



Housing and Redevelopment Authority Agenda

15 West Kellogg Blvd.
Saint Paul, MN 55102
651-266-9200

November 24, 2020 - 10 a.m.

Council Chambers - Courthouse Room 300

ROLL CALL

1. **Agenda of November 24, 2020 is Presented for Approval** [2020-544](#)
Sponsors: County Manager's Office
Approve the agenda of November 24, 2020.
2. **Minutes from October 27, 2020 are Presented for Approval** [2020-545](#)
Sponsors: County Manager's Office
Approve the October 27, 2020 Minutes.

POLICY ITEMS

3. **Conduit Bonds/Conduit Financing Policy for Affordable Housing Projects** [2020-526](#)
Sponsors: Community & Economic Development
Accept the amended policy and procedures summary approved by the Ramsey County Board of Commissioners supporting participation in a conduit bond financing program for affordable housing.
4. **Preliminary Approval to the Issue Conduit Revenue Bonds for the Wilder Square Apartments Project** [2020-528](#)
Sponsors: Community & Economic Development
Grant preliminary approval to the issuance of conduit revenue bonds to finance the Wilder Square Apartments Project
5. **Set Public Hearing Date: Issuance of Conduit Revenue Bonds for Affordable Housing Projects for Wilder Square Apartments Project** [2020-525](#)
Sponsors: Community & Economic Development
Set a date and time for the Public Hearing regarding the proposed the issuance of conduit revenue bonds for affordable housing projects (Wilder Square) for December 15, 2020 at 9:00 a.m. or as soon as possible thereafter, in the Council Chambers of the Ramsey County Court House, for the purpose of taking public comment.

ADJOURNMENT



Housing and Redevelopment Authority

15 West Kellogg Blvd.
Saint Paul, MN 55102
651-266-9200

Request for Board Action

Item Number: 2020-544

Meeting Date: 11/24/2020

Sponsor: County Manager's Office

Title

Agenda of November 24, 2020 is Presented for Approval

Recommendation

Approve the agenda of November 24, 2020.



Housing and Redevelopment Authority

15 West Kellogg Blvd.
Saint Paul, MN 55102
651-266-9200

Request for Board Action

Item Number: 2020-545

Meeting Date: 11/24/2020

Sponsor: County Manager's Office

Title

Minutes from October 27, 2020 are Presented for Approval

Recommendation

Approve the October 27, 2020 Minutes.

Attachments

1. October 27, 2020 Minutes

Housing and Redevelopment Authority Minutes

October 27, 2020 - 9:30 a.m.

Council Chambers - Courthouse Room 300

The Ramsey County Housing and Redevelopment Authority met in regular session at 10:42 a.m. with the following members present: Carter, Frethem, McDonough, McGuire, Ortega, Reinhardt, and Chair MatasCastillo. Also present were Ryan O'Connor, County Manager, and Amy Schmidt, Assistant County Attorney.

ROLL CALL

Present Commissioner Trista MatasCastillo, Commissioner Nicole Joy Frethem, Commissioner Mary Jo McGuire, Commissioner Toni Carter, Commissioner Rafael E. Ortega, Commissioner Victoria Reinhardt, and Commissioner Jim McDonough

1. Agenda of October 27, 2020 is Presented for Approval. [2020-486](#)

Sponsors: County Managers Office

Motion by McDonough, seconded by Carter. Motion passed.

Aye: Commissioner MatasCastillo, Commissioner Frethem, Commissioner McGuire, Commissioner Carter, Commissioner Ortega, Commissioner Reinhardt, and Commissioner McDonough

2. Minutes August 18, 2020 are Presented for Approval [2020-487](#)

Sponsors: County Managers Office

Motion by Reinhardt, seconded by McDonough. Motion passed.

Aye: Commissioner MatasCastillo, Commissioner Frethem, Commissioner McGuire, Commissioner Carter, Commissioner Ortega, Commissioner Reinhardt, and Commissioner McDonough

POLICY ITEM

3. Conduit Bonds/Conduit Financing for Affordable Housing Projects. [2020-451](#)

Sponsors: Community & Economic Development

Discussion can be found on archived video.

ADJOURNMENT

Chair MatasCastillo declared the meeting adjourned at 11:16 a.m.

Request for Board Action

Item Number: 2020-526

Meeting Date: 11/24/2020

Sponsor: Community & Economic Development

Title

Conduit Bonds/Conduit Financing Policy for Affordable Housing Projects

Recommendation

Accept the amended policy and procedures summary approved by the Ramsey County Board of Commissioners supporting participation in a conduit bond financing program for affordable housing.

Background

On November 11, 2020, the County Board approved an amended Conduit Bonds/Conduit Financing Policy for Affordable Housing Projects.

Ramsey County, through the Ramsey County Housing and Redevelopment Authority (HRA), has acted as conduit issuer of housing/mortgage revenue bonds in the past. The most recent was for the Skyline Towers rehabilitation and the Chestnut Housing new construction (now Joseph's Pointe) in Saint Paul in the early 2000's. There is currently increased demand for these bonds, and the 4% Housing Tax Credit which accompanies them. Municipalities often have demand greater than they can meet under their volume cap. County participation as a bond issuer can help fill the gap, enabling more projects to move forward. A renewed program will increase production of housing to address the growing housing need and deepen affordability in new and rehabbed units.

Housing/mortgage revenue bonds are a form of conduit financing that provides funding for affordable housing development, or acquisition and redevelopment of existing housing properties. Conduit bonds enable developers to obtain below-market financing for a project because interest income from the bonds is exempt from state and federal taxes. As the conduit issuer, Ramsey County or HRA is not responsible for making payments to bondholders; rather the conduit borrower must make such payments from the cash flow generated from the project.

Unlike almost all other bonds, conduit bonds are initiated by and issued for the benefit of private entities. Under the state statutes that authorize these bonds, the county HRA issues the bonds and loans the proceeds to the private entity. That private entity repays the loan in an amount sufficient to pay principal and interest on the bonds. As a practical matter, the loan is (normally) handled entirely by a separate bond trustee (usually the trust division of a bank). After the bonds are issued, the county or HRA plays a minimal role in payment or administration of the bonds.

The bonds are revenue bonds. The county or HRA does not pay debt-service or any other cost related to the transaction and does not make any guarantee as to future repayment. As such, the bonds have no effect on the county's credit rating and are not counted against any statutory limitations on borrowing. When the bonds are sold, investors look only to the credit of the private borrower (and any related private security, such as mortgages and guarantees). While the county HRA board must approve issuance of the bonds and all the bond documents, the transaction is largely handled by the private borrower and the underwriter that usually serves as the initial purchaser of the bonds. The bond counsel for conduit bonds may be the county's regular

bond counsel or may be retained by the private entity (this is a matter of county policy and practice).

By participating and requesting an allocation of bonds from the Minnesota Office of Management and Budget (MMB), the County may provide an additional financing resource for affordable housing developers in Ramsey County. The non-competitive 4% Housing Tax Credits are used for projects financed with tax-exempt bonding authority through MMB. The tax credits are awarded to eligible participants and provide a source of equity financing for the development of affordable housing. Investors in qualified affordable multifamily residential developments can use the Housing Tax Credits as a dollar-for-dollar reduction of federal income tax liability. The tax credits are awarded when the bonds finance at least 50% of the cost of the land and buildings in the project.

Conduit bonds are payable exclusively through pledged project revenues, they do not impose any risk on local or state government issuers.

GENERAL PROCESS

In order to jumpstart the conduit bonds program, the County Board approved an amended version of the existing conduit bond policy on November 17, 2020. This allows the HRA to receive applications for participation. From there Ramsey County staff and/or consultants will review the application and determine project feasibility. Upon approval, applicants will enter a Memorandum of Understanding to establish responsibilities and goals of the project.

Preliminary approval is required before submitting the application to MMB. Ramsey County must hold a public hearing and adopt a resolution granting approval of the project for allocation from MMB to be completed.

Once the project has been notified that there is sufficient bonding capacity for the project to proceed, Ramsey County HRA will follow the procedures established in the conduit policy and procedure guide adopted in February 2004. During this time, the HRA will conduct due diligence and work with Bond Counsel to assure issuance requirements are met. Prior to issuance, the HRA Board will need to approve a final resolution of authorization. The closing on the sale of the bonds must occur within 180 days of award.

