

EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL OF THE
CITY OF FALCON HEIGHTS, MINNESOTA

Pursuant to due call and notice thereof a regular meeting of the City Council of the City of Falcon Heights, Ramsey County, Minnesota, was duly held at the City Hall in said City on December 10, 2025 at 7:00 P.M.

The following members were present:

Gustafson, Leehy,
Meyer, Mielke and Wassenberg

The following were absent:

Member Mielke introduced the following resolution and moved its adoption:

RESOLUTION NO. 25-~~106~~ 109

RESOLUTION GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS (LARPENTEUR AVENUE PROJECT); AUTHORIZING THE SUBMISSION OF ONE OR MORE APPLICATIONS FOR 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 City of Falcon Heights, Minnesota (the "Issuer" or "City"), is a statutory city 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, Velair Development Company, a Minnesota limited liability company, or an affiliate, successor, or assign (collectively, the "Borrower") 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 \$____,000,000, under the provisions of the Housing Act to assist in financing the acquisition, construction, and equipping of an approximately 110-unit 4-story multifamily rental building for low- and moderate-income senior households, located at 1644 Larpenteur Avenue West in the City, to be initially owned and operated by the Borrower (the "Project").

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 City Council of the City (the "City Council"). 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 City, at least ten (10) days before the hearing (or such other notice period as is then in effect under the Housing Act and Treasury regulations applicable to tax-exempt bonds), 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 allocation of the bonding authority of the State of Minnesota, and one or more applications for such an allocation must be made pursuant to the requirements of Minnesota Statutes, Chapter 474A, as amended (the "Allocation Act").

WHEREAS, the City Council 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 one or more applications to the State of Minnesota Department of Management and Budget ("MMB") for 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 City Council of the City approve the following:

1. The Project and the issuance of the Bonds therefor, in one or more series of tax-exempt or taxable bonds or notes in an amount not to exceed \$____,000,000, 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.

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 its affiliates, and the Bonds will not constitute or give rise to a pecuniary liability of the Issuer or a charge against the general credit, full faith and credit, or taxing powers of the Issuer .

3. No holder of any such Bonds shall ever have the right to compel any exercise of the taxing power of the Issuer 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 City Administrator and other officials, employees, and agents of the Issuer, with the assistance of the Borrower and Taft Stettinius & Hollister LLP, as bond counsel to the Issuer ("Bond Counsel"), are authorized and directed to prepare and submit one or more applications to MMB for allocation of bonding authority for the Project and the Bonds to be issued therefor in an amount not to exceed \$ __,000,000, 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 City Administrator 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 costs that the Issuer may incur for legal counsel and any fees the Issuer 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 City Council of the City on a date, and at a time and place, as is deemed appropriate by City Administrator. The City Administrator shall publish notice of the public hearing, in substantially the form attached hereto as EXHIBIT A in the *St. Paul Pioneer Press*, the official newspaper and a newspaper of general circulation in the City. The notice shall be published at least once at least 10 days prior to the date of the public hearing (or such other notice period as is then in effect under the Housing Act and applicable Treasury regulations applicable to tax-exempt bonds), 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.

11. This resolution shall be in full force and effect from and after its passage.

The motion for the adoption of the foregoing resolution was duly seconded by member _____, and after full discussion thereof and upon vote being taken thereon, the following voted in favor thereof: **Gustafson, Leehy, Mielke and Wassenberg**

and the following voted against the same: **Meyer**

whereupon said resolution was declared duly passed and adopted.



Mayor

Attest:



City Administrator

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EXHIBIT A

Form of Notice of Public Hearing

NOTICE OF PUBLIC HEARING ON THE ISSUANCE OF REVENUE BONDS TO FINANCE A MULTIFAMILY HOUSING DEVELOPMENT UNDER MINNESOTA STATUTES, CHAPTER 462C, AS AMENDED, IN THE CITY OF FALCON HEIGHTS

NOTICE IS HEREBY GIVEN that the City Council (the "City Council") of the City of Falcon Heights, Minnesota (the "City") will hold a public hearing on [_____, _____, 20__], commencing on or after __:___ p.m. in the City Hall Council Chambers, 2077 W. Larpenteur Ave, in the City, to consider a housing program (the "Housing Program") prepared under the provisions of Minnesota Statutes, Chapter 462C, as amended (the "Act"), for the issuance by the City of revenue bonds or other obligations (the "Bonds") to finance a multifamily housing development located within the City. The Bonds are proposed to be issued in an aggregate principal amount not to exceed \$_____,000,000. The Bonds may be issued in one or more series of tax-exempt or taxable obligations.

The project proposed to be financed under the Housing Program consists of the financing and refinancing of the acquisition and rehabilitation of in financing the acquisition, construction, and equipping of an approximately 110-unit 4-story multifamily rental building for low- and moderate-income senior households, located at 1644 Larpenteur Avenue West in the City (the "Project"), to be initially owned by Velair Development Company, a Minnesota limited liability company, or an affiliate, successor, or assign (collectively, the "Borrower").

The Bonds will be issued by the City and will be special, limited obligations of the City payable solely from the revenues pledged to the payment thereof. The Bonds will not constitute general or moral obligations of the City, the State of Minnesota, or any political subdivision thereof, and will not be secured by any taxing powers of the City or other assets of the City (other than the interests of the City in the Project). Before issuing the Bonds, the City will enter into an agreement with the Borrower whereby the Borrower will be obligated to make payments at least sufficient at all times to pay the principal of and interest on the Bonds when due.

At said time and place all parties who appear shall be given an opportunity to express their views with respect to the Housing Program and the proposal to issue the Bonds to finance the Housing Program and the Project. In addition, interested persons may direct any question or file written comments respecting the proposal with the City Administrator, at or prior to the public hearing.

Dated: [date of publication]