METRO Blue Line Extension corridor (CP 1005239), 09/25/19–02/01/20, NTE $85,000

C. **19-0352**

Agmt PR00001331 with Neighborhood Development Center, NTE $125,000, and Agmt PR00001330 with Northside Economic Opportunity Network, NTE $125,000, for the provision of small business technical assistance in the METRO Blue Line Extension Corridor (CP 1002318), 08/13/19–08/31/21

Items for Discussion and Action

D. **19-0353**

Neg Amd 1 to MnDOT Agmt 1030690 for cost participation in environmental review for TH 252 and I-694/I-94 corridor; neg Amd 2 to PW 11-66-17 with SRF Consulting Group Inc.; amend budget (CP 2155600) (recv $1,378,390)

E. **19-0354**

Neg work auth under Master Agmt A177657 with AECOM, Inc. for design, surveying and public engagement on CSAH 152 reconstruction in Minneapolis (CP 2174100), 10/01/19-06/30/21, (county cost NTE $410,000 state aid)

F. **19-0355**

Authorize the issuance and sale of one or more multifamily housing revenue bonds by the Hennepin County Housing and Redevelopment Authority for an affordable housing project at 114 5th St SE, Mpls

HENNEPIN COUNTY
MINNESOTA

COMMITTEE MINUTES

BOARD OF HENNEPIN COUNTY COMMISSIONERS
PUBLIC WORKS COMMITTEE
TUESDAY, AUGUST 20, 2019
1:30 PM

Chair: Mike Opat, District 1
Vice-Chair: Angela Conley, District 4
Members: Irene Fernando, District 2
Marion Greene, District 3
Debbie Goettel, District 5
Jan Callison, District 6
Jeff Johnson, District 7

Commissioner Opat, Chair, called the meeting of the Public Works Committee for Tuesday, August 20, 2019 at 2:37 PM. All Commissioners were present.

1. Minutes From Previous Meeting

A. Minutes 8-6-2019

APPROVED

Commissioner Angela Conley moved to approve the Minutes, seconded by Commissioner Irene Fernando and approved - 7 Yeas

2. New Business

Routine Items

A. **19-0326**

Ratification of permits, leases, lease amendments, and related property agreements approved by the County Administrator, period 04/01/19-06/30/19, total NTE $15,000

CONSENT

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

B. **19-0327**

Establish a public hearing for comment on the program year 2018 Consolidated Annual Performance and Evaluation Report related to the HUD CDBG, HOME & ESG prgms in suburban Hennepin County on Tuesday, September 17, 2019 at 1:30 p.m.

CONSENT

Commissioner Irene Fernando moved to approve, seconded by Commissioner Angela Conley and approved - 7 Yeas

C. **19-0328**

Neg Agmt PR00001336 with Centro Tyrone Guzman to provide childhood lead poisoning outreach and education services, 08/27/19–08/26/20, NTE $10,000

CONSENT

Commissioner Marion Greene moved to approve, seconded by Commissioner Debbie Goettel and approved - 7 Yeas

D. **19-0329**

Neg Agmt PW 26-49-19 with Eden Prairie to remove sediment from stormwater retention pond, est. county cost $60,000 (CP 2999974)

CONSENT

Commissioner Jan Callison moved to approve, seconded by Commissioner Debbie Goettel and approved - 7 Yeas

E. **19-0330**

Acquisition of right-of-way by direct purchase or condemnation, and declare as surplus and dispose of excess right-of-way on a transportation capital project

CONSENT

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

Items for Discussion and Action

F. **19-0331**

Neg Amd 1 to Agmt PW 57-20-17 with City of Minneapolis for Penn Ave corridor reconstruction CP 2121100; transfer funds (increase est county cost $850,000: $300,000 general obligation bonds; $550,000 property tax)

PROGRESSED

Commissioner Jeff Johnson moved to progress, seconded by Commissioner Jan Callison and approved - 7 Yeas

G. **19-0332**

Execute Agmt PW 31-40-19 (State Agmt 1033630) with MnDOT and Plymouth to accept LRIP grant funds on behalf of city for Rockford Rd interchange improvement at I-494 (CP 2165300) (no receivable)

