

RESOLUTION

Board of Hennepin County Commissioners

RESOLUTION: 25-0430

At a meeting of the Board of Hennepin County Commissioners, a motion was made by Commissioner Fernando, and seconded by Commissioner Edelson, that the Resolution be adopted. The motion passed.

APPROVING THE ISSUANCE OF THE MULTIFAMILY HOUSING REVENUE BONDS (SOUTH HAVEN AND SUMMIT POINT APARTMENTS PROJECT) SERIES 2025, BY THE HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY UNDER MINNESOTA STATUTES, CHAPTER 462C, AS AMENDED, TO FINANCE MULTIFAMILY HOUSING DEVELOPMENTS LOCATED WITHIN HENNEPIN COUNTY

WHEREAS, under the provisions of Minnesota Statutes, Chapter 462C, as amended (the "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 Act, proceeds derived from the sale of revenue obligations issued under the terms of the Act may be applied to make a loan to finance the acquisition and preparation of a site and the construction of a new, or the acquisition and rehabilitation of an existing, 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 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" 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, created in Hennepin County (the "County") pursuant to Minnesota Statutes, Section 383B.77 to exercise all the powers and duties of a housing and redevelopment authority under Minnesota Statutes, Sections 469.001 to 469.047; and

WHEREAS, at the request of CB South Haven Summit Point Limited Partnership, a Minnesota limited partnership (together with its affiliates or assigns, the "Borrower"), the Issuer proposes to issue its Multifamily Housing Revenue Bonds (South Haven and Summit Point Apartments Project) Series 2025 (the "Bonds") in an aggregate principal amount not to exceed \$22,000,000; and

WHEREAS, the Issuer will apply the proceeds derived from the sale of the Bonds to fund a loan to the Borrower (the "Loan"), pursuant to the terms of a Loan Agreement, dated as of December 1,

2025 (the “Loan Agreement”), by and between the Issuer and the Borrower; and

WHEREAS, the Borrower will apply the proceeds of the Loan to finance the acquisition, rehabilitation, and equipping of (i) an existing 100-unit multifamily rental housing development and facilities functionally related and subordinate thereto, located at or about 3400 Parklawn Avenue in the City of Edina, Minnesota, known as South Haven, and (ii) an existing 29-unit multifamily rental housing development and facilities functionally related and subordinate thereto, located at or about 5010 Summit Avenue in the City of Edina, Minnesota, known as Summit Point (together, the “Project”); and

WHEREAS, a notice of public hearing was published in *Finance and Commerce*, the official newspaper of the Issuer, on September 6, 2025, and in the *Star Tribune*, a newspaper of general circulation in the County, on September 9, 2025; and

WHEREAS, the notice stated the time and place of the public hearing, that it would be held in person and via telephone and other electronic means and accessible to the residents of the County by calling a toll-free telephone number, a general description of the Project, the address of the site of the Project, the initial operator of the Project, and the maximum aggregate principal amount of tax-exempt obligations to be issued to finance the Project; and

WHEREAS, in accordance with the Act, a Program for a Multifamily Housing Development (the “Housing Program”) was prepared on behalf of the Issuer with respect to the Project and submitted to Metropolitan Council on or before the day on which notice of the public hearing was published in a newspaper circulating generally in the County; and

WHEREAS, a public hearing was held before the Board of Commissioners of the Issuer (the “HRA Board”) with respect to the Housing Program and the issuance of the Bonds on September 25, 2025, and a reasonable opportunity was provided at the public hearing for interested individuals to express their views orally or in writing; and

WHEREAS, such public hearing was conducted in person and via telephone and other electronic means as allowed under Minnesota Statutes, Section 13D.021, as amended, and Revenue Procedure 2022-20, issued by the Internal Revenue Service on March 18, 2022; and

WHEREAS, the Bonds 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 Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, under Section 146 of the Code, the Issuer must receive an allocation of the bonding authority of the State of Minnesota in order to issue multifamily housing revenue obligations the interest on which is excludable from gross income for federal income tax purposes under Sections 141(e)(1)(A), 142(a)(7), and 142(d) of the Code, and an application for such an allocation must be made pursuant to the requirements of Minnesota Statutes, Chapter 474A (the “Allocation Act”); and

