

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, Minnesota, was duly called and held at the City Hall in said City on Wednesday, the 22nd day of May, 2019, at 7:00 p.m.

The following members were present: *Harris, Gustafson, Lecky + Marga*

and the following were absent:

Member *Gustafson* introduced the following resolution and Member *Marga* moved its adoption:

RESOLUTION CALLING FOR A PUBLIC HEARING
ON A PROPOSAL FOR A HOUSING FINANCE PROGRAM
AND GIVING PRELIMINARY APPROVAL TO THE ISSUANCE OF
HOUSING FACILITY REVENUE BONDS
TO FINANCE A MULTIFAMILY HOUSING PROJECT
PURSUANT TO MINNESOTA LAW, AND AUTHORIZING
THE PUBLICATION OF A NOTICE OF THE HEARING
(AMBER UNION APARTMENTS PROJECT)

The motion for the adoption of the foregoing resolution was fully discussed thereof and upon vote being taken thereon, the following voted in favor thereof:

Harris, Gustafson, Lecky + Marga

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

May 22, 2019

No. 19-18

**RESOLUTION CALLING FOR A PUBLIC HEARING
ON A PROPOSAL FOR A HOUSING FINANCE PROGRAM
AND GIVING PRELIMINARY APPROVAL TO THE ISSUANCE OF
HOUSING FACILITY REVENUE BONDS
TO FINANCE A MULTIFAMILY HOUSING PROJECT
PURSUANT TO MINNESOTA LAW, AND AUTHORIZING
THE PUBLICATION OF A NOTICE OF THE HEARING**

(a) WHEREAS, Minnesota Statutes, Chapter 462C (the "Act"), confers upon a city the power to issue revenue obligations to finance multifamily housing developments within the boundaries of the city; and

(b) WHEREAS, the City Council of the City of Falcon Heights, Minnesota (the "City") has received a proposal from Buhl GTA, LP, a Minnesota limited partnership (the "Borrower"), with Buhl GTA GP, LLC, a Minnesota limited liability company, as general partner, that the City assist in financing a Project hereinafter described, through the issuance of revenue bonds or obligations (in one or more series) (the "Bonds") to be issued in 2019 or a subsequent year pursuant to the Act; and

(c) WHEREAS, the City desires to facilitate the maintenance and development of multifamily rental housing within the community; encourage the development of affordable housing opportunities for residents of the City; encourage the development and maintenance of housing facilities designed for occupancy by persons or families of low and moderate incomes; and encourage the development of blighted or underutilized land and structures within the boundaries of the City; and the Project will assist the City in achieving these objectives; and

(d) WHEREAS, the Project to be financed by the Bonds consists of acquisition and renovation of an existing historic office building into an approximately 106-unit multifamily housing facility for low- and moderate-income individuals and families to be located at 1667 Snelling Avenue, which is on the southwest corner of Snelling Avenue and Larpenteur Avenue, in the City (the "Project"). The Borrower will be the owner and operator of the Project; and

(e) WHEREAS, no public official of the City has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project; and

(f) WHEREAS, before proceeding with final consideration of the request of the Borrower it is necessary for the City to hold a public hearing on the housing finance program and proposal pursuant to the Act:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Falcon Heights, Minnesota, as follows:

1. A public hearing on the housing finance program and proposal of the Borrower will be held at the time and place as determined by the City Administrator and as set forth in a Notice of Public Hearing substantially in the form attached hereto as Exhibit A.

2. The general nature of the proposal and an estimate of the principal amount of Bonds to be issued to finance the proposal are described in the attached form of Notice of Public Hearing.

3. A draft copy of the housing finance program with proposed forms of all attachments and exhibits shall be on file in the office of the City Administrator on the date the Notice of Public Hearing is published.

4. The City Administrator is hereby authorized and directed to cause notice of the hearing to be given one publication in the official newspaper of the City and a newspaper of general circulation available in the City, not less than 15 days nor more than 30 days prior to the date fixed for the hearing, substantially in the form of the attached Notice of Public Hearing with such changes as required or approved by Briggs and Morgan, Professional Association, acting as bond counsel.

5. The City hereby gives preliminary approval to the proposal of the Borrower that the Borrower undertake the Project, and the City undertake the program of financing therefor, pursuant to the Act, consisting of financing the acquisition and renovation of the Project pursuant to the Borrower's specifications and to a loan agreement between the City and the Borrower on such terms and conditions with provisions for revision from time to time as necessary, so as to produce income and revenues sufficient to pay, when due, the principal and interest on the Bonds to be issued in a total principal amount not to exceed \$40,000,000 pursuant to the Act to finance the Project; and said agreement may also provide for the entire interest of the Borrower therein to be mortgaged to the purchasers of the Bonds, or a trustee for the purchasers and subsequent holder(s) of the Bonds; and the City, acting by and through the City, hereby undertakes preliminarily to issue the Bonds in accordance with such terms and conditions.

6. At the option of the City, the financing may be structured so as to take advantage of whatever means are available and are permitted by law to enhance the security for, or marketability of, the Bonds; provided that any such financing structure must be consented to by the Borrower.

7. On the basis of information available to the City it appears, and the City hereby finds, that the Project constitutes a multifamily housing development within the meaning of subdivision 5 of Section 462C.02 of the Act; that the availability of the financing under the Act and the willingness of the City to furnish such financing will be a substantial inducement to the Borrower to undertake the Project, and that the effect of the Project, if undertaken, will be to encourage the development of new multifamily rental housing opportunities for residents of the City, and to promote more intensive development and use of land within the City.