CONSENT

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

H. **19-0333**

Authorize the issuance and sale of one or more multifamily housing revenue bonds by the HCHRA for an affordable housing project at 1125 Fremont Ave N, and 1121 and 1227 12th Ave N, Mpls

PROGRESSED

Commissioner Jeff Johnson moved to progress, seconded by Commissioner Marion Greene and approved - 7 Yeas

I. **19-0334**

Neg Amd 1 to Agmts A166577, A154416, A166373, and A166372 with Met Council for the METRO Green Line Extension Project to incorporate revised payment terms and contract end dates

CONSENT

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

J. **19-0335**

Approval of Green Line Extension work under second Letter of No Prejudice, pre-award authority work, and Amd 1 to Agmt PR00000689 with Metropolitan Council and HCRRA for the HC Southwest Light Rail Transit project (CP 1005876)

NON-CONSENT

Following a short presentation, Commissioner Opat moved to Progress. After further discussion, Commissioner Jan Callison moved to Consent, seconded by Commissioner Marion Greene and approved - 6 Yeas 1 Nays: Johnson

3. Adjourn

There being no further business of the Public Works Committee meeting on August 20, 2019, the meeting was declared adjourned at 3:13 p.m.

Maria Rose
Clerk to the County Board

HENNEPIN COUNTY

MINNESOTA

Board Action Request
19-0350

Item Description:
Agmt PR00001296 with Anoka, Carver, Dakota, Ramsey, Scott and Washington counties for reciprocal use of household hazardous waste management facilities, 01/01/20–12/31/24

Resolution:
BE IT RESOLVED, that Agreement PR00001296 with Anoka, Carver, Dakota, Ramsey, Scott and Washington counties for reciprocal use of household hazardous waste management facilities and to provide for payment of costs incurred by the county receiving the household hazardous waste, during the period January 1, 2020 through December 31, 2024, be approved; that the Chair of the Board be authorized to sign the agreement on behalf of the county; and that the Controller be authorized to accept and disburse funds as directed.

Background:
History: Household hazardous waste and problem materials include used batteries, electronics, fluorescent bulbs, mercury, paint, pesticides, and other products that can pollute the environment. By properly collecting these materials from residents at two drop-off facilities and seasonal collection events, the county protects human health and the environment.
In order to provide residents easier access to properly dispose of household hazardous waste, the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington allow residents to deliver these materials to any county affiliated household hazardous waste facility in the metro region. Hennepin County has held agreements with counties in the metro region for reciprocal use of household hazardous waste management facilities since 1991.
In 2018, residents from Hennepin County used facilities in other counties on 2,882 occasions at an approximate total cost of $100,000. In turn, 1,931 participants from other counties used Hennepin County's facilities in 2018, for which Hennepin County received approximately $68,000. The current reciprocal use agreement expires on December 31, 2019.
Current Request: This request seeks approval of Agreement PR00001296 with Anoka, Carver, Dakota, Ramsey, Scott and Washington counties for reciprocal use of household hazardous waste management facilities and to provide for the payment of cost incurred by the county receiving the household hazardous waste, during the period January 1, 2020 through December 31, 2024.
The agreement will provide for the payment of a regional fee of $35 per vehicle, which is based on the average cost per vehicle amongst all the counties. The regional fee simplifies administrative procedures and costs and recognizes the value of providing convenient disposal options to residents throughout the region.
Impacts/Outcomes: Approval of Agreement PR00001296 will allow residents of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties to deliver household hazardous waste and problem materials to any management facility within the region. By offering convenient services throughout the region, the county will encourage the proper management of waste to protect public health and the environment.

