

# HENNEPIN COUNTY

## MINNESOTA

### FINAL AUTHORITY AGENDA

#### HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

TUESDAY, MAY 13, 2025  
1:30 PM

Chair: Angela Conley, District 4  
Vice Chair: Kevin Anderson, District 7  
Members: Jeff Lunde, District 1  
Irene Fernando, District 2  
Marion Greene, District 3  
Debbie Goettel, District 5  
Heather Edelson, District 6

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1. **Approval of the Agenda**

2. **Minutes from Previous Meeting**

2.A. April 8, 2025 Meeting Minutes

**Attachments:** [HRA-AUTHORITYMINUTES-08-Apr-2025](#)

3. **Claims Register**

3.A. [25-HCHRA-0011](#)

Claims Register for the period ending April 30, 2025

**Attachments:** [Claims Register ending April 30, 2025](#)

4. **New Business**

4.A. [25-HCHRA-0012](#)

2025 Transit Oriented Communities funding recommendations - neg 4 grant agmts, 05/14/25-12/31/27, NTE \$1,100,000; neg 2 deferred loan agmts, 05/14/25-12/31/65, NTE \$900,000

**Attachments:** [Attachment A - 2025 TOC Recommendations](#)

4.B. [25-HCHRA-0013](#)

2025 AHIF funding recommendations - Neg 4 award modifications; neg 5 2025 award agmts, 05/13/25-05/12/80, total combined NTE \$6,114,538

**Attachments:** [Attachment A-2025 AHIF Recommendations chart](#)

4.C. [25-HCHRA-0014](#)

2025 Supportive Housing Strategy capital funding recommendations - neg 7 agmts, 05/13/25-05/06/80, total combined NTE \$6,350,000

**Attachments:** [Attachment A-2025 Supportive Housing Strategy recommendation](#)

4.D. [25-HCHRA-0015](#)

2025 Homeownership Assistance Fund capital funding recommendations - Neg 5 agmts, 05/06/25-05/06/60, total combined NTE \$1,000,000

**Attachments:** [Attachment A - 2025 Homeownership recommendations chart](#)

4.E. [25-HCHRA-0016](#)

Authorize the issuance and sale of one or more tax-exempt multifamily housing revenue bonds for an affordable housing preservation and expansion project at 828 Spring Street NE and 809 Spring Street NE in Minneapolis

# HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street  
Minneapolis, MN  
55487-0240

## Board Action Request

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**TMP-25-0322**

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**Item Description:**

April 8, 2025 Meeting Minutes

# HENNEPIN COUNTY

## MINNESOTA

### AUTHORITY MINUTES

#### HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

TUESDAY, APRIL 8, 2025  
1:30 PM

Chair: Angela Conley, District 4  
Vice Chair: Kevin Anderson, District 7  
Members: Jeff Lunde, District 1  
Irene Fernando, District 2  
Marion Greene, District 3  
Debbie Goettel, District 5  
Heather Edelson, District 6

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Commissioner Angela Conley, Chair, called the meeting of the Housing and Redevelopment Authority for Tuesday, April 8, 2025 to order at 2:40 p.m.

**Present** Commissioner Irene Fernando, Commissioner Marion Greene, Commissioner Angela Conley, Commissioner Debbie Goettel, Commissioner Heather Edelson, Commissioner Jeff Lunde, and Commissioner Kevin Anderson

#### 1. Approval of the Agenda

##### APPROVE

**Commissioner Jeff Lunde moved, seconded by Commissioner Heather Edelson, to approve the Agenda.**

**Aye** Commissioner Fernando Commissioner Greene Commissioner Conley  
Commissioner Goettel Commissioner Edelson Commissioner Lunde  
Commissioner Anderson

#### 2. Minutes from Previous Meeting

2.A. March 18, 2025 Minutes

##### APPROVE

**Commissioner Kevin Anderson moved, seconded by Commissioner Heather Edelson, to approve the Minutes.**

**Aye** Commissioner Fernando Commissioner Greene Commissioner  
Conley Commissioner Goettel Commissioner Edelson Commissioner  
Lunde Commissioner Anderson

#### 3. Claims Register

3.A. [25-HCHRA-0009](#)

Claims Register for the period ending March 31, 2025

##### APPROVE/RATIFY

**Commissioner Angela Conley moved, seconded by Commissioner Debbie Goettel, to approve/ratify the Resolution.**

**Aye** Commissioner Fernando Commissioner Greene Commissioner  
Conley Commissioner Goettel Commissioner Edelson Commissioner  
Lunde Commissioner Anderson

**4. New Business**

4.A. [25-HCHRA-0010](#)

Neg Agmts PR00007204 with Ahmed Mohidin LLC and PR00007205 with Small  
Business Dreambuilders LLC, 04/15/25-01/31/26, total combined NTE \$135,000

**ADOPT**

**Commissioner Irene Fernando moved, seconded by Commissioner Marion  
Greene, to adopt the Resolution.**

**Aye** Commissioner Fernando Commissioner Greene Commissioner  
Conley Commissioner Goettel Commissioner Edelson Commissioner  
Lunde Commissioner Anderson

There being no further business, the Housing and Redevelopment Authority for Tuesday, April  
8, 2025 was declared adjourned at 2:49 p.m. until Tuesday, May 13, 2025.

Sheri Selton  
Deputy Clerk to the County Board

**Contracting opportunities can be found on the Hennepin County website:**  
[www.hennepin.us](http://www.hennepin.us) <<http://www.hennepin.us>>

# HENNEPIN COUNTY

MINNESOTA

300 South Sixth Street  
Minneapolis, MN  
55487-0240

## Board Action Request

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**25-HCHRA-0011**

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**Item Description:**

Claims Register for the period ending April 30, 2025

**Resolution:**

BE IT RESOLVED, that the Claims Register for the period ending April 30, 2025 be approved/ratified.

**Background:**

**Recommendation from County Administrator:** Recommend Approval

HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

Period ending April 30, 2025

ACCOUNT NAME	VENDOR NAME
Consulting	Ehlers and Associates Inc

AMOUNT	
\$	18,720.00
\$	18,720.00

# HENNEPIN COUNTY

## MINNESOTA

300 South Sixth Street  
Minneapolis, MN  
55487-0240

### Board Action Request

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#### 25-HCHRA-0012

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#### Item Description:

2025 Transit Oriented Communities funding recommendations - neg 4 grant agmts, 05/14/25-12/31/27, NTE \$1,100,000; neg 2 deferred loan agmts, 05/14/25-12/31/65, NTE \$900,000

#### Resolution:

BE IT RESOLVED, that the Executive Director be authorized to negotiate these Grant Agreements during the period May 14, 2025 through December 31, 2027:

- PR00007342 with Bush Companies, or affiliated entity, for the 2815 East Lake Street project, with the amount not to exceed \$200,000;
- PR00007334 with Cultural Wellness Center, or affiliated entity, for the Dreamland on 38th project, with the amount not to exceed \$300,000;
- PR00007335 with Footprint Development, or affiliated entity, for the 501 Mainstreet project, with the amount not to exceed \$350,000;
- PR00007336 with Mni Sota Fund, or affiliated entity, for the Indigenous Wealth Building Center project, with the amount not to exceed \$250,000;

that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreements and related documents on behalf of the authority; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to negotiate these Deferred Loan Agreements during the period May 14, 2025, through December 31, 2065:

- PR00007337 with Solhem Development, LLC, or affiliated entity, for the 1345 Central project, with the amount not to exceed \$500,000;
- PR00007339 with VY Enterprise LLC, or affiliated entity, for the Community Corner project, with the amount not to exceed \$400,000;

that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreements and related documents on behalf of the authority; and that the Controller be authorized to disburse funds as directed.