8. The Project and the program to finance the Project by the issuance of revenue obligations, are hereby given preliminary approval by the City subject to holding a public hearing

thereon and final approval by the City, the Borrower, and the purchasers of the Bonds as to ultimate details of the financing of the Project.

9. Briggs and Morgan, Professional Association, acting as bond counsel, is hereby directed to prepare a housing program for financing the Project in accordance with the provisions of Minnesota Statutes, Section 462C.03.


10. The Borrower has agreed and it is hereby determined that any and all costs incurred by the City in connection with the financing of the Project whether or not the Project is carried to completion will be paid by the Borrower.

11. Briggs and Morgan, Professional Association, acting as bond counsel, is authorized to assist in the preparation and review of necessary documents relating to the Project, to consult with Borrower and the purchasers of the Bonds as to the maturities, interest rates and other terms and provisions of the Bonds and as to the covenants and other provisions of the necessary documents and submit such documents to the City for final approval.

12. Nothing in this Resolution or the documents prepared pursuant hereto shall authorize the expenditure of any municipal funds on the Project other than the revenues derived from the Project or otherwise granted to the City for this purpose. The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City except the revenue and proceeds pledged to the payment thereof, nor shall the City be subject to any liability thereon. The holders of the Bonds shall never have the right to compel any exercise of the taxing power of the City to pay the outstanding principal on the Bonds or the interest thereon, or to enforce payment thereon against any property of the City, except such property as may be expressly pledged for the security of the Bonds. The Bonds shall recite in substance that the Bonds, including the interest thereon, are payable solely from the revenue and proceeds pledged to the payment thereof. The Bonds shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation.

13. Subject to final approval of the Project by the City and in anticipation of the approval by all necessary entities of the housing program and the issuance of the Bonds to finance all or a portion of the Project, and in order that completion of the Project will not be unduly delayed when approved, the Borrower is hereby authorized to make such expenditures and advances toward payment of that portion of the costs of the Project to be financed from the proceeds of the Bonds, as the Borrower considers necessary, including the use of interim, short term financing, subject to reimbursement from the proceeds of the Bonds, if any, when delivered but otherwise without liability on the part of the City.

Moved by: Miazga

Approved by: 
Randall Gustafson
Mayor

Vacant
GUSTAFSON 4 In Favor
HARRIS
LEEHY 0 Against
MIAZGA


Attested by: 
Sack Thongvanh
City Administrator

EXHIBIT A

NOTICE OF PUBLIC HEARING ON A PROPOSAL FOR A HOUSING FINANCE PROGRAM AND THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS TO FINANCE A MULTIFAMILY HOUSING DEVELOPMENT

Notice is hereby given that the City Council of the City of Falcon Heights, Minnesota (the "City"), will meet in the City Council Chambers of City Hall, 2077 Larpenteur Avenue W, in the City of Falcon Heights, at 7:00 p.m. on Wednesday, _____, 2019, to consider a housing finance program of the City and the proposal of Buhl GTA, LP, a Minnesota limited partnership (the "Borrower"), with Buhl GTA GP, LLC, a Minnesota limited liability company, as general partner, that the project described below be assisted by the issuance of housing revenue bonds under Minnesota Statutes, Chapter 462C (the "Bonds").

The "Project" consists of the acquisition and renovation of an existing historic office building into an approximately 106-unit multifamily housing development to be known as Amber Union Apartments located at 1667 Snelling Avenue, which is on the southwest corner of Snelling Avenue and Larpenteur Avenue, in the City. The Project will be owned and operated by the Borrower. The Project consists of approximately the following units:

| <u>Units</u> | <u>Square Footage</u> | <u>Estimated Initial Rents</u> |
|----------------|-----------------------|--------------------------------|
| 8 – Studio | 423 | \$1,021 |
| 14 – 1-bedroom | 736 | \$1,094 |
| 56 – 2-bedroom | 1,059 | \$1,311 |
| 24 – 3-bedroom | 1,344 | \$1,515 |
| 4 – 4-bedroom | 1,656 | \$1,690 |

The maximum aggregate estimated principal amount of the Bonds or other obligations to be issued in one or more series to finance the Project pursuant to the housing finance program will not exceed \$40,000,000.

Subsequent to approval of a housing finance program, the City may issue revenue obligations to finance the housing finance program. The Bonds or other obligations, as and when issued, will not constitute a charge, lien, or encumbrance upon any property of the City except the Project and the revenues to be derived from the Project. Such Bonds or obligations will not be a charge against the City's general credit or taxing powers but are payable from sums to be paid by the Borrower pursuant to a revenue agreement.

A draft copy of the housing finance program is available for inspection at City Hall during normal business hours.

At the time and place fixed for the public hearing, the City Council of the City will give all persons who appear at the hearing an opportunity to express their views with respect to the housing finance program and proposal. Written comments will be considered if submitted at the above City office on or before the date of the hearing.

BY ORDER OF THE CITY COUNCIL OF
THE CITY OF FALCON HEIGHTS,
MINNESOTA

By Sack Thongvanh
Its Administrator

STATE OF MINNESOTA
COUNTY OF RAMSEY
CITY OF FALCON HEIGHTS

I, the undersigned, being the duly qualified and acting Administrator of the City of Falcon Heights, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City duly called and held on the date therein indicated, insofar as such minutes relate to calling for a public hearing on and giving preliminary approval to housing facility revenue bonds to finance a housing finance program.

WITNESS my hand this 23 day of May, 2019.



City Administrator

17291314v1

11721771v2