ATTACHMENTS:

Description	Upload Date	Type

HENNEPIN COUNTY
MINNESOTA

Board Action Request
19-0351

Item Description:
Agmt PR00001468 with Perkins + Will, Inc. to develop a marketing tool for the METRO Blue Line Extension corridor (CP 1005239), 09/25/19–02/01/20, NTE $85,000

Resolution:
BE IT RESOLVED, that Agreement PR00001468 with Perkins + Will, Inc. to develop a marketing tool to promote real estate and business development opportunities in the METRO Blue Line Extension corridor (CP 1005239) during the period September 25, 2019 through February 1, 2020, with the amount not to exceed $85,000 be approved; that the Chair of the Board be authorized to sign the agreement on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:
History: Hennepin County entered into Agreement A176972 with the Metropolitan Council to receive $1,077,500 in funds from the Federal Transit Administration (FTA) for advanced planning activities in the METRO Blue Line Extension corridor (Resolution 17-0143). Hennepin County, through Bottineau Community Works, coordinates FTA grant activities in collaboration with the cities of Brooklyn Park, Crystal, Golden Valley, Minneapolis, and Robbinsdale. Each participating entity has contributed local matching funds to implement the grant activities, and Greater MSP, the Minneapolis Saint Paul Regional Economic Development Partnership organization, has contributed matching resources to implement specific economic development-related FTA grant activities, such as the development of an interactive corridor marketing tool.

Consistent with the terms of the FTA grant, in August 2019 a competitive request for proposals (RFP) was released seeking consultant services to develop a vision plan that will promote real estate and business development opportunities along the METRO Blue Line Extension (Bottineau Light Rail Transit) corridor. Two proposals were received from local consulting teams. A consultant selection committee consisting of representatives from Hennepin County, Greater MSP, the Blue Line Coalition, and the cities of Brooklyn Park, Crystal, Golden Valley, Minneapolis and Robbinsdale reviewed and evaluated the proposals. Perkins + Will, Inc. was identified as the preferred consultant due to the team's expertise in real estate development, marketing districts and development opportunities, and direct experience developing similar marketing tools. The deliverable of this scope of work will be a user-friendly marketing tool that will highlight market information, existing and future land uses, and document the corridor's existing assets and future opportunities.

Current Request: This request seeks approval of Agreement PR00001468 with Perkins + Will, Inc. to develop a marketing tool that will promote real estate and business development opportunities along the METRO Blue Line Extension (Bottineau Light Rail Transit) corridor, during the period September 25, 2019 through February 1, 2020 with the amount not to exceed $85,000.

Impact/Outcomes: A marketing tool that highlights existing assets and development opportunities in the METRO Blue Line Extension corridor will help promote development, business recruitment and expansion, and access to jobs along the corridor.

ATTACHMENTS:

Description	Upload Date	Type

HENNEPIN COUNTY
MINNESOTA

Board Action Request
19-0352

Item Description:
Agmt PR00001331 with Neighborhood Development Center, NTE $125,000, and Agmt PR00001330 with Northside Economic Opportunity Network, NTE $125,000, for the provision of small business technical assistance in the METRO Blue Line Extension Corridor (CP 1002318), 08/13/19–08/31/21

Resolution:
BE IT RESOLVED, that Agreements PR00001331 with Neighborhood Development Center with the amount not to exceed $125,0000 and PR00001330 with Northside Economic Opportunity Network with the amount not to exceed $125,0000 for the provision of small business technical assistance in the METRO Blue Line Extension Corridor (CP 1002318) during the period August 13, 2019 through August 31, 2021, be approved; that the Chair of the Board be authorized to sign the agreements on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:
History: Hennepin County accepted a $550,000 Intersections grant (capital project (CP) 1002318) from the McKnight Foundation for strategies that support small businesses, engage community members, provide technical assistance and capacity building around transit oriented development, and activate public spaces along the METRO Blue Line Extension, or Bottineau Corridor (Resolution 17-0218). Hennepin County serves as the fiscal agent for the grant and coordinates activities in partnership with the Bottineau Corridor cities and community partners.

In October 2018, a competitive request for proposals (RFP) was released to provide technical assistance services to small businesses located within one-quarter mile of planned METRO Blue Line Extension stations. Four proposals were received in response, all from minority-led organizations with connections to Bottineau Corridor communities. The RFP allowed for selection of multiple qualified vendors to expand available business support services in corridor communities. Two proposals were selected by a review committee consisting of Hennepin County staff, representatives from Bottineau Corridor cities, and a Southwest Corridor city representative. Neighborhood Development Center (NDC) and Northside Economic Opportunity Network (NEON) were selected due to their significant experience delivering small business technical assistance in coordination with planning and implementation of transit projects. This work, funded by McKnight Foundation, will serve as a match to Federal Transit Administration grant funds currently in use in the Bottineau Corridor.