#### Background:

The Transit Oriented Communities (TOC) program, previously known as Transit Oriented Development (TOD), has been a mainstay of Hennepin County's community development efforts since 2003 because of the wide-ranging benefits that compact, efficient use of land and walkable development patterns generate. Transit-oriented communities are more resilient to climate change, reduce greenhouse gas emissions, and improve public health by making it easier to bike and walk to destinations. These compact, walkable communities are also more economically productive. For example, for every \$1 a county earns in property taxes per acre on a typical residential property or \$7 in property taxes for a single-story commercial strip mall, communities earn over \$100 per acre in a three-story mixed-use business district or over \$400 per acre in a six-story mixed-use district.

Transit-oriented communities reduce disparities by lowering combined housing and transportation costs for residents and improving access between housing, employment, and other destinations. By providing gap

funding for projects that otherwise would not be feasible, the TOC Program generates investments in low-income communities and communities of color that have historically experienced disinvestment. TOC Program investments support Hennepin County's Climate Action Plan through more efficient use of land and infrastructure, preservation of open space, reduced vehicle miles traveled (VMT) and reduced emissions through increased walking, biking, and transit ridership.

In February 2025, a competitive request garnered 20 applications requesting a total of over \$11.2 million. Fourteen projects in Minneapolis requested over \$8.6 million and six projects in suburban Hennepin County requested over \$2.5 million. A multi-agency panel consisting of staff from Hennepin County, Metro Transit, and other community development professionals evaluated the applications. An independent financial consultant conducted an in-depth financial analysis assessing feasibility and funding gaps.

Recommended projects are listed below with further detail provided in Attachment A.

PR00007342 - Bush Companies - 2815 East Lake Street - \$200,000  
Located in Minneapolis and served by high frequency bus and the planned METRO B Line BRT

PR00007334 - Cultural Wellness Center - Dreamland on 38th - \$300,000  
Located in Minneapolis and served by high frequency bus

PR00007335 - Footprint Development - 501 Mainstreet - \$350,000  
Located in Hopkins and served by the planned METRO Green Line Extension LRT

PR00007336 - Mni Sota Fund - Indigenous Wealth Building Center - \$250,000  
Located in Minneapolis and served by high frequency bus and the METRO Blue Line LRT

PR00007337 - Solhem Development, LLC - 1345 Central - \$500,000  
Located in Minneapolis and served by high frequency bus and the planned METRO F Line BRT

PR00007339 - VY Enterprise LLC - The Community Corner - \$400,000  
Located in Brooklyn Center and served by express bus

TOC guidelines require that the project be located within a redevelopment area or district adopted by a municipality in accordance with Minnesota Statutes, Section 469 and an affirmation of support from the municipality in which the project is located.

Since 2003, the Hennepin County Housing and Redevelopment Authority (HCHRA) has awarded approximately \$46.7 million to over 160 TOD projects that have leveraged more than \$2 billion in development, including approximately:

- 150+ projects that either redeveloped brownfields, grayfields, or vacant buildings; or renovated existing buildings; contributing to the health and vibrancy of our communities and putting properties back on the tax rolls
- 120+ projects that are reducing combined housing and transportation costs for over 11,600 households by making it easier to get where they need to go without having to own a car
- 90+ projects that created commercial space, generating opportunities for small businesses to succeed and supporting more than 3,800 jobs accessible by transit
- 20 projects that improved bike and pedestrian infrastructure and the public realm, enhancing quality of life and access to goods and services for existing residents.

**Current Request:** This request is for authorization to negotiate four TOC Grant Agreements during the period May 14, 2025 through December 31, 2027 with a total combined not to exceed amount of \$1,100,000 and two

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## 25-HCHRA-0012

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TOC Deferred Loan Agreements during the period May 14, 2025 through December 31, 2065 with a total combined not to exceed amount of \$900,000.

**Impact/Outcomes:** Approval of these agreements will create 48,800 square feet of commercial space, including 5 affordable spaces, support 110 new or retained jobs. TOC funding will leverage \$79.9 million in total investment value and improve connections to rail transit, bus rapid transit, and within the high-frequency bus network.

**Disparity Domains:** This request supports Hennepin County disparity reduction efforts in income, employment, housing, and transportation by supporting a range of investments that create employment opportunities, lower combined housing and transportation costs for residents, community services and amenities in areas well-served by public transit, including low-income communities and communities of color.

**Recommendation from County Administrator:** Recommend Approval

## Attachment A: 2025 Transit Oriented Communities (TOC) Recommended Project Summaries

<b>Project</b> Applicant Municipality	<b>Project Description</b>	<b>Award</b>
<b>2815 East Lake Street</b> Bush Companies Minneapolis	The 2815 East Lake Street project will redevelop a vacant site damaged during the 2020 civil unrest into a mixed-use development. The four-story infill project will include sixteen housing units and two ground floor retail spaces. The project is expected to create three jobs. The site is served by high frequency bus and the planned METRO B Line BRT. Total project costs are \$4.4 million.	\$200,000
<b>Dreamland on 38th</b> Cultural Wellness Center (CWC) Minneapolis	The Dreamland on 38 <sup>th</sup> project will create a community hub on a vacant site located in the 38th Street Cultural District in Minneapolis. The three-story infill project will serve as the permanent home for CWC and include business incubator space for emerging alternative medicine practitioners, archival library space, event and training space. The project is expected to create or retain thirty-one jobs. The site is served by high frequency bus. Total project costs are \$9.9 million.	\$300,000
<b>501 Mainstreet</b> Footprint Development Hopkins	The 501 Mainstreet project will redevelop a vacant, city-owned site at Mainstreet and 5th Ave N in downtown Hopkins. The project incorporates passive house design standards for energy efficiency and includes thirty-eight housing units, including four workforce housing units targeted to residents at or below 60% of area median income (AMI). The site is served by the planned METRO Green Line Extension. Total project costs are \$10.2 million.	\$350,000
<b>Indigenous Wealth Building Center</b> Mni Sota Fund Minneapolis	The Indigenous Wealth Building Center project will create an economic and social hub in the American Indian Cultural Corridor along Franklin Avenue in Minneapolis. The two-story adaptive reuse project includes a café, co-working and event space, business incubator space, and office space for Mni Sota Fund staff and programming. The project will create or retain sixteen jobs. The site is served by high frequency bus and the METRO Blue Line LRT. Total project costs are \$7.5 million.	\$250,000
<b>1345 Central</b> Solhem Development, LLC Minneapolis	The 1345 Central project redevelops a vacant industrial site into a mixed-use, affordable housing development in Minneapolis. The project includes sixty-four affordable housing units targeted to residents at or below 50% AMI. The ground floor includes commercial space expected to support creative production, such as art studios, film production, or food/beverage production. The project is expected to create eleven jobs. The site is served by high frequency bus and the planned METRO F Line BRT. Total project costs are \$29.8 million.	\$500,000
<b>The Community Corner</b> VY Enterprise LLC Brooklyn Center	The Community Corner project is a mixed-use, affordable housing development located at 69th Ave N and Humboldt Ave N in Brooklyn Center. The project consists of thirty-one units of deeply affordable housing for residents at or below 30% AMI. The ground floor includes commercial space, with three affordable commercial spaces expected to house workforce training, youth programming, and a youth-led coffee shop. The project is expected to create or retain forty-eight jobs. The site is served by an express bus route. Total project costs are \$18.1 million.	\$400,000