The County has received a request for conduit bond financing. CommonBond Communities has made an application for conduit bond financing in partnership with the City of St. Paul HRA. Their proposal will renovate a 136-unit affordable housing project adding seven new ADA units, a new computer lab, and serve seven High Priority Homeless households. Ramsey County staff are reviewing the application and will begin the process for Board consideration pending approval of the amended policy

County Goals (Check those advanced by Action)

☐ Well-being

☒ Prosperity

☒ Opportunity

☐ Accountability

Racial Equity Impact

There is an existing gap of or need for more units for households at or below 30% of the Adjusted Median Income (AMI). Currently, households/individuals earning 30% AMI or less, outnumber the total number of units that are affordable to them by roughly 15,000 in Ramsey County based on the latest data available.

What we know: Households of black, indigenous, and people of color that are cost-burdened are overwhelmingly earning 50% AMI or lower. The majority of cost-burdened households are white, but black, indigenous, and people of color households are more likely to be cost-burdened (e.g. 48% of African American households outside Saint Paul are cost-burdened, but they account for only 4 percent of the cost-burdened households in Ramsey County.)

Additionally, the median white household in Ramsey County can afford roughly \$1,000 more in housing costs per month than the median African American household in Ramsey County. This income inequality translates into inequality in affordable housing options for all nonwhite households.

To increase production of housing and deepen affordability of housing units in Ramsey County, an additional resource for affordable housing, especially one with incentives for developers, lends itself as a tool to reduce inequalities in housing opportunities experienced by minority households.

The county has flexibility to set parameters on projects financed through conduit bonds to ensure the most critical needs are addressed with priority (e.g. 30% AMI units).

Community Participation Level and Impact

Ramsey County residents have consistently expressed concern about a lack of affordable housing in the County. The community is informed of this action through the County Board documentation, which is available on the County's website at

<https://www.ramseycounty.us/your-government/leadership/board-commissioners/board-meetings-information>

☒ Inform

☐ Consult

☐ Involve

☐ Collaborate

☐ Empower

Fiscal Impact

Acting as an issuer of Conduit Bonds bears no financial risk for the County. Administrative fees will be collected as part application submittals to offset internal review costs by Finance and Community and Economic Development staff.

County Manager Comments

Staff and Bond Counsel recommend the Ramsey County HRA have an approved Conduit Bond policy and procedures in place prior to approving applications.

Last Previous Action

On November 17, 2020, the Ramsey County Board of Commissioners approved the amended policy and procedures summary supporting participation in a conduit bond financing program for affordable housing (Resolution B2020-233).

On October 26, 2020, the Ramsey County Housing and Redevelopment Authority received an update on conduit bond financing for affordable housing projects.

On February 3, 2004, the Ramsey County Housing and Redevelopment Authority approved a prior summary of policies and procedures for conduit bonds (Resolution H04-002).

Attachments

1. County Board Approved - Conduit Bonds/Conduit Financing Policy for Affordable Housing Projects

**DRAFT - Ramsey County/ Ramsey County Housing & Redevelopment Authority (HRA) Conduit
Financing Policy and Procedures Summary
November 2020**

Conduit financing is undertaken by the Housing and Redevelopment Authority pursuant to the provisions of Minnesota Statutes, Chapters 462C and 469. The borrower realizes a reduction in interest cost and the County achieves a public purpose. The Bonds are repayable from the revenue and assets pledged in their support are not a debt obligation of Ramsey County or the Authority.

It is the intent of the Ramsey County HRA to limit conduit financing activities to those projects which are directly related to the County's Vision, Mission and Goals. Specifically, the project must preserve, and/or rehabilitate affordable housing units at 30% Area Median Income (AMI) and in alignment with the prioritization of projects identified in State Statute.

Approval of a conduit bond for a project(s) by the HRA does not guarantee the project's feasibility, the quality or marketability of the housing to be produced, or the security or tax-exempt status of the obligations issued pursuant to the program.

General Summary of Application Process and Timeline

(Note: Not all are applicable nor sequential)

1. Initial meeting to discuss request
2. Submission of Initial Application along with an application fee.
3. Staff review for viability, organizational capacity, financing, ability to repay debt obligation, legal issues, timeliness.
4. Staff recommends project approval to the County Board, based on alignment with established Board policy, to be financed by the HRA.
5. Staff presents Project Report to HRA Board.
6. Bond Counsel prepares preliminary resolution for action by HRA
7. HRA meets to discuss and act upon preliminary resolution. Preliminary approval is entirely at the discretion of the Authority Board.
8. If necessary, County staff will prepare and submit Minnesota Application for Allocation of Bonding Authority, ensure transmittal of the issuance and deposit fees. (All fees must be paid by developer prior to submission.)
9. Memorandum of Understanding executed between Developer/Sponsor. The Memorandum of Understanding (MOU) will include but not be limited to roles and responsibilities of the parties, bond issuance requirements, and HRA fees and other costs.
10. County staff will schedule public hearing and prepare documentation needed for the final Bond Resolution prepared by Bond Counsel.
11. Ramsey County internal credit committee will review documents prior to closing.
12. Bond documents will be prepared by the project's underwriter and bond counsel.
13. Following closing, Bond Counsel will provide one fully executed set of documents to each party.
14. County staff will monitor the project and reporting requirements on an annual basis.

Fees

In addition to a closing fee of 1% of the actual bond issuance, ongoing fees are charged based on .1% of the annual principal amount of bonds outstanding; provided that, for bonds maturing within five years of the date of issuance, the fees will match the issuer's fee charged by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota.

Request for Board Action

Item Number: 2020-528

Meeting Date: 11/24/2020

Sponsor: Community & Economic Development

Title

Preliminary Approval to the Issue Conduit Revenue Bonds for the Wilder Square Apartments Project

Recommendation

Grant preliminary approval to the issuance of conduit revenue bonds to finance the Wilder Square Apartments Project

Background

CB Wilder Square GP LLC, a wholly owned affiliate entity of CommonBond Communities, a Minnesota nonprofit corporation has proposed that the Ramsey County Housing and Redevelopment Authority (HRA) issue its revenue bonds in the approximate aggregate principal amount of up to \$16,500,000.

The proceeds of the bonds are proposed to be loaned by the HRA to the CB Wilder Square GP LLC to be applied by the CB Wilder Square GP LLC to finance the acquisition, renovation, and equipping of an approximately 136-unit multifamily rental housing development and functionally related amenities known as Wilder Square Apartments Project. Wilder Square Apartments Project is located at 750 Milton Avenue North in Saint Paul, Minnesota.

Preliminary approval is required before submitting the application to State of Minnesota Management and Budget. Ramsey County HRA must hold a public hearing and adopt a resolution granting approval of the project for allocation from Minnesota Management and Budget to be completed.

Once the project has been notified that there is sufficient bonding capacity for the project to proceed, Ramsey County HRA will follow the procedures established in the conduit policy and procedure guide adopted in February 2004. During this time, the HRA will conduct due diligence and work with Bond Counsel to assure issuance requirements are met. Prior to issuance, the HRA Board will need to approve a final resolution of authorization. The closing on the sale of the bonds must occur within 180 days of award.

County Goals (Check those advanced by Action)

☐ Well-being

☒ Prosperity

☒ Opportunity

☐ Accountability

Racial Equity Impact

There is an existing gap of or need for more units for households at or below 30% of the Adjusted Median Income (AMI). Currently, households/individuals earning 30% AMI or less, outnumber the total number of units that are affordable to them by roughly 15,000 in Ramsey County based on the latest data available.

What we know: Households of black, indigenous, and people of color that are cost-burdened are overwhelmingly earning 50% AMI or lower. The majority of cost-burdened households are white, but black, indigenous, and people of color households are more likely to be cost-burdened (e.g. 48% of African American households outside Saint Paul are cost-burdened, but they account for only 4 percent of the cost-burdened

households in Ramsey County.)

Additionally, the median white household in Ramsey County can afford roughly \$1,000 more in housing costs per month than the median African American household in Ramsey County. This income inequality translates into inequality in affordable housing options for all nonwhite households.