Current Request: This request seeks approval of Agreements PR00001331 with NDC with the amount not to exceed $125,000 and PR00001330 with NEON with the amount not to exceed $125,000 for the provision of small business technical assistance in the Bottineau Corridor, during the period August 13, 2019 through August 31, 2021.

Impact/Outcomes: Targeted small business technical assistance in the Bottineau Corridor will strengthen small businesses in the near-term, and help businesses maximize the benefits and prepare for potential impacts of the planned METRO Blue Line Extension light rail transit service.

ATTACHMENTS:

Description	Upload Date	Type

HENNEPIN COUNTY

MINNESOTA

Board Action Request
19-0353

Item Description:
Neg Amd 1 to MnDOT Agmt 1030690 for cost participation in environmental review for TH 252 and I-694/I-94 corridor; neg Amd 2 to PW 11-66-17 with SRF Consulting Group Inc.; amend budget (CP 2155600) (recv $1,378,390)

Resolution:
BE IT RESOLVED, that the County Administrator be authorized to negotiate Amendment 1 to Minnesota Department of Transportation (MnDOT) Agreement No. 1030690 for cost participation in the environmental review of Trunk Highway (TH) 252 and Interstate 694 (I-694)/Interstate 94 (I-94) corridor improvements from I-694/I-94 to TH 610 and I-694/I-94 to Dowling Ave in Minneapolis, Brooklyn Center and Brooklyn Park; extending the contract period through June 30, 2021; expanding the scope; and increasing contract amount by $1,378,390 from $1,940,676 to $3,319,066, for capital project (CP) 2155600, at a receivable of $1,378,390; that following review and approval by the County Attorney's office, the Chair of the Board be authorized to sign the amendment on behalf of the county; and

BE IT FURTHER RESOLVED, that the County Administrator be authorized to negotiate Amendment 2 to Agreement PW 11-66-17 with SRF Consulting Group, Inc. to expand the planning, design and environmental review services for CP 2155600; extending the contract period through June 30, 2021; and increasing the total not to exceed amount to $5,338,390; and that upon review and approval by the County Attorney's office, the Chair of the Board be authorized to sign the amendment on behalf of the county; and

BE IT FURTHER RESOLVED, that the capital budget for CP 2155600 TH 252 Improvements from I-694 to TH 610 be adjusted by adding $1,378,390 in revenue from MnDOT, increasing the total project budget from $3,960,000 to $5,338,390; and that the Controller be authorized to accept and disburse funds as directed.

Background:
History: Hennepin County, MnDOT and the cities of Brooklyn Park, Brooklyn Center and Minneapolis are developing solutions that will improve safety and mobility, reduce congestion, and extend the service life of the highway and drainage system, and upgrading signals and pedestrian crossings at ramps along TH 252 that will comply with the Americans with Disability Act (ADA). MnPASS lanes along I-94 from TH 610 to Dowling Avenue will provide additional safety and mobility benefits to the overall corridor.

TH 252 is a north-south principal arterial state highway located entirely within Hennepin County, connecting I-694/I-94 to the south and TH 610 to the north. This corridor traverses the cities of Brooklyn Center and Brooklyn Park. I-94 is a north-south principal arterial interstate freeway that connects TH 252 to downtown Minneapolis. The overall combined TH 252 and I-694/I-94 corridor is approximately 10 miles in length and serves over 125,000 vehicles per day.

In May 2017, the board authorized the county administrator to negotiate and execute Agreement PW 11-66-17 with SRF Consulting Group, Inc. (SRF) for planning and design services on TH 252, at county cost NTE $400,000 (Resolution 17-0164) through December 31, 2018. In March 2018, the board amended the agreement to expand the planning, design, environmental review services; extending the contract to December 31, 2020; and increasing the NTE amount to $3,960,000 (Resolution 18-0083R1). The board also authorized the county administrator to execute agreements with MnDOT and the cities of Brooklyn Park and Brooklyn Center for cost participation in the environmental review of TH

252 improvements from I-694/I-94 to TH 610 at estimated receivable of $2,840,000.
The project is currently in the environmental documentation and preliminary layout design stage. An additional level of preliminary design work is required for this project and therefore MnDOT and Hennepin County request to expand SRF's services for CP 2155600, extend the period through June 30, 2021, and increase the contract NTE amount to $5,338,390.
Proposed Amendment 1 to MnDOT Agreement 1030690 will extend the period through June 30, 2021 and increase MnDOT's cost participation to $3,319,066.
Proposed Amendment 2 to Agreement PW 11-66-17 with SRF will extend the contract period through June 30, 2021; expand the planning, design, environmental review services; and increase the NTE to $5,338,390.
The county is administering the agreement with SRF and managing the project to help expedite the environmental review. This creates cost efficiencies and minimizes public confusion instead of each agency conducting separate environmental reviews for related projects along the corridor.
Current Request: This request seeks authorization to negotiate Amendment 1 to MnDOT Agreement 1030690, extending the period through June 30, 2021, expanding the scope, and increasing the amount to $3,319,066.
The request also seeks authorization to negotiate Amendment 2 to Agreement PW 11-66-17 with SRF, expanding the planning, design, environmental review services; extending the period through June 30, 2021; and increasing the NTE amount to $5,338,390.
Finally, This request seeks authorization to adjust the capital budget for CP 2155600 TH 252 Improvements from I-694 to TH 610 by adding $1,378,390 in revenue from MnDOT, increasing the total project budget to $5,338,390.
Impacts/Outcomes: Approval of the requests will expedite the environmental review process, effectively use public funds from MnDOT, maximize agency coordination and minimize public confusion, reduce congestion and crashes, extend service life of the highway, and improve mobility for county residents.

Budget Table: CP 2155600 TH 252 Improvements from I-694 to TH 610

Revenues:	Budget to Date	**Current Request**	Future CIP Requests	Total Project
Property Tax	300,000			300,000
Bonds - GO Roads	720,000			720,000
Mn/DOT State Aid - Regular	100,000			100,000
State - Other - Roads	1,940,000	**1,378,390**		3,318,390
Brooklyn Center	360,000			360,000
Brooklyn Park	540,000			540,000
Total	3,960,000	**1,378,390**		5,338,390
Expenditures:				
Consulting	3,960,000	**1,378,390**		5,338,390
Total	3,960,000	**1,378,390**		5,338,390