# HENNEPIN COUNTY

## MINNESOTA

300 South Sixth Street  
Minneapolis, MN  
55487-0240

### Board Action Request

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#### 25-HCHRA-0013

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##### Item Description:

2025 AHIF funding recommendations - Neg 4 award modifications; neg 5 2025 award agmts, 05/13/25-05/12/80, total combined NTE \$6,114,538

##### Resolution:

BE IT RESOLVED, that the unexpended amount of \$29,538 from 2022 AHIF award (Resolution 22-HCHRA-0018) to American Indian Community Development Corporation for the Many Rivers West project (Agreement PR00004381), be reallocated for distribution under the 2025 Hennepin County Housing and Redevelopment Authority (HCHRA) budget as described herein; that a budget authority transfer from HRA: AHIF 2024 Project 1010428 to HRA: AHIF 2025 Project 1011474 in the amount of \$29,538, be authorized; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that the 2023 AHIF awards (Resolution 23-HCHRA-0021) to Reuter Walton Development LLC for the 901 Cedar project in the amount not to exceed \$455,000 (Agreement PR00005293), and to Sherman Associates for the Bottineau Commons & Lofts project in the amount not to exceed \$545,000 (Agreement PR00005291), be rescinded and reallocated for distribution under the 2025 HCHRA budget as described herein; that a budget authority transfer from HRA: AHIF 2019-2023 Project 1006757 to HRA: AHIF 2025 Project 1010428 in the amount of \$1,000,000, be authorized; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that \$85,000 unawarded in the 2024 AHIF program (Resolution 24-HCHRA-0015) be reallocated for distribution under the 2025 HCHRA budget as described herein; that a budget authority transfer from HRA: AHIF 2024 Project 1010428 to HRA: AHIF 2025 Project 1011474 in the amount of \$85,000, be authorized; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to negotiate the following Agreements during the period May 13, 2025 through May 12, 2080:

- PR00007240 with Solhem Development, LLC or affiliated entity, for the 1345 Central project, with a not to exceed amount of \$896,000;
- PR00007242 with CommonBond Communities or affiliated entity, for the Bloomington Family Townhomes project, with a not to exceed amount of \$750,000;
- PR00007243 with VY Enterprise & One Stop African Market or affiliated entity, for the LOMA project, with a not to exceed amount of \$600,000;
- PR00007244 with CommonBond Communities or affiliated entity, for the South Haven & Summit Point project, with a not to exceed amount of \$1,206,000;
- PR00007245 with CommonBond Communities or affiliated entity, for the South Shore Park & Westonka Estates project, with a not to exceed amount of \$536,000;

that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreements and related documents on behalf of the authority; and that the Controller be authorized to disburse funds as directed; and

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## 25-HCHRA-0013

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BE IT FURTHER RESOLVED, that the Executive Director be authorized to negotiate modifications to three 2024 AHIF Agreements approved under Resolution 24-HCHRA-0015, recognizing additional funding awarded from 2025 AHIF Program, and extending the contract period from May 6, 2079 to May 12, 2080:

- PR00005294 with Little Earth of United Tribes Housing Corporation, or affiliated entity, for the Little Earth project, increasing the not to exceed amount by \$478,538 for a new total not to exceed amount of \$1,682,675;
- PR00006154 with Alliance Housing Inc., or affiliated entity, for the 2116 Nicollet project, increasing the not to exceed amount by \$742,000 for a new total not to exceed amount of \$1,072,000;
- PR00006227 with Noor Development Group and Project for Pride in Living, or affiliated entity, for the Zaria project, increasing the not to exceed amount by \$906,000 for a new total not to exceed amount of \$1,246,000;

that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreements and related documents on behalf of the Authority; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to negotiate a modification to 2020 Affordable Housing Incentive Fund (AHIF) award (Resolution 20-HCHRA-0019) with Duffy Development Company, Inc., or an affiliated entity, for the Rogers Main Street Senior Housing project (Agreement PR00002185) extending the permissible contract end date from May 11, 2065 to December 31, 2070, with no change to the not to exceed amount of \$300,000; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreement and related documents on behalf of the Authority; and that the Controller be authorized to disburse funds as directed.

### **Background:**

The Affordable Housing Incentive Fund (AHIF) Program was created by the Hennepin County Housing and Redevelopment Authority (HCHRA) Board of Commissioners (Resolution 08-HCHRA-00) to work with municipalities, other government and nonprofit agencies, private and nonprofit developers, and lenders to encourage the preservation and development of affordable housing opportunities throughout Hennepin County.

The Coordinated Affordable Housing Development Request for Proposals (RFP) was released in December 2024. The RFP included AHIF, Supportive Housing Strategy, Homeownership Assistance Fund, and federal HOME funds, and garnered 22 qualified multifamily rental applications requesting approximately \$28 million. Proposals were reviewed by Housing and Economic Development and Health and Human Services staff for consistency with county priorities. Proposals were then reviewed and ranked by a multiagency panel.

AHIF funding is typically provided in the form of a 30- to 50-year deferred loan. Loan documents include a loan agreement, promissory note, mortgage, and declaration of covenants and restrictions. In addition, at the project's financial closing and during the term of the loan, the HCHRA may be asked to sign various related documents and amendments, including subordination agreements and disbursement agreements.

Since 2000, and including the recommended 2025 awards, the AHIF Program has committed approximately \$126 million to affordable housing projects, leveraging over \$2.26 billion dollars in additional investment to assist the development and/or preservation of nearly 12,000 affordable housing units in Hennepin County.

### **Recommended Project Awards:**

1345 Central - PR00007240 - Solhem Development, LLC - \$896,000

1345 Central Ave Northeast, Minneapolis; construction of 64 affordable rental units (16 units affordable and restricted to households at or below 30 percent of AMI; 48 units at or below 50 percent of AMI; 14 units with

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## 25-HCHRA-0013

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rental assistance; 14 units for large families)

Bloomington Family Townhomes - PR00007242 - CommonBond Communities - \$750,000

4810 Nord Drive and adjacent addresses in Bloomington; preservation of 20 affordable rental units (4 units affordable and restricted to households at or below 30 percent of AMI; 16 units at or below 50 percent of AMI; 17 units for large families)

The LOMA - PR00007243 - VY Enterprise & One Stop African Market - \$600,000

3246 Nicollet Avenue South, Minneapolis; construction of 62 affordable multigenerational rental units for seniors (30 units affordable and restricted to households at or below 30 percent of AMI; 32 units at or below 50 percent of AMI; 15 units for people exiting homelessness; 31 units with rental assistance; 16 units for large families)

South Haven & Summit Point - PR00007244 - CommonBond Communities - \$1,206,000

3400 Parklawn Ave & 5010 Summit Ave in Edina; preservation of 129 affordable rental units for seniors (26 units affordable and restricted to households at or below 30 percent of AMI; 103 units at or below 50 percent of AMI; 13 units for people exiting homelessness; 129 units with rental assistance)

South Shore Park & Westonka Estates - PR00007245 - CommonBond Communities - \$536,000

255 Mill Street, Excelsior & 2461 Commerce Boulevard, Mound; preservation of 109 affordable rental units for seniors (22 units affordable and restricted to households at or below 30 percent of AMI; 87 units at or below 50 percent of AMI; 11 units for people exiting homelessness; 109 units with rental assistance)

