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REQUEST FOR COUNCIL ACTION

MEETING DATE: 3/17/03

AGENDA SECTION:	ORIGINATING DEPT:	ITEM NO.
Consent Agenda/Organizational Business	Finance Department	D-8

ITEM DESCRIPTION: Request by the Pacific Housing Advisors, Inc. to set a public hearing for April 7th to consider the issuance of approximately $6.8 million in public housing revenue bonds by the City of Rochester, Minnesota for the Eastridge Estates Project.

PREPARED BY: Dale Martinson

Representatives of Pacific Housing Advisors, Inc. located in Seattle, Washington, are requesting that the Council set a public hearing for April 7th to consider issuing approximately $6.9 million in public housing revenue bonds (conduit debt) for their project. The bonds would be utilized to fund the acquisition and rehabilitation of the 126-unit Eastridge Estates apartment facility located at 2009 17th Street SE in Rochester. The property is an affordable housing development (with a Section 8 rental assistance contract in place). The property would continue to remain affordable following acquisition.

Pacific Housing Advisors, Inc. is not a 501(c)(3) organization and therefore will have to apply to the State of Minnesota for an allocation of tax-exempt bonding authority. The State sets maximum amounts in various categories that can be issued each year, known as the "bonding cap". Should the council approve of the project and bond issuance, the company will also be requesting an "inducement resolution" that basically asks the state to consider their request in the allocation of its bonding cap.

Approval of this request would establish April 7th for the public hearing on this proposal and authorize publication of the hearing notice. If approved, Pacific Housing Advisors will cause notice of the hearing to be published, complete the full conduit debt application, and will provide legal documents to our bond counsel for review. Our bond counsel reviews the documents to assure that these bonds will NOT be considered a legal liability of the City and that in no event shall the obligations ever be payable from or charged upon any funds of the City.

Representatives from Pacific Housing Advisors, Inc. would be available at the hearing to answer any questions the Council or members of the public may have.

Council Action Requested

Adopt a resolution calling for a public hearing on the issuance of public housing revenue obligations for the Eastridge Estates Project.

COUNCIL ACTION: Motion by:_____ Second by:_____ to: