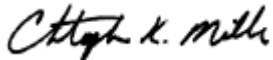



REQUEST FOR COUNCIL ACTION

Date: **1/14/2019**
Item No.: **9.f**

Department Approval



City Manager Approval



Item Description: Consider Setting a Public Hearing to Provide Host Approval Acknowledging the Expenditure of Tax-exempt Funds for Roseville Senior Living LLC.

1 **BACKGROUND**

2 Under Federal and State Statutes, municipalities are authorized to pledge their bond issuance authority to
3 non-profit groups for the benefit of multi-family and assisted-living housing facilities, including
4 corporate offices of said groups. If a municipality expects to issue or receive tax-exempt bond proceeds,
5 either directly or indirectly through a separate entity, it's required by federal law to hold a public hearing
6 and formally approve the use of tax-exempt monies in the City.

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8 The purpose of the public hearing is to allow for public comment on the proceeds to be expended. No
9 special action is required by Council at the hearing. The process entails opening a public hearing, allowing
10 for public comment (if any), and closing the public hearing.

11
12 Roseville Senior Living LLC proposes to refinance a taxable loan and finance capital improvements for
13 the costs of constructing and equipping of Sanctuary in Roseville; a 103-bed assisted living, independent
14 living, and memory care facility located at 2600 Dale Street North in the City of Roseville. The facility
15 will be owned and operated by Presbyterian Homes. The maximum estimated principal amount of the
16 notes to be issued to finance the Project is \$6,800,000.

17
18 The Wisconsin Public Finance Authority has been selected by Roseville Senior Living LLC to issue the
19 bonds.

20
21 **POLICY OBJECTIVE**

22 Generally speaking, the public policy reason for City participation in these financings is to promote
23 *greater* investment in the City's multi-family and assisted-living facilities than would otherwise occur by
24 market forces alone. Allowing the bonds to be issued tax-exempt makes the bonds more attractive to
25 investors and results in lower borrowing costs compared to traditional financing methods. This in turn,
26 provides more available dollars for the proposed project. The City has consistently been approving these
27 requests for decades.

28 **FINANCIAL IMPACTS**

29 Not applicable.

30 **STAFF RECOMMENDATION**

31 Staff recommends the Council set a public hearing to provide host approval acknowledging the
32 expenditure of tax-exempt funds for Roseville Senior Living LLC.

33 **REQUESTED COUNCIL ACTION**

34 Motion to adopt the attached resolution establishing a public hearing for February 11, 2019 to consider
35 providing host approval acknowledging the expenditure of tax-exempt funds for Roseville Senior Living
36 LLC.

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Prepared by: Chris Miller, Finance Director

Attachment: A: Resolution setting a public hearing to consider providing host approval acknowledging the
expenditure of tax-exempt bonds for Roseville Senior Living LLC.

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CITY OF ROSEVILLE, MINNESOTA

RESOLUTION NO. _____

RESOLUTION CALLING A PUBLIC HEARING FOR THE PURPOSE OF PROVIDING HOST APPROVAL FOR THE ISSUANCE OF REVENUE OBLIGATIONS BY THE PUBLIC FINANCE AUTHORITY

BE IT RESOLVED by the City Council (the "City Council") of the City of Roseville, Minnesota (the "City") as follows:

Section 1. Recitals.

1.01. Roseville Senior Living LLC, a Minnesota limited liability company or any of its affiliates (collectively, the "Borrower"), the sole member of which is City Housing & Community Services Corporation, a California nonprofit, public benefit corporation, has proposed to refinance a taxable loan made to the Borrower for the acquisition, construction, and equipping of Sanctuary in Roseville, an approximately 103-unit, 103-bed assisted living, independent living, and memory care facility to be located at 2600 Dale Street North in the City (the "Facility") and to finance capital improvements to the Facility (together, the "Project").