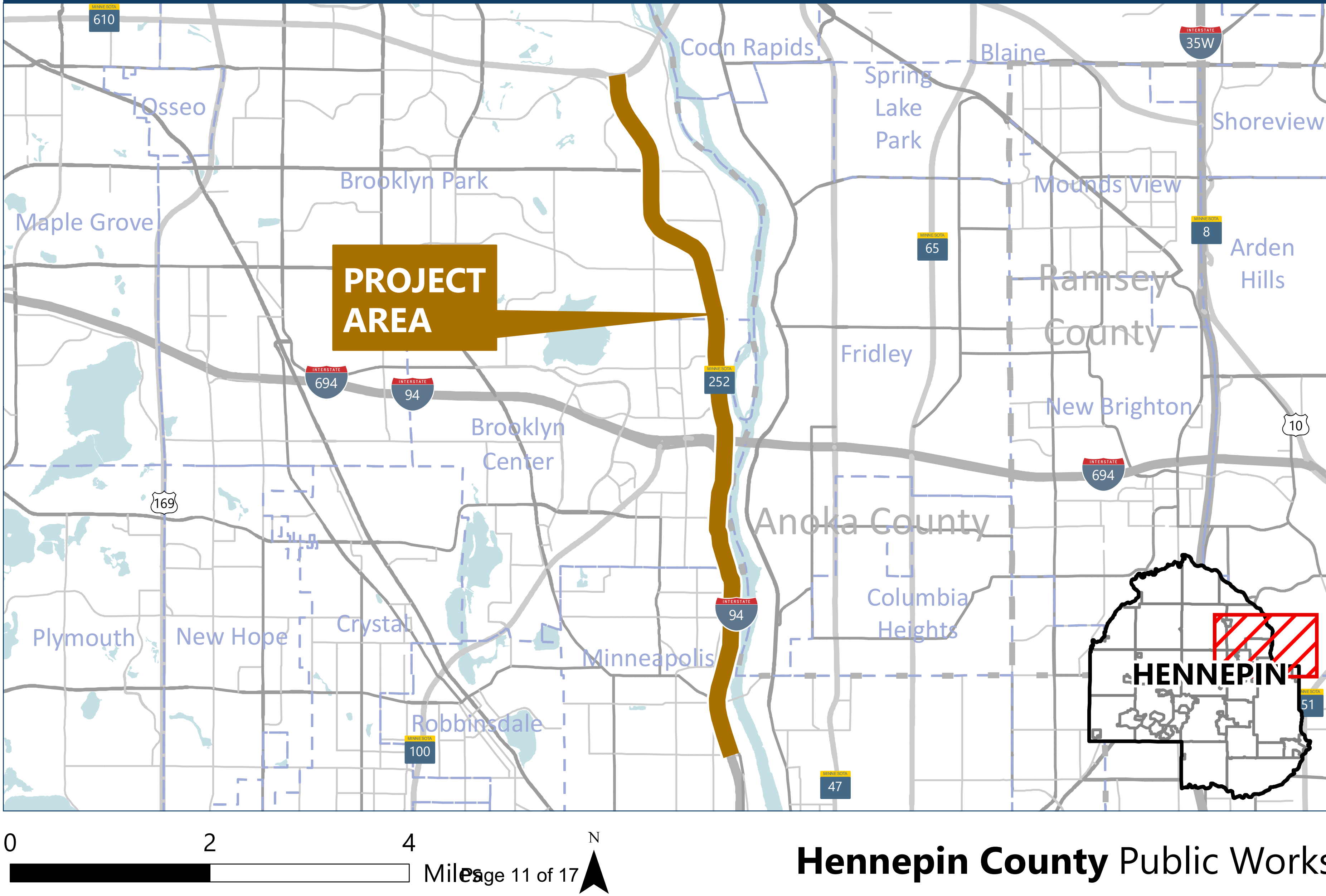
ATTACHMENTS:

Description	Upload Date	Type
Map_CP 2155600	8/19/2019	Backup Material

PW 11-66-17

TH 252 | CP 2-1556-00

HENNEPIN COUNTY
MINNESOTA



Hennepin County Public Works

HENNEPIN COUNTY
MINNESOTA

Board Action Request
19-0354

Item Description:
Neg work auth under Master Agmt A177657 with AECOM, Inc. for design, surveying and public engagement on CSAH 152 reconstruction in Minneapolis (CP 2174100), 10/01/19-06/30/21, (county cost NTE $410,000 state aid)

Resolution:
BE IT RESOLVED, that the County Administrator be authorized to negotiate a work authorization under Master Agreement A177657 with AECOM, Inc., for roadway design, including surveying and community engagement, for the reconstruction of County State Aid Highway (CSAH) 152 (Osseo Road) from CSAH 2 (Penn Avenue) to 49th Avenue in Minneapolis, under capital project (CP) 2174100, during the period October 1, 2019 through June 30, 2021, in an amount not to exceed $410,000; that following review and approval by the County Attorney's office, the Chair of the Board be authorized to sign the authorization on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:
History: The section of Osseo Road between Penn and 49th avenues is the last remaining segment of CSAH 152 between I-694 and I-94 to be programmed for improvements. The roadway has reached the end of its service life and is due for replacement.
The project includes replacing the existing pavement, traffic signals, curb and gutter, sidewalks, and storm water structures. County staff will be coordinating this project with upcoming bridge rehabilitation over the Canadian Pacific Rail line. This project will supplement Metro Transit's proposed C and D-Line projects that will provide Bus Rapid Transit (BRT) service along this section of Osseo Road. It will be beneficial to enhance pedestrian and bicycle connections to the proposed BRT stations with this project.
In March 2019, the county solicited letters of interest from prequalified consultant firms for preliminary roadway design, including surveying and community engagement, for reconstruction of Osseo Road under CP 2174100. Five firms submitted proposals and AECOM, Inc., was selected by county staff based on the evaluation of proposals and scope of services.
Current Request: This request seeks approval to negotiate a work authorization under Master Agreement A177657 with AECOM, Inc. to complete roadway design and public engagement for the reconstruction of Osseo Road in Minneapolis, under CP 2174100, during the period October 1, 2019 through June 30, 2021, with a not to exceed amount of $410,000. Adequate consulting funding will be available in the CP 2174100 project budget.
Impacts/Outcomes: Approval of this request will provide a new design for Osseo Road that will upgrade roadway infrastructure, improve safety, enhance traffic operations and provide a multi-modal corridor.

