

**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.