### 2024 AHIF Project Award Modifications:

Little Earth - PR00005294 - Little Earth of United Tribes Housing Corporation - increasing the contract by \$478,538

2501 Cedar Avenue South and adjacent addresses in Minneapolis; preservation of 212 affordable rental units (44 units affordable and restricted to households at or below 30 percent of AMI; 168 units at or below 50 percent of AMI; 22 units for people exiting homelessness; 212 units with rental assistance; 106 units for large families)

2116 Nicollet - PR00006154 - Alliance Housing Inc - increasing the contract by \$742,000

2116 Nicollet Ave South, Minneapolis; construction of 53 affordable rental units (41 units affordable and restricted to households at or below 30 percent of AMI and below; 12 units at or below 50 percent of AMI; 11 units for people exiting homelessness; 19 units with rental assistance)

Zaria - PR00006227 - Noor Development Group & Project for Pride in Living - increasing the contract by \$906,000

3030 Nicollet Avenue South, Minneapolis; construction of 89 affordable rental units (29 units affordable and restricted to households at or below 30 percent of AMI, 60 units at or below 50 percent of AMI; 9 units for people exiting homelessness; 29 units with rental assistance; 30 units for large families)

Attachment A provides further detail on the eight projects recommended for funding.

**Current Request:** This request is for authorization to negotiate four award modifications and five implementation agreements with a total combined not to exceed amount of \$6,114,538 under the 2025 AHIF Program.

**Impact/Outcomes:** Eight projects will create or preserve a total of 738 affordable housing units in Hennepin County; projects will include 212 units for households with incomes at or below 30 percent of AMI, 526 units for households with incomes at or below 50 percent of AMI, and 81 units designated and reserved for people

experiencing homelessness.

**Housing Disparity Domain:** Households of color are disproportionately housing cost burdened, and experience housing instability, including homelessness, at disproportionate rates. This request creates housing opportunities for individuals with incomes at or below 30 percent and 50 percent of the area median income, and creates units specifically reserved for people experiencing homelessness.

**Recommendation from County Administrator:** Recommend Approval

Hennepin County HRA  
2025 AHIF Project Recommendations

Project Name	Contract Number	Applicant	Project Location	Total Units	30% AMI Units	50% AMI Units	60% AMI Units	HPH units	Funding
<b>Affordable Housing Incentive Fund</b>									
1345 Central	PR00007240	Solhem Development, LLC	Minneapolis	64	16	48	0	0	\$ 896,000
2116 Nicollet	PR00006154	Alliance Housing Inc.	Minneapolis	53	41	12	0	11	\$ 742,000
Bloomington Family Townhomes	PR00007242	CommonBond Communities	Bloomington	20	4	16	0	0	\$ 750,000
Little Earth	PR00005294	Little Earth of United Tribes Housing Corporation	Minneapolis	212	44	168	0	22	\$ 478,538
The LOMA	PR00007243	VY Enterprise & One Stop African Market	Minneapolis	62	30	32	0	15	\$ 600,000
South Haven/Summit Point	PR00007244	CommonBond Communities	Edina	129	26	103	0	13	\$ 1,206,000
South Shore Park & Westonka Estates	PR00007245	CommonBond Communities	Excelsior & Mound	109	22	87	0	11	\$ 536,000
Zaria	PR00006227	Noor Development & Project for Pride in Living	Minneapolis	89	29	60	0	9	\$ 906,000
<b>Affordable Housing Incentive Fund Totals:</b>				<b>738</b>	<b>212</b>	<b>526</b>	<b>0</b>	<b>81</b>	<b>\$ 6,114,538</b>

# HENNEPIN COUNTY

## MINNESOTA

300 South Sixth Street  
Minneapolis, MN  
55487-0240

### Board Action Request

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#### 25-HCHRA-0014

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##### Item Description:

2025 Supportive Housing Strategy capital funding recommendations - neg 7 agmts, 05/13/25-05/06/80, total combined NTE \$6,350,000

##### Resolution:

BE IT RESOLVED, that the 2023 Supportive Housing Strategy program award to Reuter Walton Development LLC for the 901 Cedar project (Agreement PR00005295, Resolution 23-HCHRA-0019), in the amount not to exceed \$600,000, be rescinded and reallocated for distribution under the Hennepin County Housing and Redevelopment Authority (HCHRA) Supportive Housing Strategy program; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that the 2021 Supportive Housing Strategy program award to Beacon Interfaith Housing Collaborative for the Vista 44 project (PR00003365, Resolution 21-HCHRA-0018), be reduced by \$1,600,000 to a new not to exceed amount of \$100,000, and the \$1,600,000 be available for redistribution under the HCHRA Supportive Housing Strategy program; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to negotiate these Agreements during the period May 13, 2025 through May 6, 2080:

- PR00007248 with Trellis Co, or affiliated entity, for the Bickham Court project, with a not to exceed amount of \$1,200,000;
- PR00007250 with Trellis Co, or affiliated entity, for the Cheatham Apartments project, with a not to exceed amount of \$1,450,000;
- PR00007251 with Trellis Co, or affiliated entity, for the Flour Exchange project, with a not to exceed amount of \$600,000;
- PR00007252 with RS EDEN, or affiliated entity, for the Lindquist Apartments project, with a not to exceed amount of \$1,000,000;
- PR00007253 with Trellis Co, or affiliated entity, for the Lyndale Avenue Apartments project, with a not to exceed amount of \$500,000;
- PR00007254 with Volunteers of America National Services and Our Savior's Community Services, or affiliated entity, for the OSCS-VOA Housing Project, with a not to exceed amount of \$1,000,000;
- PR00007255 with CommonBond Communities, or affiliated entity, for the South Haven Summit Point project, with a not to exceed amount of \$600,000; and

that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreements and related documents on behalf of the authority; and that the Controller be authorized to disburse funds as directed.

##### Background:

The Supportive Housing Strategy Program was created by the Hennepin County Housing and Redevelopment Authority (HCHRA) Board of Commissioners (Resolution 18-HCHRA-0041R1) to provide targeted capital assistance to client-focused housing that preserves and expands the supportive housing system. The purpose of this program is to advance the development of supportive housing through intentional and proactive county

investment. The county identifies housing gaps, recruits and partners with supportive housing developers and providers, and provides early-in funding for projects that meet county objectives.

A coordinated affordable housing development request for proposals (RFP) which included the Affordable Housing Incentive Fund (AHIF) program, Supportive Housing Strategy, HOME Investment Partnerships (HOME) program, and Homeownership Assistance Fund was released in December 2024. The RFP garnered 20 proposals eligible for Supportive Housing capital program consideration, requesting a total of \$22.5 million.

To assess project alignment with population need, proposals were compared to the housing plans developed by county staff working most closely with the target population. Proposals were then reviewed by staff from the Housing and Economic Development department, Human Services' Housing Stability and Adult Behavioral Health departments, the Department of Community Corrections and Rehabilitation, and a multiagency panel of housing finance professionals, and members of the Lived Experience Advisory Group (LEAG).

Consistent with guidelines established by the HCHRA, recommended projects include strong project feasibility, commitment to long-term affordability in a lease-based housing setting, closest alignment with county-identified population need, and demonstration of a strong potential impact on service outcomes.

In addition to meeting HCHRA guidelines and criteria, the recommended projects:

- Designate a high number of units reserved for the target groups,
- Demonstrate models for inclusive screening and supporting the target groups,
- Align with identified housing needs and preferences, and
- Provide adequate support services and leverage funding for those services.