ATTACHMENTS:

Description	Upload Date	Type
Map of CP 2174100	8/20/2019	Backup Material

AECOM A1776657

CSAH 152 | CP 2-1741-00

HENNEPIN COUNTY
MINNESOTA

0 0.5 1 Miles

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Hennepin County Public Works

Board Action Request
19-0355

Item Description:
Authorize the issuance and sale of one or more multifamily housing revenue bonds by the Hennepin County Housing and Redevelopment Authority for an affordable housing project at 114 5th St SE, Mpls

APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE OBLIGATIONS BY THE HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY UNDER MINNESOTA STATUTES, CHAPTER 462C, AS AMENDED, TO FINANCE A MULTIFAMILY HOUSING DEVELOPMENT TO BE LOCATED IN THE CITY OF MINNEAPOLIS

WHEREAS, under the provisions of Minnesota Statutes, Chapter 462C, as amended (the “Housing Act”), cities are authorized to finance multifamily housing developments through the issuance and sale of revenue obligations payable exclusively from the revenues of the multifamily housing development; and

WHEREAS, among the purposes authorized by the Housing Act, proceeds derived from the sale of revenue obligations issued under the terms of the Housing Act may be applied to make a loan to finance the acquisition, preparation of a site, and the construction or rehabilitation of a multifamily housing development, and in the making of loans to finance multifamily housing developments and the issuance of revenue obligations, the city may exercise any of the powers the Minnesota Housing Finance Agency may exercise under Minnesota Statutes, Chapter 462A, as amended, without limitation under the provisions of Minnesota Statutes, Chapter 475, as amended; and

WHEREAS, for purposes of the Housing Act, the term “city” is defined to include a county housing and redevelopment authority created by special law or authorized by its county to exercise its powers pursuant to Minnesota Statutes, Section 469.004; and

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, created in Hennepin County, Minnesota (the “County”) pursuant to Minnesota Statutes, Section 383B.77, as amended, to exercise all the powers and duties of a housing and redevelopment authority under Minnesota Statutes, Sections 469.001 through 469.047, as amended; and

WHEREAS, at the request of 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”), the Issuer is proposing to issue 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, and to apply the proceeds derived from the sale of the Obligations to make one or more loans (the “Loans”) to the Borrower; and

WHEREAS, the Borrower will apply the proceeds of the Loans to (i) finance 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 the County, for occupancy by persons and families of low and moderate income (the “Project”); (ii) fund any required reserves; (iii) finance capitalized interest, if necessary; and (iv) pay costs of issuing the Obligations; and

WHEREAS, the Obligations received allocation of bonding authority from the State of Minnesota pursuant to Minnesota Statutes, Chapter 474A, as amended, and in accordance with Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), and are proposed to be issued as "exempt facility bonds" the interest on which is not includable in gross income for federal income tax purposes under Sections 103 and 141(e)(1)(A) of the Code; and

WHEREAS, under the provisions of Section 147(f) of the Code and applicable Treasury Regulations, the Obligations will not constitute exempt facility bonds unless the Obligations are approved by the governmental unit which issues the Obligations or on behalf of which the Obligations are issued after a public hearing following reasonable public notice; and

WHEREAS, under the terms of Section 147(f) of the Code, private activity bonds (such as the Obligations) will not be qualified bonds the interest on which is excludable from gross income for federal income tax purposes unless the issuance of the bonds has been approved by the applicable elected representative of the governmental unit which issued the bonds or on behalf of which the bonds were issued; and

