

**DRAFT - Ramsey County HRA Conduit Financing Policies and Procedures Summary
October 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 and 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.

Approval of a conduit bonds for project 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 application fee of \$5,000.
3. Staff review for viability, organizational capacity, financing, ability to repay debt obligation, legal issues, timeliness.
4. Staff presents Project Report to HRA Board.
5. Bond Counsel prepares preliminary resolution for action by HRA
6. HRA meets to discuss and act upon preliminary resolution. Preliminary approval is entirely at the discretion of the Authority Board.
7. 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.)
8. Memorandum of Understanding executed between Developer/Sponsor. The MOU will include but not be limited to roles and responsibilities of the parties, bond issuance requirements, and HRA fees and other costs.
9. County staff will schedule public hearing and prepare documentation needed for the final Bond Resolution prepared by Bond Counsel.
10. Ramsey County internal credit committee will review documents prior to closing.
11. Bond documents will be prepared by the project's underwriter and bond counsel.
12. Following closing, Bond Counsel will provide one fully executed set of documents to each party.
13. County staff will monitor the project and reporting requirements on an annual basis.

Fees

Initial Fee – non-refundable \$5,000 due to HRA at time application is made to support work performed by county staff through closing.

Closing Fee – One half of one-percent (.05%) of the actual bond issuance due to Ramsey County HRA at closing.

Annual Fee – One-tenth of one-percent (.10%) of the initial bond issuance due to HRA annually to cover monitoring.

Miscellaneous Fees – All other fees associated with issuance of bonds are the responsibility of the applicant/developer/sponsor, including any fees required by the Department of Revenue, and legal fees incurred by Ramsey County Bond Counsel and professional fees incurred by the County's Independent Financial Consultant.