1.02. The Borrower has requested that the Public Finance Authority, a joint powers commission under Wisconsin Statutes, Sections 66.0301, 66.0303, and 66.0304, as amended (the "Act"), and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin (the "Issuer"), issue its revenue bonds, in one or more series, as taxable or tax-exempt obligations (the "Bonds"), in an estimated maximum principal amount of \$6,800,000, pursuant to the terms of the Act, and loan the proceeds thereof to the Borrower to (i) finance the Project; (ii) finance capitalized interest during the construction of the Project; (iii) fund required reserves; and (iv) pay costs of issuance of the Bonds.

1.03. Prior to the issuance of the Bonds by the Issuer, the City Council of the City is required to (i) conduct at public hearing in accordance with the requirements of the Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") with respect to the proposed issuance of the Bonds; and (ii) approve the issuance of the Bonds by the Issuer to finance the Project.

Section 2. Required Actions.

2.01. The City Council will meet at 6:00 p.m. on Monday, February 11, 2019, to conduct a public hearing and consider the proposed issuance of the Bonds by the Issuer in accordance with the Code to finance the Project.

2.02. Kennedy & Graven, Chartered, as bond counsel to the Issuer, is hereby authorized and directed to publish on behalf of the City a notice of the public hearing, in substantially the form attached hereto as EXHIBIT A, once, at least fourteen (14) days prior to the public hearing, in a newspaper of general circulation in the City. The notice shall be published in accordance with the requirements of the Code and all treasury regulations promulgated thereunder.

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2.03. The Borrower shall pay to the City any and all costs paid or incurred by the City in connection with the Bonds or the financing contemplated herein, whether or not the financing is carried to completion and whether or not the Bonds or operative instruments are executed and delivered.

Approved by the City Council of the City of Roseville, Minnesota this 14th day of January, 2019.

Mayor

ATTEST:

City Manager

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EXHIBIT A
NOTICE OF PUBLIC HEARING

CITY OF ROSEVILLE, MINNESOTA

**NOTICE OF A PUBLIC HEARING TO BE CONDUCTED BY THE CITY OF
ROSEVILLE WITH RESPECT TO THE ISSUANCE OF REVENUE
OBLIGATIONS BY THE PUBLIC FINANCE AUTHORITY**

NOTICE IS HEREBY GIVEN that the City Council of the City of Roseville, Minnesota (the “City”) will hold a public hearing on Monday, February 11, 2019, at or after 6:00 p.m. at City Hall, 2660 Civic Center Drive in the City, to consider a proposal that the City grant host city approval to the issuance of one or more series of taxable or tax-exempt revenue obligations (the “Bonds”) in the approximate maximum principal amount of \$6,800,000 by the Public Finance Authority, a joint powers commission under Wisconsin Statutes, Sections 66.0301, 66.0303, and 66.0304, as amended (the “Act”), and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin (the “Issuer”), under Section 66.0304 of the Act, for the benefit of Roseville Senior Living LLC, a Minnesota limited liability company or any of its affiliates (collectively, the “Borrower”), the sole member of which is City Housing & Community Services Corporation, a California nonprofit, public benefit corporation. The Borrower intends to apply the proceeds of the Bonds to (i) refinance a taxable loan made to the Borrower for the acquisition, construction, and equipping of Sanctuary in Roseville, an approximately 103-unit, 103-bed assisted living, independent living, and memory care facility to be located at 2600 Dale Street North in the City (the “Facility”); (ii) finance capital improvements to the Facility; (iii) finance capitalized interest during the construction of the Facility; (iv) fund required reserves; and (v) pay costs of issuance of the Bonds.

The Bonds will be special, limited obligations of the Issuer, and the Bonds and interest thereon will be payable solely from the revenues and assets pledged to the payment thereof. No holder of any Bonds will ever have the right to compel any exercise of the taxing power of the City to pay the Bonds or the interest thereon, nor to enforce payment against any property of the City. The Bonds are to be payable solely from revenues and security provided by the Borrower to the Issuer and pledged to the payment of the Bonds.

Anyone desiring to be heard during this public hearing will be afforded an opportunity to do so.

Dated: [Date of Publication]

CITY OF ROSEVILLE, MINNESOTA