To increase production of housing and deepen affordability of housing units in Ramsey County, an additional resource for affordable housing, especially one with incentives for developers, lends itself as a tool to reduce inequalities in housing opportunities experienced by minority households.

The county has flexibility to set parameters on projects financed through conduit bonds to ensure the most critical needs are addressed with priority (e.g. 30% AMI units).

Community Participation Level and Impact

Ramsey County residents have consistently expressed concern about a lack of affordable housing in the County. The community is informed of this action through the County Board documentation, which is available on the County's website at

<https://www.ramseycounty.us/your-government/leadership/board-commissioners/board-meetings-information>

☒ Inform

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☐ Empower

Fiscal Impact

Acting as an issuer of Conduit Bonds bears no financial risk for the County. Administrative fees will be collected as part application submittals to offset internal review costs by Finance and Community and Economic Development staff.

County Manager Comments

Under Minnesota Statutes Section 462C.04, subdivision 2 of the Act, a public hearing must be held on the housing program after one publication of notice in a newspaper circulating generally in the HRA at least 15 days before the hearing.

Last Previous Action

On November 17, 2020, the Ramsey County Board of Commissioners approved an amended policy and procedures summary supporting participation in a conduit bond financing program for affordable housing (Resolution B2020-233).

On October 26, 2020, the Ramsey County Housing and Redevelopment Authority received an update on conduit bond financing for affordable housing projects.

On February 3, 2004, the Ramsey County Housing and Redevelopment Authority approved a prior summary of policies and procedures for conduit bonds (Resolution H04-002).

Attachments

1. Commonbond Request Letter
2. Draft Resolution - Wilder Apartments Project - Preliminary Approval
3. 2020-2021 Ramsey County Affordable Housing Initiatives - Conduit Bonds



October 26, 2020
Ramsey County
Attn: Kari Collins
15 West Kellogg Blvd.
Saint Paul, MN 55102

Dear Ms. Collins,

Thank you for your consideration of our request for volume cap bonds at Wilder Square. Originally developed by the Wilder Foundation, this development is a critical 136 unit affordable housing asset in St. Paul in need of significant renovation. The proposed rehabilitation to the property is comprehensive, including the replacement of original windows and mechanical systems, significant repair to the deteriorating façade, renovation of the first floor, and new kitchens and bathrooms for residents.

Wilder Square is home to many seniors, those with disabilities, singles and vulnerable adults. Our renovations will create 7 ADA-accessible units, a new computer lab and serve 7 High Priority Homeless households.

Our original bond application to the City of St. Paul is attached to this cover letter and provides additional details regarding the development and its financing. Our request is that the Ramsey County HRA apply for \$16,500,000 in tax exempt bonds from MMB in January 2021.

Please let us know of any questions on this proposal as you review, and thank you for your consideration.

Justin Eilers

Justin Eilers
Senior Project Manager
CommonBond Communities

**THE RAMSEY COUNTY HOUSING & REDEVELOPMENT AUTHORITY
COUNTY OF RAMSEY
STATE OF MINNESOTA**

**RESOLUTION NO. ____ PROVIDING FOR A PUBLIC HEARING
REGARDING A MULTIFAMILY HOUSING DEVELOPMENT AND
GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF CONDUIT
REVENUE BONDS TO FINANCE THE COSTS THEREOF (WILDER SQUARE
APARTMENTS PROJECT)**

Section 1. Recitals.

1.01. The Ramsey County Housing & Redevelopment Authority (the “HRA”) is a body corporate and politic and political subdivision duly organized and existing under the Constitution and laws of the State of Minnesota.

1.02. Pursuant to Minnesota Statutes, Chapter 462C, as amended (the “Act”), and the HRA has been authorized by the Board of Ramsey County, Minnesota (the “County”) to exercise, on behalf of the County the powers conferred by Minnesota Statutes, Section 462C.01 to 462C.081 to issue revenue bonds to provide funds to finance multifamily rental housing developments located within the HRA.

1.03. CB Wilder Square Limited Partnership, a Minnesota limited partnership (or another entity affiliated with CommonBond Communities, a Minnesota nonprofit corporation, the “Borrower”) has proposed that the HRA issue its revenue bonds or other obligations in the approximate aggregate principal amount of up to \$17,000,000, in one or more series, bearing taxable or tax exempt interest at fixed and/or variable rates, to be offered publicly and/or privately placed (the “Bonds”).

1.04. The proceeds of the Bonds are proposed to be loaned by the HRA to the Borrower to be applied by the Borrower to (i) finance the acquisition, renovation, and equipping of an approximately 136-unit multifamily rental housing development and functionally related amenities located at 750 Milton Avenue North in Saint Paul, Minnesota (the “Project”); (ii) fund one or more reserve funds to secure the timely payment of the Bonds, if necessary; (iii) pay interest on the Bonds during the renovation of the Project, if necessary; and (iv) pay the costs of issuing the Bonds.

1.05. As a condition to the issuance of the Bonds, the HRA must adopt a housing program providing the information required by Section 462C.03, subdivision 1a of the Act (the “Housing Program”). Under Section 462C.04, subdivision 2 of the Act, a public hearing must be held on the housing program after one publication of notice in a newspaper circulating generally in the HRA at least 15 days before the hearing.

1.06. Under Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), prior to the issuance of the Bonds, the Board of Commissioners must conduct a public hearing after one publication of notice in a newspaper circulating generally in the HRA at least 15 days before the hearing.

1.07. Under Section 146 of the Code, the Bonds must receive an allocation of the bonding authority of the State of Minnesota. An application for such an allocation must be made pursuant to the requirements of Minnesota Statutes, Chapter 474A, as amended (the “Allocation Act”). Prior to the submission of an application to the State of Minnesota Management and Budget for an allocation of bonding authority with respect to the Bonds to finance the Project, the HRA must grant preliminary approval to the issuance of the Bonds to finance the Project.

Section 2. Preliminary Findings. Based on representations made by the Borrower to the HRA to date, the Board of Commissioners hereby makes the following preliminary findings, determinations, and declarations:

(a) The Project consists of the acquisition, renovation, and equipping of a multifamily rental housing development designed and intended to be used for rental occupancy.

(b) The proceeds of the Bonds will be loaned to the Borrower and the proceeds of the loan will be applied to: (i) the acquisition, renovation, and equipping of the Project; (ii) the funding of one or more reserve funds to secure the timely payment of the Bonds, if necessary; (iii) the payment of interest on the Bonds during the renovation of the Project, if necessary; and (iv) the payment of the costs of issuing the Bonds. The HRA will enter into one or more loan agreements (or other revenue agreements) with the Borrower requiring loan repayments from the Borrower in amounts sufficient to repay the loan when due and requiring the Borrower to pay all costs of maintaining and insuring the Project, including taxes thereon.

(c) In preliminarily authorizing the issuance of the Bonds and the financing of the acquisition, renovation, and equipping of the Project and related costs, the HRA's purpose is to further the policies of the Act.

(d) The Bonds will be special, limited obligations of the HRA payable solely from the revenues pledged to the payment thereof, will not be a general or moral obligation of the HRA, and will not be secured by or payable from revenues derived from any exercise of the taxing powers of the HRA.

Section 3. Public Hearing. The Board of Commissioners of the HRA will conduct a public hearing on the Housing Program, the Project, and the issuance of the Bonds by the HRA at a regular or special meeting on a date to be determined by the Executive Director of the HRA for which proper notice may be given as provided below. Notice of such hearing (the "Public Notice") will be published as required by Section 462C.04, subdivision 2 of the Act and Section 147(f) of the Code. The Executive Director of the HRA is hereby authorized and directed to publish the Public Notice, in substantially the form attached hereto as **EXHIBIT A**, in a newspaper of general circulation in the County, at least 15 days before the meeting of the Board of Commissioners at which the public hearing will take place. At the public hearing reasonable opportunity will be provided for interested individuals to express their views, both orally and in writing, on the Project, the Housing Program, and the proposed issuance of the Bonds.

Section 4. Housing Program. Kennedy & Graven, Chartered, acting as bond counsel for the HRA ("Bond Counsel") shall prepare and submit to the HRA a draft Housing Program to authorize the issuance by the HRA of up to approximately \$17,000,000 in revenue bonds in one or more series to finance the acquisition, renovation, and equipping of the Project by the Borrower.

