

**RESOLUTION**

**Hennepin County Housing and Redevelopment Authority  
RESOLUTION: 24-HCHRA-0032**

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At a meeting of the Hennepin County Housing and Redevelopment Authority on 11/12/2024, a motion was made by Marion Greene, seconded by Kevin Anderson, that this Resolution be adopt. The motion passed.

**GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS (THE SPRINGS PROJECT); AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR AN ALLOCATION OF BONDING AUTHORITY UNDER MINNESOTA STATUTES, CHAPTER 474A; AUTHORIZING THE PREPARATION OF A HOUSING PROGRAM PURSUANT TO MINNESOTA STATUTES, CHAPTER 462C; AND AUTHORIZING A PUBLIC HEARING AND PUBLICATION OF A NOTICE THEREOF**

WHEREAS, the Hennepin County Housing and Redevelopment Authority (the "Issuer" or "HRA") 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.

WHEREAS, pursuant to Minnesota Statutes, Chapter 462C, as amended (the "Housing Act"), the Issuer is authorized to carry out the public purposes described in the Housing Act by issuing revenue bonds or other obligations to finance or refinance multifamily housing developments, and as a condition to the issuance of such revenue bonds, adopt a housing program providing the information required by Section 462C.03, subdivision 1a of the Housing Act.

WHEREAS, in the issuance of revenue bonds to finance multifamily housing developments, the Issuer may exercise within its corporate limits any of the powers the Minnesota Housing Finance Agency may exercise under Minnesota Statutes, Chapter 462A, as amended, including without limitation under the provisions of Minnesota Statutes, Chapter 475, as amended.

WHEREAS, the Minneapolis Public Housing Authority submitted an application to the Issuer requesting the issuance of one or more series of multifamily housing revenue bonds or other obligations (the "Bonds"), in an aggregate principal amount not to exceed \$41,200,000, under the provisions of the Housing Act to assist in financing the (i) rehabilitation and modernization of a 221-unit multifamily public housing development and facilities functionally related and subordinate thereto, located in the City of Minneapolis (the "City") within Hennepin County (the "County") and known as The Springs, including 32 units located at 809 Spring St. NE and 189 units located at 828 Spring St. NE, and (ii) construction and equipping of a new multifamily public housing building with 15 residential units to be located adjacent to the existing facilities, at or about 824 Spring St. NE (collectively, the "Project"), for occupancy by persons and families of low and moderate income, to be initially owned, developed and operated by the Minneapolis Public Housing Authority, Springs LP, or another affiliate thereof (together with its affiliates or assigns, the "Borrower").

WHEREAS, under Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), prior to the issuance of the Bonds a public hearing duly noticed must be held by the Board of Commissioners of the HRA (the "Board"). Under Section 462C.04, subdivision 2 of the Housing Act, a public hearing must be held on a housing program with respect to the Project (the "Housing

Program”) after one publication of notice in a newspaper circulating generally in the County, at least fifteen (15) days before the hearing, and on or before the date of publication of such notice, the Housing Program must be submitted to the Metropolitan Council for review and comment.

WHEREAS, under Section 146 of the Code, the Bonds must receive an allocation of the bonding authority of the State of Minnesota, and an application for such an allocation must be made pursuant to the requirements of Minnesota Statutes, Chapter 474A, as amended (the “Allocation Act”).

WHEREAS, the Board may grant preliminary approval to the issuance of the Bonds to finance the multifamily housing development referred to in the Housing Program, and may authorize the submission of an application to the State of Minnesota Department of Management and Budget (“MMB”) for an allocation of bonding authority with respect to the Bonds to finance the Project in accordance with the requirements of Section 146 of the Code and the Allocation Act.