WHEREAS, the applicable elected representative of a governmental unit means its elected legislative body or its chief elected executive office; if a governmental unit has no applicable elected representative then the applicable elected representative of such governmental unit is deemed to be the applicable elected representative of the next higher governmental unit from which the governmental unit derives its authority by (i) the enactment of a specific law by or under which the governmental unit is created; (ii) otherwise empowering or approving the creation of the governmental unit; or (iii) appointing members to the governing body of the governmental unit; and

WHEREAS, the Issuer has no applicable elected representative, the County is the next higher governmental unit from which the Issuer derives its authority, and the Board of Commissioners of the County (the "County Board") is an applicable elected representative of the County; and

WHEREAS, in accordance with the Housing Act, a housing program was prepared on behalf of the Issuer with respect to the Project (the "Housing Program") and submitted to Metropolitan Council on or before the day on which notice of the public hearing was published, and all comments received from Metropolitan Council were presented to the County Board on or prior to the date hereof; and

WHEREAS, on August 20, 2019, in accordance with Section 147(f) of the Code and Section 462C.04, subdivision 2 of the Housing Act, the Board of Commissioners of the Issuer conducted a duly noticed public hearing on the Housing Program and the issuance of the Obligations at which a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing.

Resolution:

BE IT RESOLVED, by the Board of Commissioners of Hennepin County, Minnesota the following:

1. As an applicable elected representative of the County and, therefore, the applicable elected representative of the Issuer, the County Board hereby approves the issuance of the Obligations by the Issuer in the principal amount of up to $10,000,000 to (i) finance the Project; (ii) fund any required reserves; (iii) finance capitalized interest, if necessary; and (iv) pay costs of issuing the Obligations.

2. The Obligations, when, as, and if issued, shall be special, limited obligations of the Issuer, payable solely from the revenues received from one or more loan agreements between the Issuer and the Borrower, and other property pledged to the payment thereof, and shall not constitute a general or moral obligation of the County or the Issuer. The owners of the Obligations shall never have the right to compel any exercise of the taxing power of the County or the Issuer

to pay the outstanding principal of the Obligations, or the interest thereon or to enforce payment thereof against any property of the County or the Issuer. The Obligations shall recite that the Obligations are issued pursuant to the Housing Act, and that the Obligations, including interest and premium, if any, thereon, is payable solely from the revenues and assets pledged to the payment thereof, and the Obligations shall not constitute a debt of the Issuer or the County within the meaning of any constitutional or statutory limitation.

3. The Chair, the County Administrator, and other officers of the County are authorized and directed to furnish to Kennedy & Graven, Chartered, as bond counsel with respect to the Obligations ("Bond Counsel"), certified copies of all proceedings and records of the County relating to the Issuer, the Project, the Obligations, and the Housing Program, and such other affidavits, certificates, and other documents as may be required by Bond Counsel to show the facts relating to the validity of the Obligations and related documents, as such facts appear from the books and records in the custody and control of such officers or as otherwise known to them. All such certified copies, certificates, affidavits, and other documents, including any heretofore furnished, shall constitute representations of the County as to the truth of all statements contained therein.

4. The County Board has adopted this resolution in reliance upon the assurances from the Borrower that the Borrower will, upon demand, reimburse the County and the Issuer for costs paid or incurred by the County or the Issuer in connection with this resolution, the Obligations, the Project, and the Housing Program.

5. This resolution shall be in full force and effect from and after its passage.

Background:
History: The Hennepin County Housing and Redevelopment Authority (HCHRA) is authorized to issue conduit financing, including housing revenue bonds pursuant to the provision 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 (Developer), on behalf of Holmes Housing Partners, LP, a Minnesota limited partnership, submitted an application for housing revenue bond financing to assist in acquisition and rehabilitation of an existing housing development with 54 affordable rental units (Project) located at 114 Fifth Street SE in northeast Minneapolis.

The Project contains 18 one-bedroom and 36 two-bedroom apartments. All 54 units will be affordable to households at or below 60 percent of area median income (AMI), as determined by the U.S. Department of Housing and Urban Development (HUD). The 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 and will preserve 54 units of long-term affordable housing.

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; held a public hearing on the Project on August 20, 2019; and anticipates consideration of final approval at its first meeting in September 2019.

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 final authorization to issue tax-exempt multifamily housing revenue bonds for an affordable housing project at 114 5th St SE, in the city of 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.