



City of Blaine Anoka County, Minnesota

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Legislation Details (With Text)

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Title: A RESOLUTION AUTHORIZING THE ISSUANCE OF A \$5,000,000 HOUSING FACILITY REVENUE NOTE, SERIES 2016 (ACCAP TOWNHOME PROJECT) BY THE BLAINE ECONOMIC DEVELOPMENT AUTHORITY
Sponsors: Joe Huss
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9/15/2016	1	City Council	Adopted	Pass

PUBLIC HEARING - *Joe Huss, Finance Director*

A RESOLUTION AUTHORIZING THE ISSUANCE OF A \$5,000,000 HOUSING FACILITY REVENUE NOTE, SERIES 2016 (ACCAP TOWNHOME PROJECT) BY THE BLAINE ECONOMIC DEVELOPMENT AUTHORITY

Anoka County Community Action Program (ACCAP) has been working with the City and Anoka County on a residential redevelopment concept that would include the removal ACCAP's four homes, the two homes not purchased by the Anoka County Highway Department, and six of the now vacant lots that were purchased by the ACHD. ACCAP has reached an agreement to purchase the two homes currently still privately held. The proposed redevelopment project would include 30 townhomes within five separate buildings on this property.

ACCAP is now requesting the use of the Blaine EDA's bonding authority to issue conduit housing bonds to provide funding for the project. Issuing through the EDA would allow the bonds to be issued as bank qualified debt which would provide a lower interest rate on the bonds and allow for lower issuance costs. The estimated total cost of the project is \$6.7 million and ACCAP is seeking approval of the EDA to issue no more than \$5 million in conduit debt for the project. Per Minnesota Statute 462C.02, before the EDA can issue housing bonds, the City must adopt an ordinance that provides that authority to the EDA.

Per regulations and statutes, the City must conduct a public hearing prior to approving the

issuance of the bonds.

Conduct public hearing
Adopt attached resolution

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Blaine that the use of the Blaine Economic Development Authority's bonding authority to issue conduit housing bonds to provide funding for the ACCAP Townhome Project is as follows:

Section 1. The Blaine Economic Development Authority (the "EDA") has received from Anoka County Community Action Program, Inc., a Minnesota nonprofit corporation (the "Borrower"), a proposal that the EDA issue its Housing Facilities Revenue Note (ACCAP Townhome Project), Series 2016 in a principal amount not to exceed \$5,000,000 (the "Note"), pursuant to Minnesota Statutes Chapter 426C (the "Act") to assist in financing the acquisition, construction and equipping of an approximately 30-unit multifamily rental housing facility consisting of approximately 22 two bedroom townhomes, 6 three bedroom townhomes, and 2 four bedroom townhomes to be located in the area bounded by University Avenue, 109th Avenue, 111th Avenue and 4th Street in the City (the "Project") be owned and operated by the Borrower.

Section 2. The City has been advised that the Note or other obligations, as and when issued, will not constitute a charge, lien or encumbrance upon any property of the City or the EDA, except the Project and the revenues to be derived from the Project. Such Note or other obligations will not be a charge against the general credit or taxing powers of the City or the EDA, but are payable from sums to be paid by the Borrower pursuant to a revenue agreement.

Section 3. As required by the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Council has held a public hearing on the issuance of the Note, a housing program for the Project (the "Housing Program") and the proposal to undertake the Project located within the jurisdictional limits of the City.

Section 4. The City has by ordinance authorized the EDA to exercise on behalf of the City, all of the powers conferred by Minnesota Statutes, Section 462C.01 to 462C.10.

Section 5. The City hereby finds, determines and declares that the issuance of the Note by the EDA is necessary and in the best interests of the City and, as required by Section 147(f) of the Code, the Council, as the elected legislative body of the City, hereby approves the Housing Program and authorizes issuance of the Note by the EDA to finance the Project.

PASSED by the City Council of the City of Blaine this 15th day of September, 2016.