WHEREAS, in accordance with the authority granted under a resolution adopted by the HRA Board on June 24, 2025, the Issuer, in cooperation with the Borrower, submitted applications to MMB for allocations of bonding authority for South Haven and Summit Point pursuant to Section 146 of the Code and the requirements of the Allocation Act; and

WHEREAS, the Issuer received from MMB: with respect to South Haven, Certificate of Allocation No. 507, dated July 7, 2025, allocating bonding authority of the State of Minnesota to the Issuer in the amount of \$15,772,903; and with respect to Summit Point, Certificate of Allocation No. 508,

dated July 7, 2025, allocating bonding authority of the State of Minnesota to the Issuer in the amount of \$4,773,601, all pursuant to the Allocation Act; and

WHEREAS, the Borrower has requested that the Issuer issue, sell, and deliver the Bonds, in one or more series of taxable or tax-exempt revenue obligations, in accordance with the terms and conditions of the Housing Act to finance the capital costs of the Project, in an original aggregate principal amount not to exceed \$20,546,504, or in such greater amount as may hereafter be additionally allocated by MMB to the Issuer for this Project, provided that the aggregate principal amount shall not exceed \$22,000,000; and

WHEREAS, upon the completion of the construction phase of the Project and the completion of certain other conditions set forth in the following documents to be entered into in connection with the issuance of the Bonds (the "Bond Documents"), the Bonds are expected to be exchanged for a tax-exempt Governmental Note, in an equal amount, subject to partial prepayment; and

WHEREAS, under the terms of Section 147(f) of the Code, private activity bonds (such as the Bonds and Governmental Note) 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 after a public hearing following reasonable public notice; 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 HRA has no applicable elected representative; the County is the next higher governmental unit from which the HRA derives its authority, and the Board of Commissioners of the County (the "County Board") is an applicable elected representative of the County.

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

1. County Board Approval of Issuance of the Bonds and Governmental Note. As an applicable elected representative of the County and, therefore, the applicable elected representative of the HRA, the County Board hereby approves the issuance of the Bonds and the Governmental Note by the HRA in an aggregate principal amount not to exceed \$20,546,504, or in such greater amount as may hereafter be additionally allocated by MMB to the Issuer for this Project, provided that the aggregate principal amount shall not exceed \$22,000,000.
2. Special, Limited Obligation of the Issuer. The Bonds and the Governmental Note when, as, and if issued, shall be special, limited obligations of the Issuer, payable solely from the revenues received from the Project, the Loan Agreement, and the Project Loan Agreement, 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 Bonds and the Governmental Note 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 Bonds or the Governmental Note, or the interest thereon or to enforce payment thereof against any property of the County or the Issuer. The Bonds and the Governmental Note shall recite that the Bonds

and Governmental Note, as applicable, are issued pursuant to the Act, and that the Bonds and the Governmental Note, including interest and premium, if any, thereon, is payable solely from the revenues and assets pledged to the payment thereof, and the Bonds and Governmental Note, as applicable, shall not constitute a debt of the Issuer or the County within the meaning of any constitutional or statutory limitation.

3. Housing Program. The Housing Program was submitted to the Metropolitan Council for its review and comment. All comments received from the Metropolitan Council were presented to this County Board on or prior to the date of the public hearing.
4. Documents Furnished to Bond Counsel. The Chair, County Administrator, and other officers of the County are authorized and directed to furnish to Taft Stettinius & Hollister LLP ("Bond Counsel"), certified copies of all proceedings and records of the County relating to the HRA, the Project, the Bonds, the Governmental Note, 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 Bonds and the Governmental Note 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; and 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.
5. Costs. The County Board has adopted this resolution ("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 Bonds, the Governmental Note, the Project, and the Housing Program, including any costs for reasonable attorneys' fees.
6. Effective Date. This Resolution shall be in full force and effect from and after its passage this 18th day of November 2025.

RESOLUTION ADOPTED ON 11/18/2025

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

Aye: 7 Commissioner Fernando, Commissioner Greene, Commissioner Conley, Commissioner Lunde, Commissioner Edelson, Commissioner Anderson, and Commissioner Goettel

Maria Rose



Maria Rose