Together, the recommended projects will create or preserve 113 housing opportunities that are affordable at or below 30 percent of the area median income (AMI) and reserved for and tailored to vulnerable populations requiring services to maintain housing stability. All of the recommended proposals serve people experiencing the longest period of homelessness with additional barriers (also known as "high priority homeless" or "HPH").

The projects include up to \$293,255 in unique/unfunded annual support service costs which will be subject to a future budget request.

Since 2018, and including these recommended 2025 allocations, the Supportive Housing capital program has committed approximately \$31.1 million to assist the development and/or preservation of 688 units of supportive housing reserved for priority populations. Projects include \$2,163,493 in unique annual support service costs. These service costs are not eligible for funding under the HCHRA Supportive Housing Strategy Capital Program.

#### **Recommended Project Awards:**

Bickham Court (fka Perspectives) - PR00007248- Trellis Co. - \$1,200,000

2753 Louisiana Court in St. Louis Park; preservation of 56 affordable rental units, of which 22 units will be set aside for people experiencing homelessness. Partnership with Missions, Inc for services. No direct county service funding.

Cheatham Apartments - PR00007250 - Trellis Co - \$1,450,000

3716 Cheatham Avenue South in Minneapolis; construction of 98 rental units, of which 20 units will be set aside for people experiencing homelessness. Partnership with Simpson Housing for services. No direct county service funding.

Flour Exchange - PR00007251 - Trellis Co - \$600,000

310 Fourth Avenue South in Minneapolis; conversion of historic office building to housing, creating 110 rental units, of which 8 units will be set aside for people experiencing homelessness. Partnership with Simpson

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## 25-HCHRA-0014

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Housing for services. No direct county service funding.

Lindquist Apartments - PR00007252 - RS EDEN - \$1,000,000

1931 West Broadway in Minneapolis; preservation of 26 rental units, of which 20 units will be set aside for people experiencing homelessness. Partnership with The Link to provide services. No direct county service funding.

Lyndale Avenue Apartments - PR00007253 - Trellis Co - \$500,000

5719 Lyndale Avenue South in Minneapolis; construction of 40 affordable rental units, of which 10 units will be set aside for people experiencing homelessness. Partnership with Simpson Housing for services. Unique/unfunded annual support service costs: up to \$12,255.

OSCS-VOA Housing Project - PR00007254 - Volunteers of America and Our Savior's Community Services - \$1,000,000

2309 Chicago Avenue South in Minneapolis; construction of 40 affordable rental units, of which 20 units will be set aside for people experiencing homelessness. Our Savior's Community Services to provide services. Unique/unfunded annual support service costs: up to \$200,000.

South Haven Summit Point project- PR00007255 - CommonBond Communities - \$600,000

3400 Parklawn Avenue and 5010 Summit Avenue in Edina; preservation of 129 affordable rental units, of which 13 units will be set aside for people experiencing homelessness. CommonBond Communities to provide services. Unique/unfunded annual support service costs: up to \$81,000.

**Current request:** This request is for authorization to negotiate seven implementation agreements with a total combined not to exceed amount of \$6,350,000 under the 2025 Supportive Housing Strategy capital program.

**Impact/Outcomes:** Approval of these agreements will create or preserve 442 affordable housing units, including 113 units reserved for households experiencing homelessness, 105 housing units for households at or below 30 percent of AMI, and 224 units for households at or below 50 percent of AMI.

**Housing Disparity Domain:** Households of color are disproportionately housing cost burdened, and experience housing instability and homelessness at disproportionate rates. This request creates housing opportunities for individuals with income at or below 30 percent and 50 percent of area median income, and creates units specifically reserved for people experiencing homelessness.

**Recommendation from County Administrator:** Recommend Approval

Hennepin County HRA  
2025 Supportive Housing Strategy Project Recommendations

Project Name	Contract Number	Applicant	Project City	Total Units	30% AMI Units	50% AMI Units	60% AMI Units	HPH units	Funding
<b>Supportive Housing Strategy</b>									
Bickham Court	PR00007248	Trellis Co.	St. Louis Park	56	22	34	0	22	\$ 1,200,000
Cheatham Apartments	PR00007250	Trellis Co.	Minneapolis	98	26	53	0	20	\$ 1,450,000
Flour Exchange	PR00007251	Trellis Co.	Minneapolis	110	40	34	0	8	\$ 600,000
Lindquist Apartments	PR00007252	RS EDEN	Minneapolis	26	24	0	0	20	\$ 1,000,000
Lyndale Avenue Apartments	PR00007253	Trellis Co.	Minneapolis	40	40	0	0	10	\$ 500,000
OSCS-VOA Housing Project	PR00007254	Volunteers of America National Services	Minneapolis	40	40	0	0	20	\$ 1,000,000
South Haven/Summit Point	PR00007255	CommonBond Communities	Edina	129	26	103	0	13	\$ 600,000
<b>Supportive Housing Strategy Totals:</b>				<b>499</b>	<b>218</b>	<b>224</b>	<b>0</b>	<b>113</b>	<b>\$ 6,350,000</b>

# HENNEPIN COUNTY

## MINNESOTA

300 South Sixth Street  
Minneapolis, MN  
55487-0240

### Board Action Request

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#### 25-HCHRA-0015

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#### Item Description:

2025 Homeownership Assistance Fund capital funding recommendations - Neg 5 agmts, 05/06/25-05/06/60, total combined NTE \$1,000,000

#### Resolution:

BE IT RESOLVED that the Executive Director be authorized to negotiate these Agreements during the period May 6, 2025 through May 6, 2060:

- PR00007290 with City of Lakes Community Land Trust for the Homebuyer Initiated Project, with a not to exceed amount of \$250,000;
- PR00007291 with Urban Homeworks for the Northside Homes project, with a not to exceed amount of \$150,000;
- PR00007292 with Magnolia Homes LLC, for the Russell/Lilac Dr project, with a not to exceed amount of \$100,000;
- PR00007293 with Amani Construction, for the Queen Townhomes project, with a not to exceed amount of \$300,000;
- PR00007294 with Twin Cities Habitat for Humanity Inc, for the Minnetonka Mills project, with a not to exceed amount of \$200,000; and

that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreements and related documents on behalf of the authority; and that the Controller be authorized to disburse funds as directed.

#### Background:

The Homeownership Assistance Fund was created by the Hennepin County Housing and Redevelopment Authority (HCHRA) Board of Commissioners (Resolution 21-HCHRA-0046) as part of the annual budget to create affordable, sustainable homeownership opportunities throughout Hennepin County.

A coordinated request for proposals (RFP) which included the AHIF program, Supportive Housing Strategy, Home Investment Partnerships (HOME) program, and Homeownership Assistance Fund was released in December 2024. The RFP garnered eight homeownership applications requesting a total of \$3,040,000. Proposals were reviewed by Housing and Economic Development staff for consistency with county priorities. Proposals were reviewed and ranked by a multiagency panel consisting of Hennepin County, and staff representing several Hennepin County cities.

Homeownership capital funding is typically provided to projects in the form of a 30-year deferred loan. Loan documents typically include a loan agreement, promissory note, declaration of covenants and restrictions and possibly a mortgage. In addition, during the term of the loan, the HCHRA may be asked to sign various related documents and amendments, including subordination agreements and disbursement agreements.

Attachment A provides further detail on the five projects recommended for funding.

#### Recommended Project Awards:

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## 25-HCHRA-0015

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PR00007290 - City of Lakes Community Land Trust - Homebuyer Initiated project - \$250,000  
Minneapolis; acquisition and rehabilitation of up to 12 single-family homes for affordable homeownership in a land trust.