Section 5. Submission of an Application for an Allocation of Bonding Authority. Under Section 146 of the Code, the Bonds must receive an allocation of the bonding authority of the State of Minnesota. The Board of Commissioners hereby authorizes the submission of an application for allocation of bonding authority pursuant to Section 146 of the Code and the Allocation Act in accordance with the requirements of the Allocation Act. The Chair of the Board of Commissioners, the Executive Director of the HRA, Bond Counsel and staff of the County are hereby authorized and directed to take all actions, in cooperation with the Borrower, as are necessary to submit an application for an allocation of bonding authority to the office of Minnesota Management and Budget.

Section 6. Preliminary Approval. The Board of Commissioners hereby provides preliminary approval to the issuance of the Bonds in the approximate principal amount of up to \$17,000,000 to finance all or a portion of the costs of the Project pursuant to the Housing Program of the HRA, subject to: (i) review of the Housing Program by the Metropolitan Council; (ii) a public hearing as required by the Act and Section 147(f) of the Code; (iii) receipt of allocation of bonding authority from the State of Minnesota; (iv) final approval by the Board of Commissioners following the preparation of bond documents; (v) approval of the project by the City of Saint Paul, and (vi) final determination by the Board of Commissioners that the financing of the Project and the issuance of the Bonds are in the best interests of the HRA.

Section 7. Reimbursement of Costs under the Code.

7.01. The United States Department of the Treasury has promulgated regulations governing the use of the proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the HRA or the Borrower for project expenditures paid prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the “Regulations”) require that the HRA adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds occur within 18 months after the later of: (i) the date the expenditure is paid; or (ii) the date the project is placed in service or abandoned, but in no event more than 3 years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the Bonds.

7.02. To the extent any portion of the proceeds of the Bonds will be applied to expenditures with respect to the Project, the HRA reasonably expects the proceeds of the Bonds will reimburse the Borrower for the expenditures made for costs of the Project after the date of payment of all or a portion of such expenditures. All reimbursed expenditures shall be capital expenditures, costs of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations and also qualifying expenditures under the Act.

Based on representations by the Borrower, other than (i) expenditures to be paid or reimbursed from sources other than the Bonds, (ii) expenditures permitted to be reimbursed under prior regulations pursuant to the transitional provision contained in Section 1.150-2(j)(2)(i)(B) of the Regulations, (iii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a “de minimis” amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures with respect to the Project to be reimbursed with the proceeds of the Bonds have been made by the Borrower more than 60 days before the date of adoption of this resolution of the HRA.

7.03. Based on representations by the Borrower, as of the date hereof, there are no funds of the Borrower reserved, allocated on a long term-basis, or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside) to provide permanent financing for the expenditures related to the Project to be financed from proceeds of the Bonds, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the budgetary and financial circumstances of the Borrower as they exist or are reasonably foreseeable on the date hereof.

Section 8. Costs. The Borrower will pay the administrative fees of the HRA and pay, or, upon demand, reimburse the HRA for payment of, any and all costs incurred by the HRA in connection with the Project and the issuance of the Bonds, whether or not the Bonds are issued.

Section 9. Commitment Conditional. The adoption of this resolution does not constitute a guarantee or a firm commitment that the HRA will issue the Bonds as requested by the Borrower. If, as a result of information made available to or obtained by the HRA during its review of the Project, it appears that the Project or the issuance of Bonds to finance the costs thereof is not in the public interest or is inconsistent with the purposes of the Act, the HRA reserves the right to decline to give final approval to the issuance of the Bonds. The HRA also retains the right, in its sole discretion, to withdraw from participation and accordingly not issue the Bonds should the Board of Commissioners, at any time prior to the issuance thereof, determine that it is in the best interests of the HRA not to issue the Bonds or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents for the transaction.

Section 10. Effective Date. This Resolution shall be in full force and effect from and after its passage.

PASSED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE RAMSEY COUNTY HOUSING & REDEVELOPMENT AUTHORITY, THIS 24th DAY OF NOVEMBER, 2020.

CERTIFICATION

I, the undersigned Executive Director of The Ramsey County Housing & Redevelopment Authority, do hereby certify the following:

The foregoing is true and correct and a copy of the Resolution is on file and of record in the offices of the HRA, which Resolution relates to providing for a public hearing regarding a multifamily housing development and granting preliminary approval to the issuance of conduit revenue bonds to finance the costs thereof, and said Resolution was duly adopted by the Board of Commissioners at a regular or special meeting of the Board of Commissioners held on the date therein indicated. Said meeting was duly called and regularly held and was open to the public and was held at the place at which meetings of the Board of Commissioners are regularly held, a quorum of the Board of Commissioners being present and acting throughout. Commissioner _____ moved the adoption of the Resolution, which motion was seconded by Commissioner _____. A vote being taken on the motion, the following members of the Board of Commissioners voted in favor of the Resolution:

and the following voted against the same:

Whereupon said Resolution was declared duly passed and adopted. The Resolution is in full force and effect and no action has been taken by the Board of Commissioners which would in any way alter or amend the Resolution.

WITNESS MY HAND officially as the Executive Director of The Ramsey County Housing & Redevelopment Authority, this 24th day of November, 2020.

Executive Director
Ramsey County Housing & Redevelopment Authority

EXHIBIT A

NOTICE OF PUBLIC HEARING

THE RAMSEY COUNTY HOUSING & REDEVELOPMENT AUTHORITY COUNTY OF RAMSEY STATE OF MINNESOTA

NOTICE OF A PUBLIC HEARING TO BE CONDUCTED BY THE RAMSEY COUNTY HOUSING & REDEVELOPMENT AUTHORITY TO CONSIDER THE ISSUANCE OF CONDUIT REVENUE BONDS TO FINANCE THE ACQUISITION, RENOVATION, AND EQUIPPING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT (WILDER SQUARE APARTMENTS PROJECT)

NOTICE IS HEREBY GIVEN that the Board of Commissioners (the “Board”) of The Ramsey County Housing & Redevelopment Authority (the “HRA”) will hold a public hearing on Tuesday, December 15, 2020, at or after 9:00 a.m. in the Board Chambers in the HRA Hall on the 3rd floor of the County Courthouse, 15 West Kellogg Boulevard, Saint Paul, Minnesota, to consider a housing program and a proposal that the HRA approve and authorize the issuance of its revenue bonds or other obligations (the “Bonds”), in one or more series, pursuant to Minnesota Statutes, Chapter 462C, as amended (the “Act”), for the purposes of (i) financing the acquisition, renovation, and equipping of an approximately 136-unit multifamily rental housing development consisting of an existing 11-story building with surface parking and other functionally related facilities, located at 750 Milton Ave North in Saint Paul, Minnesota (the “Project”); (ii) funding one or more reserve funds to secure the timely payment of the Bonds, if necessary; (iii) paying interest on the Bonds during the renovation of the Project, if necessary; and (iv) paying the costs of issuing the Bonds. CB Wilder Square Limited Partnership, a Minnesota limited partnership (or another entity affiliated with CommonBond Communities, a Minnesota nonprofit corporation, the “Borrower”) will own the Project. The estimated maximum aggregate principal amount of the proposed revenue Bonds to be issued in one or more series to finance the Project will not exceed \$17,000,000.

Following the public hearing, the Board will consider a resolution approving a housing program prepared in accordance with the requirements of the Act and granting approval to the issuance of the Bonds.

The Bonds will be special, limited obligations of the HRA, and the Bonds and interest thereon will be payable solely from the revenues and assets pledged to the payment thereof. No holder of any Bond will have the right to compel any exercise of the taxing power of the HRA or Ramsey County to pay the Bonds or the interest thereon, nor to enforce payment against any property of the HRA or Ramsey County except money payable by the Borrower to the HRA and pledged to the payment of the Bonds. Before issuing the Bonds, the HRA will enter into an agreement with the Borrower, whereby the Borrower will be obligated to make payments at least sufficient at all times to pay the principal of and interest on the Bonds when due.

A copy of the housing program will be on file and available in electronic form through an emailed request to Kari Collins, Community & Economic Development Director, at Kari.Collins@CO.RAMSEY.MN.US on or before the date of the hearing, during normal business hours.