BE IT RESOLVED, that the Board of the HRA approve the following:

1. The Project and the issuance of the Bonds therefore, in one or more series of tax-exempt or taxable bonds or notes in an amount not to exceed \$41,200,000, are hereby given preliminary approval by the Issuer, subject to mutual agreement of the Issuer, the Borrower, and the initial purchaser of the Bonds as to the details of the Bonds and provisions for their payment. In all events, it is understood, however, that the Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer, except the Issuer’s interest in the loan agreement with the Borrower for the Project and security pledged to the payment thereof. The Bonds, when, as, and if issued, shall recite in substance that the Bonds, including interest thereon, are payable solely from the revenues received from the Project and property and security pledged to the payment thereof, and shall not constitute general or moral obligations of the Issuer or the County.
2. The Bonds will be payable solely from the revenues of the Project and other money and security, if any, provided by the Borrower, and the Bonds will not constitute or give rise to a pecuniary liability of the Issuer or of the County or a charge against the general credit, full faith and credit, or taxing powers of the Issuer or the County.
3. No holder of any such Bonds shall ever have the right to compel any exercise of the taxing power of the Issuer or the County to pay the Bonds, or the interest thereon, nor to enforce payment against any property of the Issuer, except revenues of the Project to be paid to the Issuer and pledged to the Bonds.
4. The Borrower may incur expenditures for the Project prior to the issuance of the Bonds therefor, and such expenditures may be reimbursed from proceeds of the Bonds, when, and if issued. This resolution shall constitute an “official intent” to reimburse such expenditures for purposes of Treasury Regulations, Section 1.150-2.
5. The Executive Director and other officials, employees, and agents of the Issuer, with the assistance of the Borrower and Dorsey & Whitney LLP, as bond counsel to the Issuer (“Bond Counsel”), are authorized and directed to prepare and submit an application to MMB for an allocation of bonding authority for the Project and the Bonds to be issued therefor in an amount not to exceed \$41,200,000, pursuant to the Allocation Act.
6. The officials, employees, and agents of the Issuer are hereby authorized to receive money from the Borrower for the payment of the deposit and fee required to be paid to MMB under the

Allocation Act in connection with the application for an allocation of bonding authority. The officials, employees, and agents of the Issuer are further authorized to disburse to the Borrower any money returned to the Issuer by MMB in connection with such application.

7. The Executive Director and other officers, employees and agents of the Issuer are hereby authorized to: (i) prepare the Housing Program in accordance with the requirements of the Act; (ii) submit the Housing Program to the Metropolitan Council for its review and comments in accordance with Section 462C.04, subdivision 2 of the Housing Act; and (iii) participate in the preparation and review of necessary documents relating to the Project and the Bonds issued in connection therewith.

8. The Borrower will be responsible for paying any and all costs incurred by the Issuer or County in connection with the Bonds and the Project, including reasonable costs that the Issuer may incur for legal counsel and any reasonable fees the Issuer or County may charge, whether or not the Project is carried to completion, and whether or not the Bonds or operative instruments are executed.

9. The adoption of this resolution does not constitute a guaranty or firm commitment that the Issuer will issue the Bonds as requested by the Borrower. The Issuer retains the right, in its sole discretion, to withdraw from participation and accordingly not to issue the Bonds, or issue the Bonds in an amount less than the amount referred to herein should the Issuer at any time prior to issuance thereof determine that it is in the best interest of the Issuer not to issue the Bonds, or to issue the Bonds in an amount less than the amount referred to herein, or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents required for this transaction, including substantial changes to the affordability level, unit mix, scale, scope, or cost of the Project.

10. A public hearing on the Housing Program relating to the Project and the issuance of the Bonds shall be held before the Board of the HRA on a date, and at a time and place, as is deemed appropriate by the Clerk of the Board. The Clerk of the Board shall publish notice of the public hearing, in substantially the form attached hereto as EXHIBIT A in Finance and Commerce, the official newspaper of the County. Bond Counsel is hereby directed to publish notice of the public hearing in the Star Tribune, a newspaper of general circulation in the County. The notice shall be published at least once, in each newspaper, at least 15 days prior to the date of the public hearing, but not more than 30 days prior to the date of the public hearing, and a copy of the Housing Program shall be submitted to the Metropolitan Council for review and comment on or before the date of publication of the notice.

RESOLUTION ADOPTED ON 11/12/2024

The question was on the adoption of the resolution with the votes as follows:

**Aye:** 5 Commissioner Fernando, Commissioner Lunde, Commissioner Goettel, Vice Chair Anderson, and Commissioner Greene

**Absent:** 2 Chairperson Conley, and Commissioner Edelson

**Maria Rose**



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