PR00007291 - Urban Homeworks - Northside Homes project - \$150,000  
Minneapolis; construction of 4 single family homes for affordable homeownership.

PR00007292 - Magnolia Homes LLC - Russell/Lilac Dr project - \$100,000  
Minneapolis/Golden Valley; construction of 2 twin-homes totaling 4 units for affordable homeownership.

PR00007293 - Amani Construction - Queen Townhomes - \$300,000  
Minneapolis, construction of 5 townhome units for affordable homeownership.

PR00007294 - Twin Cities Habitat for Humanity - Minnetonka Mills Twin Homes project - \$200,000 construction of 4 units in two twin-homes for affordable homeownership.

**Current Request:** This request is to authorize negotiation of five implementation agreements with a total combined not to exceed amount of \$1,000,000 under the Homeownership Assistance Fund program.

**Impact/Outcomes:** Five projects will create 37 affordable homeownership opportunities in Hennepin County, with 25 affordable to households with incomes at or below 60 percent of the area median income (AMI) and 12 units affordable to households at or below 80 percent of AMI.

**Housing Disparity Domain:** Households of color are disproportionately left out of the homeownership. This request creates homeownership opportunities for individuals with incomes at or below 60 percent and 80 percent of the area median income.

**Recommendation from County Administrator:** Recommend Approval

### 2025 Homownership Assistance Project Recommendations

Project Name	Applicant	Contract Number	Total Units	60% AMI units	80% AMI units	Funding
Hombuyer Initiated Program	City of Lakes Community Land Trust	PR00007290	12	10	2	\$250,000
Northside Homes	Urban Homeworks	PR00007291	4	4		\$150,000
Russell Ave/Lilac Dr	Magnolia Homes, LLC	PR00007292	4		4	\$100,000
Queen Townhomes	Amani Construction & Development	PR00007293	5	5		\$300,000
Minnetonka Mills	Twin Cities Habitat for Humanity Inc.	PR00007294	4		4	\$200,000
Homeownership Totals:			29	19	10	\$1,000,000

## MINNESOTA

### Board Action Request

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#### 25-HCHRA-0016

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#### Item Description:

Authorize the issuance and sale of one or more tax-exempt multifamily housing revenue bonds for an affordable housing preservation and expansion project at 828 Spring Street NE and 809 Spring Street NE in Minneapolis

#### Resolution:

AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (SPRINGS LP), SERIES 2025A AND MULTIFAMILY HOUSING REVENUE BONDS (SPRINGS LP), SERIES 2025B; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH OBLIGATIONS AND RELATED DOCUMENTS; APPROVING A HOUSING PROGRAM PURSUANT TO MINNESOTA STATUTES, CHAPTER 462C, AS AMENDED; PROVIDING FOR THE SECURITY, RIGHTS, AND REMEDIES WITH RESPECT TO THE OBLIGATIONS; AND GRANTING APPROVAL FOR CERTAIN OTHER ACTIONS WITH RESPECT THERETO

WHEREAS, the Hennepin County Housing and Redevelopment Authority (the “Issuer”) 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 and is authorized under Minnesota Statutes, Chapter 462C, as amended (the “Housing Act”), to issue revenue obligations to finance multifamily housing developments; and

WHEREAS, pursuant to 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 multifamily housing developments, and as a condition to the issuance of such revenue obligations, adopt a housing program providing the information required by Section 462C.03, subdivision 1a of the Housing Act; and

WHEREAS, Springs LP, a Minnesota limited partnership (together with its affiliates or assigns, the “Borrower”), has requested that the Issuer issue its revenue obligations under the Housing Act and lend the proceeds thereof to the Borrower to finance a portion of the cost of acquiring, constructing and equipping an approximately 236-unit affordable rental housing facility and facilities subordinate thereto, to be located at 809, 824 and 828 Spring St. NE in the City of Minneapolis, Minnesota, and known as The Springs (the “Project”); and

WHEREAS, on November 12, 2024, the Board of Commissioners of the Issuer (the “Board”) adopted Resolution No. 24-HCHRA-0032 (the “Preliminary Resolution”), under the terms of which the Issuer (i) granted preliminary approval to the issuance of one or more series of multifamily housing revenue bonds or other obligations in an aggregate principal amount not to exceed \$41,200,000, pursuant to the Housing Act to finance the Project; (ii) authorized the submission of an application to the Minnesota Department of Management and Budget (“MMB”) for an allocation of bonding authority under Minnesota Statutes, Chapter 474A, as amended (the “Allocation Act”), in a principal amount not to exceed \$41,200,000; and (iii) authorized the preparation of a housing program with respect to the Project in accordance with the requirements of the Housing Act and submission of the housing program to the Metropolitan Council for its review and comment; and (iv) authorized a public hearing to be conducted by the Board on such date, and at such time and place, as deemed appropriate by the Clerk of the Board, with respect to the Project, the housing program, and the proposed issuance of the Bonds by the Issuer to finance the Project; and

WHEREAS, the Preliminary Resolution constitutes a reimbursement resolution and an official intent of the Issuer to reimburse expenditures with respect to the Project from the proceeds of tax-exempt revenue obligations in accordance with the provisions of Treasury Regulations, Section 1.150-2; and

WHEREAS, in accordance with the Housing Act and the Preliminary Resolution, a housing program (the "Housing Program") with respect to the Project was prepared and submitted to Metropolitan Council for its review and comment in accordance with the requirements of the Housing Act, and all comments received from Metropolitan Council were presented to the Board on or prior to the date of the public hearing described below; and

WHEREAS, on March 18, 2025, in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 462C.04, subdivision 2 of the Housing Act, the Board held a public hearing at which a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing, with respect to the Project, the Housing Program, and the proposed issuance of the Bonds to provide financing for the Project; and

WHEREAS, such public hearing was conducted in person and via telephonic 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 public hearing was preceded by publication of a notice of public hearing published in Finance and Commerce, the official newspaper of the Issuer, on February 28, 2025 and in the Star Tribune, a newspaper of general circulation in the jurisdiction of the Issuer, on February 28, 2025, dates at least fifteen (15) days prior to the public hearing; and

WHEREAS, under Section 146 of the Code, the Bonds must receive an allocation of the bonding authority of the State of Minnesota; and

WHEREAS, in accordance with the authority granted under the Preliminary Resolution, the Chair of the Issuer and the Executive Director of the Issuer (the "Chair" and the "Executive Director"), and Dorsey & Whitney LLP, acting as bond counsel ("Bond Counsel"), in cooperation with the Borrower, submitted an application for an allocation of bonding authority to MMB pursuant to Section 146 of the Code and the requirements of the Allocation Act; and

WHEREAS, the Issuer received Certificate of Allocation No. 488, dated January 14, 2025, from MMB allocating bonding authority of the State of Minnesota to the Issuer for the Project in the amount of \$39,200,000, pursuant to Minnesota Statutes, Chapter 474A (the "Allocation Act"); and

WHEREAS, the Borrower proposes that the Issuer issue, sell, and deliver the Bonds, designated as Multifamily Housing Revenue Bonds (Springs LP), Series 2025A (the "Series 2025A Bonds") and Multifamily Housing Revenue Bonds (Springs LP), Series 2025B (the "Series 2025B Bonds"; together with the Series 2025A Bonds, the "Bonds"), in an original aggregate principal amount not to exceed \$41,200,000; 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 Code; and