At the time and place fixed for the public hearing the Board will give all persons who appear or submit comments in writing to the Board prior to the hearing, an opportunity to express their views with

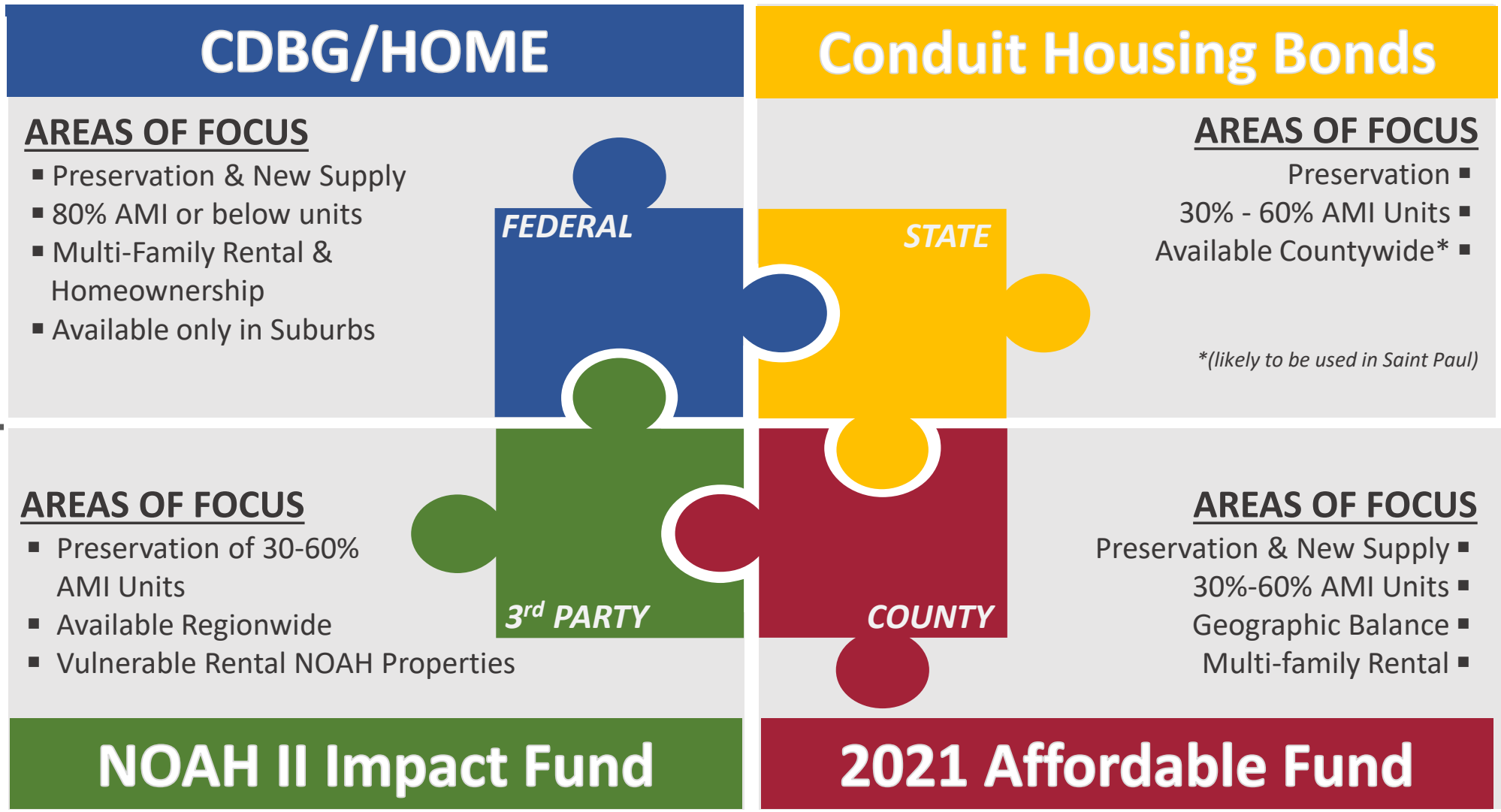
respect to the proposal. In addition, interested persons may file written comments respecting the proposal with the Executive Director of the HRA at or prior to said public hearing.

Publish: **[November 30, 2020]**

BY ORDER OF THE HRA BOARD OF
COMMISSIONERS OF THE RAMSEY
COUNTY HOUSING & REDEVELOPMENT
AUTHORITY

Fitting into the Puzzle

Ramsey County
2020/2021
Tools for Creation &
Preservation of
Affordable Housing



Fitting into the Puzzle

Ramsey County
Tools for Creation &
Preservation of
Affordable Housing

| 2020/2021 |

Conduit Housing Bonds

Areas of Focus

- Preservation
- 30% - 60% AMI Units
- Available Countywide*

**(likely to be used in Saint Paul)*

Process

Ramsey County will act as a conduit bond issuer if a city requests the County to participate. The preservation of affordable units is secured by participating and requesting an allocation of bonds from the Minnesota Office of Management and Budget (MMB). The non-competitive 4% Housing Tax Credits (HTCs) are used for projects financed with tax-exempt bonding authority through MMB.

Recommended Project(s)

Wilder Square Apartments

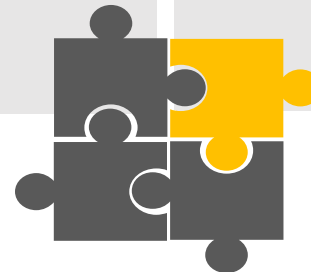
Preservation | **136 Units**

Renovations will preserve 45 units @ 30% AMI, create 7 ADA-accessible units, a new computer lab & serve 7 High Priority Homeless households

Next Steps

Preliminary approval of projects seeking the earliest allocation of HTCs is due in Q4 2020.

Applications are submitted to MMB on January 1.



Request for Board Action

Item Number: 2020-525

Meeting Date: 11/24/2020

Sponsor: Community & Economic Development

Title

Set Public Hearing Date: Issuance of Conduit Revenue Bonds for Affordable Housing Projects for Wilder Square Apartments Project

Recommendation

Set a date and time for the Public Hearing regarding the proposed the issuance of conduit revenue bonds for affordable housing projects (Wilder Square) for December 15, 2020 at 9:00 a.m. or as soon as possible thereafter, in the Council Chambers of the Ramsey County Court House, for the purpose of taking public comment.

Background

CB Wilder Square GP LLC, a wholly owned affiliate entity of CommonBond Communities, a Minnesota nonprofit corporation has proposed that the Ramsey County Housing and Redevelopment Authority (HRA) issue its revenue bonds in the approximate aggregate principal amount of up to \$16,500,000.

The proceeds of the bonds are proposed to be loaned by the HRA to the CB Wilder Square GP LLC to be applied by the CB Wilder Square GP LLC to (i) finance the acquisition, renovation, and equipping of an approximately 136-unit multifamily rental housing development and functionally related amenities known as Wilder Square Apartments Project. Wilder Square Apartments Project is located at 750 Milton Avenue North in Saint Paul, Minnesota.

Preliminary approval is required before submitting the application to State of Minnesota Management and Budget. Ramsey County HRA must hold a public hearing and adopt a resolution granting approval of the project for allocation from Minnesota Management and Budget to be completed.

Once the project has been notified that there is sufficient bonding capacity for the project to proceed, Ramsey County HRA will follow the procedures established in the conduit policy and procedure guide adopted in February 2004. During this time, the HRA will conduct due diligence and work with Bond Counsel to assure issuance requirements are met. Prior to issuance, the HRA Board will need to approve a final resolution of authorization. The closing on the sale of the bonds must occur within 180 days of award.

County Goals (Check those advanced by Action)

☐ Well-being

☒ Prosperity

☒ Opportunity

☒ Accountability

Racial Equity Impact

There is an existing gap or need for more housing units for households at or below 30% of the Adjusted Median Income (AMI). Currently, households/individuals earning 30% AMI or less, outnumber the total number of units that are affordable to them by roughly 15,000 in Ramsey County based on the latest data available.

Minority households that are cost-burdened are overwhelmingly earning 50% AMI or lower. The majority of

cost-burdened households are white, but minority households are more likely to be cost-burdened (e.g., 48% of African American households outside Saint Paul are cost-burdened, but they account for only 4 percent of the cost-burdened households in Ramsey County.)