WHEREAS, the Bonds will be issued by the Issuer and purchased by Orix Public Finance, LLC or another purchaser selected by the Borrower (the "Purchaser"), pursuant to the Trust Indenture dated as of or after June 1, 2025 (the "Indenture"), between the Issuer and Wilmington Trust, National Association (the "Trustee") and a Bond Placement Agreement dated on or after the date this resolution is approved, among the

Purchaser, the Issuer, the Borrower and Lument Securities, LLC (the "Purchase Agreement"); and

WHEREAS, the Issuer will apply the proceeds of the sale of the Bonds to fund a loan (the "Loan") to the Borrower pursuant to a Financing Agreement, dated as of or after June 1, 2025 (the "Financing Agreement"), between the Issuer, the Borrower and the Trustee; and

WHEREAS, the Borrower's repayment obligations with respect to each of the Series 2025A Bonds and Series 2025B Bonds will be evidenced by a promissory note, dated as of or after June 1, 2025 (the "Promissory Notes"), from the Borrower in favor of the Issuer and endorsed by the Issuer to the Trustee; and

WHEREAS, the obligations of the Borrower under the Financing Agreement and Promissory Notes will be secured by a lien on and security interest in the Project pursuant to a Multifamily Mortgage, Assignment of Rents, Security Agreement and Fixture Financing Statement, dated as of or after June 1, 2025, to be delivered by the Borrower to the Issuer and assigned by the Issuer to the Trustee pursuant to an Assignment of Security Instrument, dated as of or after June 1, 2025 (the "Bond Mortgage Assignment"); and

WHEREAS, to ensure compliance with certain rental and occupancy restrictions imposed by the Housing Act and Section 142(d) of the Code, the Project will be subject to a Regulatory Agreement (the "Regulatory Agreement"), dated as of or after June 1, 2025, among the Issuer, the Trustee and the Borrower; and

WHEREAS, the obligations of the Borrower under the Financing Agreement shall be further secured by such mortgages, assignments of mortgages, security agreements, assignments of rents, guarantees, and other security instruments and documents as are required by the Purchaser, including but not limited to, one or more guaranties (collectively, the "Security Documents"); and

WHEREAS, the Bonds will be issued pursuant to this resolution, and the Bonds and the interest on the Bonds: (i) shall be payable solely from the revenues pledged therefor under the Financing Agreement or other security documents described therein; (ii) shall not constitute a debt of the Issuer or Hennepin County (the "County") within the meaning of any constitutional or statutory limitation; (iii) shall not constitute or give rise to a pecuniary liability of the Issuer or the County or a charge against their general credit or taxing powers; (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Issuer or the County other than the Issuer's interest in the Financing Agreement and the Indenture; and (v) shall not constitute a general or moral obligation of the Issuer or the County.

BE IT RESOLVED, that the Board of Commissioners of the Hennepin County Housing and Redevelopment Authority approves the following:

1. The Issuer acknowledges, finds, determines, and declares that the issuance of the Bonds is authorized by the Housing Act and is consistent with the purposes of the Housing Act and that the issuance of the Bonds, and the other actions of the Issuer under the Purchase Agreement, the Indenture, the Financing Agreement, the Regulatory Agreement, and this resolution constitute a public purpose and are in the interests of the Issuer. The Project constitutes a "qualified residential rental project" within the meaning of Section 142(d) of the Code, and a "multifamily housing development" authorized by the Housing Act, and furthers the purposes of the Housing Act. In authorizing the issuance of the Bonds for the financing of the Project and the related costs, the Issuer's purpose is and the effect thereof will be to promote the public welfare of the Issuer and its residents by providing affordable multifamily housing developments for low or moderate-income residents of the County and otherwise furthering the purposes and policies of the Housing Act.

2. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Bonds in the maximum aggregate principal amount not to exceed \$41,200,000. The Bonds shall bear interest at the rate, shall be designated, shall be numbered, shall be dated, shall mature, shall be in the aggregate principal amount, shall be subject to redemption prior to maturity, shall be in such form, and shall have such

other terms, details, and provisions as are prescribed in the Indenture and Financing Agreement, each in substantially the form now on file with the Issuer, with necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Bonds, the stated maturity of the Bonds, the interest rate on the Bonds and the terms of redemption of the Bonds) as are approved as evidenced by the execution thereof as provided in Section 11 of this resolution. The Issuer hereby authorizes the Bonds to be issued as "tax-exempt bonds," the interest on which is excludable from gross income for federal income tax purposes and net taxable income of individuals, trusts, and estates for State of Minnesota income tax purposes. The Bonds shall be special, limited obligations of the Issuer payable solely from the revenues provided by the Borrower pursuant to the Financing Agreement and other funds pledged pursuant to the Indenture; the Issuer does not pledge its general credit or taxing powers or any funds of the Issuer to the payment of the Bonds.

All of the provisions of the Bonds, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

3. The Bonds shall be sold to the Purchaser under the terms and conditions of the Purchase Agreement, Financing Agreement, and Indenture. All of the provisions of the Purchase Agreement, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

4. The proceeds derived from the sale of the Bonds shall be loaned to the Borrower in accordance with the terms and conditions of the Financing Agreement. All of the provisions of the Financing Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

5. The Borrower shall apply the proceeds of the Loan made pursuant to the Financing Agreement to the payment of a portion of the capital costs of the Project and related costs. The loan repayments to be made by the Borrower under the Financing Agreement are to be fixed so as to produce revenues sufficient to pay the principal of, premium, if any, and interest on the Bonds when due. Pursuant to the Indenture, the Issuer will assign its rights to the basic payments and certain other rights and interests under the Financing Agreement, the Loan, and certain moneys and securities held by the Trustee in the funds and accounts established under the Indenture to the Trustee.

6. The Indenture shall provide the terms and conditions, covenants, rights, obligations, duties, and agreements of the owners of the Bonds and the Issuer as set forth therein. All of the provisions of the Indenture, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

7. All of the provisions of the Bonds, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Bonds shall be substantially in the form of the Series 2025A Bonds and Series 2025B Bonds on file with the Issuer, which forms are hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Bonds, the stated maturity of the Bonds, the interest rate on the Bonds and the terms of redemption of the Bonds) as the Issuer Officials, as defined hereinafter, in their discretion, shall determine. The execution of the Bonds with the manual or facsimile signatures of the Issuer Officials and the delivery of the Bonds by the Issuer shall be conclusive evidence of such determination.

8. The Bonds shall be special and limited revenue obligations of the Issuer, the proceeds of which shall be disbursed pursuant to the terms of the Indenture and the Financing Agreement, and the principal, premium, and interest on the Bonds shall be payable solely from the revenues provided by the Borrower pursuant to the Financing Agreement, and the other sources as set forth therein or in the Indenture.

9. The Chair and the Executive Director, and to the extent permitted by Resolution 20-HCHRA-0034 of the Issuer, the Deputy Executive Director of the Issuer (the "Deputy Executive Director," and together with the Chair and Executive Director, the "Issuer Officials") are hereby authorized and directed to execute and deliver the Purchase Agreement, the Indenture, the Financing Agreement, the Bonds, the Regulatory Agreement, the Mortgage Assignment, and any consents, subordinations, and such other documents as are necessary or appropriate in connection with the issuance, sale, and delivery of the Bonds, including without limitation, various certificates of the Issuer, the Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, an endorsement to the tax certificate of the Borrower, disbursing agreements with respect to proceeds of the Bonds, and similar documents (collectively, the "Financing Documents"). All of the provisions of the Financing Documents, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. Certain of the Financing Documents, including the Purchase Agreement, the Indenture, the Financing Agreement, the Bonds, the Regulatory Agreement and the Mortgage Assignment shall be substantially in the forms now on file with the Issuer which are hereby approved, with such necessary and appropriate variations, omissions, and insertions as are approved by Bond Counsel, as do not materially adversely change the substance thereof with respect to the Issuer, and as the Issuer Officials, in their discretion, shall determine, and the execution thereof by the Issuer Officials shall be conclusive evidence of such determinations.

10. The Issuer hereby authorizes the Borrower to provide such security for payment of its obligations under the Indenture and the Financing Agreement and for payment of the Bonds, including one or more guaranties, assignments, pledges, indemnification agreements, or any other security agreed upon by the Borrower, the Trustee and Purchaser, as applicable, and the Issuer hereby approves the execution and delivery of such security.

11. The Issuer hereby authorizes Bond Counsel, to prepare, execute, and deliver its approving legal opinions with respect to the Bonds.

12. Except as otherwise provided in this resolution, all rights, powers, and privileges conferred and duties and liabilities imposed upon the Issuer or the Board by the provisions of this resolution or of the aforementioned documents shall be exercised or performed by the Issuer or by such members of the Board, or such officers, board, body or agency thereof as may be required or authorized by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation, or agreement herein contained or contained in the aforementioned documents, the Bonds, or in any other document relating to the Bonds, and no obligation therein or herein imposed upon the Issuer or the County shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board, or any officer, agent, or employee of the Issuer in that person's individual capacity, and neither the Board nor any officer, agent, or employee executing the Bonds or any such documents shall be personally liable on the Bonds or such documents or be subject to any personal liability or accountability by reason of the issuance thereof or the execution and delivery of such documents.

No provision, covenant or agreement contained in the aforementioned documents, the Bonds, or in any other document relating to the Bonds, and no obligation therein or herein imposed upon the Issuer or the County or the breach thereof, shall constitute or give rise to a general or moral obligation of the Issuer or the County or any pecuniary liability of the Issuer or the County or any charge upon their general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the Issuer

has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Indenture and the Financing Agreement which are to be applied to the payment of the Bonds, as provided therein.

13. Except as otherwise expressly provided herein, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the Issuer and any holder of the Bonds issued under the provisions of this resolution, any right, remedy or claim, legal or equitable, under and by reason of this resolution or any provisions hereof, this resolution, the aforementioned documents, and all of their provisions being intended to be and being for the sole and exclusive benefit of the Issuer and any holder from time to time of the Bonds issued under the provisions of this resolution.

14. In case any one or more of the provisions of this resolution (other than the provisions limiting the liability of the Issuer, the Issuer Officials, or any officer, employee, or agent of the Issuer contained herein) or of the aforementioned documents, or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Bonds, but this resolution, the aforementioned documents, and the Bonds shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

15. The Bonds, when executed and delivered, shall contain a recital that they are issued pursuant to the Housing Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Bonds, and to the execution of the aforementioned documents to happen, exist, and be performed precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

16. The Housing Program is hereby adopted, ratified, and approved in the form now on file with the Issuer.

17. The officers of the Issuer, Issuer's counsel, Bond Counsel, other attorneys, and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, and the Bonds, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, the aforementioned documents, and this resolution. If for any reason the Chair, the Executive Director, or the Deputy Executive Director is unable to execute and deliver the documents referred to in this resolution, such documents may be executed by any member of the Board or any officer of the Issuer delegated the duties of the Chair, the Executive Director, or the Deputy Executive Director with the same force and effect as if such documents were executed and delivered by the Chair, the Executive Director, or the Deputy Executive Director.

18. The Borrower shall pay the administrative fee of the Issuer when due in accordance with the terms of the Financing Agreement. The Borrower will also pay, or, upon demand, reimburse the Issuer for payment of, any and all costs incurred by the Issuer in connection with the Project and the issuance of the Bonds, whether or not the Bonds are issued, including any costs for reasonable attorneys' fees.

19. It is understood and agreed by the Borrower that the Borrower shall indemnify the Issuer and the County against all liabilities, losses, damages, costs, and expenses (including attorney's fees and expenses incurred by the Issuer) arising with respect to the Project and the Bonds, as provided for and agreed to by and between the Borrower and the Issuer in the Financing Agreement.

20. The Board hereby affirms its findings in the Preliminary Resolution.

21. This resolution shall be in full force and effect from and after its approval, conditioned upon final approval by the Board of Commissioners of the County.

**Background:**

The Hennepin County Housing and Redevelopment Authority (HCHRA) is authorized to issue conduit financing, including housing revenue bonds, pursuant to the provision of Minnesota Statutes, Chapters 462C and 469. The bonds are repayable solely from revenue and assets pledged in their support by the developer and are not a debt or property tax obligation of Hennepin County or the HCHRA.

Minneapolis Public Housing Authority (Developer), on behalf of Springs LP, submitted an application for housing revenue bond financing to assist in the rehabilitation, modernization and new construction of affordable rental housing at and around 809 Spring Street NE and 828 Spring Street NE in Minneapolis (Project). The Project is known as “The Springs”.

The Project will contain a total of 236 units: 229 one-bedrooms, and 7 two-bedrooms. Eighty-three units will be reserved for households at or below 30 percent of the area median income (AMI), as determined by the U.S. Department of Housing and Urban Development (HUD). The remainder of units will be reserved for households at or below 60 percent of AMI. Additionally, all 236 households will benefit from project-based Section 8 rental assistance via a Rental Assistance Demonstration conversion, allowing tenants to continue to pay 30% of their income toward rent (with the balance covered by federal rental assistance). The project will remain affordable for a minimum 40-year period.

The current annual income limits established by HUD for Hennepin County range from \$26,100 for a one-person household to \$37,250 for a four-person household at 30 percent of AMI, and \$52,200 for a one-person household to \$74,520 for a four-person household at 60 percent of AMI.

The project total development cost is expected to be approximately \$75.5 million dollars and the bond amount will not exceed \$41,200,000. The bonds will be special limited obligations of the HCHRA, payable solely from the revenues specifically pledged by the Developer. In addition to the housing revenue bonds, proposed sources of funding include four percent Low-Income Housing Tax Credits and City of Minneapolis funds.

Conduit financing requests typically follow a series of formal actions by the HCHRA Board: 1) consideration of preliminary approval; 2) establishment and holding of a public hearing; and 3) consideration of final approval.

The HCHRA authorized preliminary approval for the issuance of bonds on November 12, 2024 (Resolution 24-HCHRA-0032) and held a public hearing on the project on March 18, 2025.

During this final approval phase, the Hennepin County Board of Commissioners will also be considering a companion resolution approving the HCHRA’s action.

**Current Request:** This request is for final authorization to issue tax-exempt multifamily housing revenue bonds for an affordable housing project at and around 828 Spring Street NE and 809 Spring Street NE in Minneapolis.

**Impact/Outcomes:** Issuance of multifamily housing revenue bonds will facilitate the rehabilitation of 221 and creation of 15 additional new rental housing opportunities, of which 83 units will be affordable to households at or below 30 percent of AMI and 153 units will be affordable to households at or below 60 percent of AMI.

**Housing Disparity Domain:** The project aligns with Hennepin County’s disparity reduction efforts by creating affordable housing opportunities for households with extremely low incomes.

**Recommendation from County Administrator:** Recommend Approval