Additionally, the median white household in Ramsey County can afford approximately \$1,000 more in housing costs per month than the median African American household in Ramsey County. This income inequality translates into inequality in affordable housing options for all nonwhite households.

To increase production of housing and deepen affordability of housing units in Ramsey County, the creation of an additional resource for affordable housing, especially one with incentives for developers, lends itself as a tool to fix inequalities in housing opportunities experienced by minority households.

The county has flexibility to set parameters on projects financed through conduit bonds to ensure the most critical needs are addressed with priority (e.g., 30% AMI units).

Community Participation Level and Impact

Ramsey County residents have consistently expressed concern about a lack of affordable housing in the County. The community is informed of this action through the County Board documentation, which is available on the County's website at

<https://www.ramseycounty.us/your-government/leadership/board-commissioners/board-meetings-information>

☒ Inform ☐ Consult ☐ Involve ☐ Collaborate ☐ Empower

Fiscal Impact

Acting as an issuer of Conduit Bonds bears no financial risk for the County. Administrative fees will be collected as part application submittals to offset internal review costs by Finance and Community and Economic Development staff.

County Manager Comments

Under Minnesota Statutes Section 462C.04, subdivision 2 of the Act, a public hearing must be held on the housing program.

Last Previous Action

On November 17, 2020, the Ramsey County Board of Commissioners approved an amended policy and procedures summary supporting participation in a conduit bond financing program for affordable housing (Resolution B2020-233).

On October 26, 2020, the Ramsey County Housing and Redevelopment Authority received an update on conduit bond financing for affordable housing projects.

On February 3, 2004, the Ramsey County Housing and Redevelopment Authority approved a prior summary of policies and procedures for conduit bonds (Resolution H04-002).

Attachments

1. Draft Resolution
2. CommonBond Request Letter
3. Preliminary Approval

**THE RAMSEY COUNTY HOUSING & REDEVELOPMENT AUTHORITY
COUNTY OF RAMSEY
STATE OF MINNESOTA**

**RESOLUTION NO. ____ CALLING FOR A PUBLIC HEARING ON THE
ISSUANCE OF CONDUIT REVENUE BONDS (WILDER SQUARE
APARTMENTS PROJECT)**

Section 1. Recitals.

1.01. The Ramsey County Housing & Redevelopment Authority (the “HRA”) has been authorized by the Board of Ramsey County, Minnesota (the “County”) to exercise, on behalf of the County the powers conferred by Minnesota Statutes, Chapter 462C, as amended (the “Act”) to issue revenue bonds to provide funds to finance multifamily rental housing developments located within the HRA.

1.02. CB Wilder Square Limited Partnership, a Minnesota limited partnership (or another entity affiliated with CommonBond Communities, a Minnesota nonprofit corporation, the “Borrower”) has proposed that the HRA issue its revenue bonds or other obligations in the approximate aggregate principal amount of up to \$17,000,000, in one or more series, bearing taxable or tax exempt interest at fixed and/or variable rates, to be offered publicly and/or privately placed (the “Bonds”) to (i) finance the acquisition, renovation, and equipping of an approximately 136-unit multifamily rental housing development and functionally related amenities located at 750 Milton Avenue North in Saint Paul, Minnesota (the “Project”); (ii) fund one or more reserve funds to secure the timely payment of the Bonds, if necessary; (iii) pay interest on the Bonds during the renovation of the Project, if necessary; and (iv) pay the costs of issuing the Bonds.

1.03. As a condition to the issuance of the Bonds, the HRA must adopt a housing program providing the information required by Section 462C.03, subdivision 1a of the Act (the “Housing Program”) and hold a public hearing thereon following due publication in accordance with Section 462C.04, subdivision 2 of the Act. And under Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the Board of Commissioners must conduct a public hearing prior to the issuance of the Bonds.

Section 2. Public Hearing. The Board of Commissioners of the HRA will conduct a public hearing on the Housing Program, the Project, and the issuance of the Bonds by the HRA at a regular or special meeting on a date to be determined by the Executive Director of the HRA for which proper notice may be given as provided below. Notice of such hearing (the “Public Notice”) will be published as required by Section 462C.04, subdivision 2 of the Act and Section 147(f) of the Code. The Executive Director of the HRA is hereby authorized and directed to publish the Public Notice, in substantially the form attached hereto as **EXHIBIT A**, in a newspaper of general circulation in the County, at least 15 days before the meeting of the Board of Commissioners at which the public hearing will take place. At the public hearing reasonable opportunity will be provided for interested individuals to express their views, both orally and in writing, on the Project, the Housing Program, and the proposed issuance of the Bonds.

PASSED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE RAMSEY COUNTY HOUSING & REDEVELOPMENT AUTHORITY, THIS 24th DAY OF NOVEMBER, 2020.

CERTIFICATION

I, the undersigned Executive Director of The Ramsey County Housing & Redevelopment Authority, do hereby certify the following:

The foregoing is true and correct and a copy of the Resolution is on file and of record in the offices of the HRA, which Resolution relates to calling for a public hearing regarding the issuance of conduit revenue bonds, and said Resolution was duly adopted by the Board of Commissioners at a regular or special meeting of the Board of Commissioners held on the date therein indicated. Said meeting was duly called and regularly held and was open to the public and was held at the place at which meetings of the Board of Commissioners are regularly held, a quorum of the Board of Commissioners being present and acting throughout. Commissioner _____ moved the adoption of the Resolution, which motion was seconded by Commissioner _____. A vote being taken on the motion, the following members of the Board of Commissioners voted in favor of the Resolution:

and the following voted against the same:

Whereupon said Resolution was declared duly passed and adopted. The Resolution is in full force and effect and no action has been taken by the Board of Commissioners which would in any way alter or amend the Resolution.

WITNESS MY HAND officially as the Executive Director of The Ramsey County Housing & Redevelopment Authority, this 24th day of November, 2020.

Executive Director
Ramsey County Housing & Redevelopment Authority

EXHIBIT A

NOTICE OF PUBLIC HEARING

THE RAMSEY COUNTY HOUSING & REDEVELOPMENT AUTHORITY COUNTY OF RAMSEY STATE OF MINNESOTA

NOTICE OF A PUBLIC HEARING TO BE CONDUCTED BY THE RAMSEY COUNTY HOUSING & REDEVELOPMENT AUTHORITY TO CONSIDER THE ISSUANCE OF CONDUIT REVENUE BONDS TO FINANCE THE ACQUISITION, RENOVATION, AND EQUIPPING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT (WILDER SQUARE APARTMENTS PROJECT)

NOTICE IS HEREBY GIVEN that the Board of Commissioners (the “Board”) of The Ramsey County Housing & Redevelopment Authority (the “HRA”) will hold a public hearing on Tuesday, December 15, 2020, at or after 9:00 a.m. in the Board Chambers in the HRA Hall on the 3rd floor of the County Courthouse, 15 West Kellogg Boulevard, Saint Paul, Minnesota, to consider a housing program and a proposal that the HRA approve and authorize the issuance of its revenue bonds or other obligations (the “Bonds”), in one or more series, pursuant to Minnesota Statutes, Chapter 462C, as amended (the “Act”), for the purposes of (i) financing the acquisition, renovation, and equipping of an approximately 136-unit multifamily rental housing development consisting of an existing 11-story building with surface parking and other functionally related facilities, located at 750 Milton Ave North in Saint Paul, Minnesota (the “Project”); (ii) funding one or more reserve funds to secure the timely payment of the Bonds, if necessary; (iii) paying interest on the Bonds during the renovation of the Project, if necessary; and (iv) paying the costs of issuing the Bonds. CB Wilder Square Limited Partnership, a Minnesota limited partnership (or another entity affiliated with CommonBond Communities, a Minnesota nonprofit corporation, the “Borrower”) will own the Project. The estimated maximum aggregate principal amount of the proposed revenue Bonds to be issued in one or more series to finance the Project will not exceed \$17,000,000.

Following the public hearing, the Board will consider a resolution approving a housing program prepared in accordance with the requirements of the Act and granting approval to the issuance of the Bonds.

The Bonds will be special, limited obligations of the HRA, and the Bonds and interest thereon will be payable solely from the revenues and assets pledged to the payment thereof. No holder of any Bond will have the right to compel any exercise of the taxing power of the HRA or Ramsey County to pay the Bonds or the interest thereon, nor to enforce payment against any property of the HRA or Ramsey County except money payable by the Borrower to the HRA and pledged to the payment of the Bonds. Before issuing the Bonds, the HRA will enter into an agreement with the Borrower, whereby the Borrower will be obligated to make payments at least sufficient at all times to pay the principal of and interest on the Bonds when due.

A copy of the housing program will be on file and available in electronic form through an emailed request to Kari Collins, Community & Economic Development Director, at Kari.Collins@CO.RAMSEY.MN.US on or before the date of the hearing, during normal business hours.

At the time and place fixed for the public hearing the Board will give all persons who appear or submit comments in writing to the Board prior to the hearing, an opportunity to express their views with

respect to the proposal. In addition, interested persons may file written comments respecting the proposal with the Executive Director of the HRA at or prior to said public hearing.

Publish: [November 30, 2020]

BY ORDER OF THE HRA BOARD OF
COMMISSIONERS OF THE RAMSEY
COUNTY HOUSING & REDEVELOPMENT
AUTHORITY



October 26, 2020
Ramsey County
Attn: Kari Collins
15 West Kellogg Blvd.
Saint Paul, MN 55102

Dear Ms. Collins,

Thank you for your consideration of our request for volume cap bonds at Wilder Square. Originally developed by the Wilder Foundation, this development is a critical 136 unit affordable housing asset in St. Paul in need of significant renovation. The proposed rehabilitation to the property is comprehensive, including the replacement of original windows and mechanical systems, significant repair to the deteriorating façade, renovation of the first floor, and new kitchens and bathrooms for residents.

Wilder Square is home to many seniors, those with disabilities, singles and vulnerable adults. Our renovations will create 7 ADA-accessible units, a new computer lab and serve 7 High Priority Homeless households.

Our original bond application to the City of St. Paul is attached to this cover letter and provides additional details regarding the development and its financing. Our request is that the Ramsey County HRA apply for \$16,500,000 in tax exempt bonds from MMB in January 2021.

Please let us know of any questions on this proposal as you review, and thank you for your consideration.

Justin Eilers

Justin Eilers
Senior Project Manager
CommonBond Communities

**THE RAMSEY COUNTY HOUSING & REDEVELOPMENT AUTHORITY
COUNTY OF RAMSEY
STATE OF MINNESOTA**

**RESOLUTION NO. ____ PROVIDING FOR A PUBLIC HEARING
REGARDING A MULTIFAMILY HOUSING DEVELOPMENT AND
GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF CONDUIT
REVENUE BONDS TO FINANCE THE COSTS THEREOF (WILDER SQUARE
APARTMENTS PROJECT)**

Section 1. Recitals.

1.01. The Ramsey County Housing & Redevelopment Authority (the “HRA”) is a body corporate and politic and political subdivision duly organized and existing under the Constitution and laws of the State of Minnesota.

1.02. Pursuant to Minnesota Statutes, Chapter 462C, as amended (the “Act”), and the HRA has been authorized by the Board of Ramsey County, Minnesota (the “County”) to exercise, on behalf of the County the powers conferred by Minnesota Statutes, Section 462C.01 to 462C.081 to issue revenue bonds to provide funds to finance multifamily rental housing developments located within the HRA.

1.03. CB Wilder Square Limited Partnership, a Minnesota limited partnership (or another entity affiliated with CommonBond Communities, a Minnesota nonprofit corporation, the “Borrower”) has proposed that the HRA issue its revenue bonds or other obligations in the approximate aggregate principal amount of up to \$17,000,000, in one or more series, bearing taxable or tax exempt interest at fixed and/or variable rates, to be offered publicly and/or privately placed (the “Bonds”).

1.04. The proceeds of the Bonds are proposed to be loaned by the HRA to the Borrower to be applied by the Borrower to (i) finance the acquisition, renovation, and equipping of an approximately 136-unit multifamily rental housing development and functionally related amenities located at 750 Milton Avenue North in Saint Paul, Minnesota (the “Project”); (ii) fund one or more reserve funds to secure the timely payment of the Bonds, if necessary; (iii) pay interest on the Bonds during the renovation of the Project, if necessary; and (iv) pay the costs of issuing the Bonds.

1.05. As a condition to the issuance of the Bonds, the HRA must adopt a housing program providing the information required by Section 462C.03, subdivision 1a of the Act (the “Housing Program”). Under Section 462C.04, subdivision 2 of the Act, a public hearing must be held on the housing program after one publication of notice in a newspaper circulating generally in the HRA at least 15 days before the hearing.

1.06. Under Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), prior to the issuance of the Bonds, the Board of Commissioners must conduct a public hearing after one publication of notice in a newspaper circulating generally in the HRA at least 15 days before the hearing.

1.07. Under Section 146 of the Code, the Bonds must receive an allocation of the bonding authority of the State of Minnesota. An application for such an allocation must be made pursuant to the requirements of Minnesota Statutes, Chapter 474A, as amended (the “Allocation Act”). Prior to the submission of an application to the State of Minnesota Management and Budget for an allocation of bonding authority with respect to the Bonds to finance the Project, the HRA must grant preliminary approval to the issuance of the Bonds to finance the Project.

Section 2. Preliminary Findings. Based on representations made by the Borrower to the HRA to date, the Board of Commissioners hereby makes the following preliminary findings, determinations, and declarations:

(a) The Project consists of the acquisition, renovation, and equipping of a multifamily rental housing development designed and intended to be used for rental occupancy.

(b) The proceeds of the Bonds will be loaned to the Borrower and the proceeds of the loan will be applied to: (i) the acquisition, renovation, and equipping of the Project; (ii) the funding of one or more reserve funds to secure the timely payment of the Bonds, if necessary; (iii) the payment of interest on the Bonds during the renovation of the Project, if necessary; and (iv) the payment of the costs of issuing the Bonds. The HRA will enter into one or more loan agreements (or other revenue agreements) with the Borrower requiring loan repayments from the Borrower in amounts sufficient to repay the loan when due and requiring the Borrower to pay all costs of maintaining and insuring the Project, including taxes thereon.

(c) In preliminarily authorizing the issuance of the Bonds and the financing of the acquisition, renovation, and equipping of the Project and related costs, the HRA's purpose is to further the policies of the Act.

(d) The Bonds will be special, limited obligations of the HRA payable solely from the revenues pledged to the payment thereof, will not be a general or moral obligation of the HRA, and will not be secured by or payable from revenues derived from any exercise of the taxing powers of the HRA.

Section 3. Public Hearing. The Board of Commissioners of the HRA will conduct a public hearing on the Housing Program, the Project, and the issuance of the Bonds by the HRA at a regular or special meeting on a date to be determined by the Executive Director of the HRA for which proper notice may be given as provided below. Notice of such hearing (the "Public Notice") will be published as required by Section 462C.04, subdivision 2 of the Act and Section 147(f) of the Code. The Executive Director of the HRA is hereby authorized and directed to publish the Public Notice, in substantially the form attached hereto as **EXHIBIT A**, in a newspaper of general circulation in the County, at least 15 days before the meeting of the Board of Commissioners at which the public hearing will take place. At the public hearing reasonable opportunity will be provided for interested individuals to express their views, both orally and in writing, on the Project, the Housing Program, and the proposed issuance of the Bonds.

Section 4. Housing Program. Kennedy & Graven, Chartered, acting as bond counsel for the HRA ("Bond Counsel") shall prepare and submit to the HRA a draft Housing Program to authorize the issuance by the HRA of up to approximately \$17,000,000 in revenue bonds in one or more series to finance the acquisition, renovation, and equipping of the Project by the Borrower.

Section 5. Submission of an Application for an Allocation of Bonding Authority. Under Section 146 of the Code, the Bonds must receive an allocation of the bonding authority of the State of Minnesota. The Board of Commissioners hereby authorizes the submission of an application for allocation of bonding authority pursuant to Section 146 of the Code and the Allocation Act in accordance with the requirements of the Allocation Act. The Chair of the Board of Commissioners, the Executive Director of the HRA, Bond Counsel and staff of the County are hereby authorized and directed to take all actions, in cooperation with the Borrower, as are necessary to submit an application for an allocation of bonding authority to the office of Minnesota Management and Budget.

Section 6. Preliminary Approval. The Board of Commissioners hereby provides preliminary approval to the issuance of the Bonds in the approximate principal amount of up to \$17,000,000 to finance all or a portion of the costs of the Project pursuant to the Housing Program of the HRA, subject to: (i) review of the Housing Program by the Metropolitan Council; (ii) a public hearing as required by the Act and Section 147(f) of the Code; (iii) receipt of allocation of bonding authority from the State of Minnesota; (iv) final approval by the Board of Commissioners following the preparation of bond documents; (v) approval of the project by the City of Saint Paul, and (vi) final determination by the Board of Commissioners that the financing of the Project and the issuance of the Bonds are in the best interests of the HRA.

Section 7. Reimbursement of Costs under the Code.

7.01. The United States Department of the Treasury has promulgated regulations governing the use of the proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the HRA or the Borrower for project expenditures paid prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the “Regulations”) require that the HRA adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds occur within 18 months after the later of: (i) the date the expenditure is paid; or (ii) the date the project is placed in service or abandoned, but in no event more than 3 years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the Bonds.

7.02. To the extent any portion of the proceeds of the Bonds will be applied to expenditures with respect to the Project, the HRA reasonably expects the proceeds of the Bonds will reimburse the Borrower for the expenditures made for costs of the Project after the date of payment of all or a portion of such expenditures. All reimbursed expenditures shall be capital expenditures, costs of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations and also qualifying expenditures under the Act.

Based on representations by the Borrower, other than (i) expenditures to be paid or reimbursed from sources other than the Bonds, (ii) expenditures permitted to be reimbursed under prior regulations pursuant to the transitional provision contained in Section 1.150-2(j)(2)(i)(B) of the Regulations, (iii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a “de minimis” amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures with respect to the Project to be reimbursed with the proceeds of the Bonds have been made by the Borrower more than 60 days before the date of adoption of this resolution of the HRA.

7.03. Based on representations by the Borrower, as of the date hereof, there are no funds of the Borrower reserved, allocated on a long term-basis, or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside) to provide permanent financing for the expenditures related to the Project to be financed from proceeds of the Bonds, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the budgetary and financial circumstances of the Borrower as they exist or are reasonably foreseeable on the date hereof.

Section 8. Costs. The Borrower will pay the administrative fees of the HRA and pay, or, upon demand, reimburse the HRA for payment of, any and all costs incurred by the HRA in connection with the Project and the issuance of the Bonds, whether or not the Bonds are issued.

Section 9. Commitment Conditional. The adoption of this resolution does not constitute a guarantee or a firm commitment that the HRA will issue the Bonds as requested by the Borrower. If, as a result of information made available to or obtained by the HRA during its review of the Project, it appears that the Project or the issuance of Bonds to finance the costs thereof is not in the public interest or is inconsistent with the purposes of the Act, the HRA reserves the right to decline to give final approval to the issuance of the Bonds. The HRA also retains the right, in its sole discretion, to withdraw from participation and accordingly not issue the Bonds should the Board of Commissioners, at any time prior to the issuance thereof, determine that it is in the best interests of the HRA not to issue the Bonds or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents for the transaction.

Section 10. Effective Date. This Resolution shall be in full force and effect from and after its passage.

PASSED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE RAMSEY COUNTY HOUSING & REDEVELOPMENT AUTHORITY, THIS 24th DAY OF NOVEMBER, 2020.

CERTIFICATION

I, the undersigned Executive Director of The Ramsey County Housing & Redevelopment Authority, do hereby certify the following:

The foregoing is true and correct and a copy of the Resolution is on file and of record in the offices of the HRA, which Resolution relates to providing for a public hearing regarding a multifamily housing development and granting preliminary approval to the issuance of conduit revenue bonds to finance the costs thereof, and said Resolution was duly adopted by the Board of Commissioners at a regular or special meeting of the Board of Commissioners held on the date therein indicated. Said meeting was duly called and regularly held and was open to the public and was held at the place at which meetings of the Board of Commissioners are regularly held, a quorum of the Board of Commissioners being present and acting throughout. Commissioner _____ moved the adoption of the Resolution, which motion was seconded by Commissioner _____. A vote being taken on the motion, the following members of the Board of Commissioners voted in favor of the Resolution:

and the following voted against the same:

Whereupon said Resolution was declared duly passed and adopted. The Resolution is in full force and effect and no action has been taken by the Board of Commissioners which would in any way alter or amend the Resolution.

WITNESS MY HAND officially as the Executive Director of The Ramsey County Housing & Redevelopment Authority, this 24th day of November, 2020.

Executive Director
Ramsey County Housing & Redevelopment Authority

EXHIBIT A

NOTICE OF PUBLIC HEARING

THE RAMSEY COUNTY HOUSING & REDEVELOPMENT AUTHORITY COUNTY OF RAMSEY STATE OF MINNESOTA

NOTICE OF A PUBLIC HEARING TO BE CONDUCTED BY THE RAMSEY COUNTY HOUSING & REDEVELOPMENT AUTHORITY TO CONSIDER THE ISSUANCE OF CONDUIT REVENUE BONDS TO FINANCE THE ACQUISITION, RENOVATION, AND EQUIPPING OF A MULTIFAMILY RENTAL HOUSING DEVELOPMENT (WILDER SQUARE APARTMENTS PROJECT)

NOTICE IS HEREBY GIVEN that the Board of Commissioners (the “Board”) of The Ramsey County Housing & Redevelopment Authority (the “HRA”) will hold a public hearing on Tuesday, December 15, 2020, at or after 9:00 a.m. in the Board Chambers in the HRA Hall on the 3rd floor of the County Courthouse, 15 West Kellogg Boulevard, Saint Paul, Minnesota, to consider a housing program and a proposal that the HRA approve and authorize the issuance of its revenue bonds or other obligations (the “Bonds”), in one or more series, pursuant to Minnesota Statutes, Chapter 462C, as amended (the “Act”), for the purposes of (i) financing the acquisition, renovation, and equipping of an approximately 136-unit multifamily rental housing development consisting of an existing 11-story building with surface parking and other functionally related facilities, located at 750 Milton Ave North in Saint Paul, Minnesota (the “Project”); (ii) funding one or more reserve funds to secure the timely payment of the Bonds, if necessary; (iii) paying interest on the Bonds during the renovation of the Project, if necessary; and (iv) paying the costs of issuing the Bonds. CB Wilder Square Limited Partnership, a Minnesota limited partnership (or another entity affiliated with CommonBond Communities, a Minnesota nonprofit corporation, the “Borrower”) will own the Project. The estimated maximum aggregate principal amount of the proposed revenue Bonds to be issued in one or more series to finance the Project will not exceed \$17,000,000.

Following the public hearing, the Board will consider a resolution approving a housing program prepared in accordance with the requirements of the Act and granting approval to the issuance of the Bonds.

The Bonds will be special, limited obligations of the HRA, and the Bonds and interest thereon will be payable solely from the revenues and assets pledged to the payment thereof. No holder of any Bond will have the right to compel any exercise of the taxing power of the HRA or Ramsey County to pay the Bonds or the interest thereon, nor to enforce payment against any property of the HRA or Ramsey County except money payable by the Borrower to the HRA and pledged to the payment of the Bonds. Before issuing the Bonds, the HRA will enter into an agreement with the Borrower, whereby the Borrower will be obligated to make payments at least sufficient at all times to pay the principal of and interest on the Bonds when due.

A copy of the housing program will be on file and available in electronic form through an emailed request to Kari Collins, Community & Economic Development Director, at Kari.Collins@CO.RAMSEY.MN.US on or before the date of the hearing, during normal business hours.

At the time and place fixed for the public hearing the Board will give all persons who appear or submit comments in writing to the Board prior to the hearing, an opportunity to express their views with

respect to the proposal. In addition, interested persons may file written comments respecting the proposal with the Executive Director of the HRA at or prior to said public hearing.

Publish: **[November 30, 2020]**

BY ORDER OF THE HRA BOARD OF
COMMISSIONERS OF THE RAMSEY
COUNTY HOUSING & REDEVELOPMENT
AUTHORITY