

APPROVING A SINGLE FAMILY HOUSING FINANCE PROGRAM TO BE  
FINANCED BY THE ISSUANCE OF SINGLE FAMILY MORTGAGE  
REVENUE BONDS AND/OR MORTGAGE CREDIT CERTIFICATES

WHEREAS, pursuant to the Minnesota Municipal Housing Act, Minnesota Statutes, Chapter 462C (the "Housing Act"), the City of Minneapolis, Minnesota (the "City") is authorized to carry out programs for the financing of single family housing for persons of low and moderate income; and

WHEREAS, the Minneapolis/Saint Paul Housing Finance Board (the "Board"), a joint powers board organized under a Joint Powers Agreement (the "Joint Powers Agreement") originally dated as of December 1, 1984, and as subsequently amended, by and between the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "Authority") and the City and accepted by the City of Saint Paul, Minnesota ("Saint Paul"), and under the laws of the State of Minnesota, proposes to undertake a single family housing finance program relating to the Minneapolis and the Saint Paul entitlement allocations available in 2005 and certain recycling refunding bonds (the "Program"), to be financed by the issuance of one or more series of mortgage revenue obligations, mortgage revenue refunding obligations and/or mortgage credit certificates ("MCCs") pursuant to Minnesota Statutes, Sections 469.001 to 469.047, Chapters 462A, 462C and 474A and Section 471.59 (collectively, the "Act"); and

WHEREAS, pursuant to the Act, the Board is authorized to issue bonds from time to time and to use the proceeds of its bonds to make or purchase mortgage loans or to purchase participations in mortgage loans from lending institutions and to issue MCCs in order to finance the construction and rehabilitation, and to facilitate the purchase and sale, of single family housing for eligible persons or families under the Act and to issue bonds to refund previously issued bonds; and

WHEREAS, the Program will provide below market interest rate mortgage loan financing or income tax credits primarily to persons of low or moderate income purchasing single family homes to be used as their principal places of residence and located within the geographic limits of the City or Saint Paul; and

WHEREAS, the Act requires adoption of the Program after a public hearing held thereon following publication of notice in a newspaper of general circulation in the City and Saint Paul at least fifteen days in advance of the hearing; and

WHEREAS, the Community Development Committee of the City Council on December 14, 2004 conducted a public hearing on the Program after publication of notice as required by the Act; and

WHEREAS, the Program was submitted to the Metropolitan Council at or before the time of publication of notice of the public hearing on such Program, and the Metropolitan Council was afforded an opportunity to present comments at the public hearing, all as required by the Act; and

WHEREAS, the Program provides for the issuance of single family mortgage revenue bonds or revenue refunding bonds in one or more series pursuant to the Act (the "Bonds") to make or purchase or cause to be made or purchased mortgage loans, or to purchase securities the proceeds of which would be used to purchase mortgage loans, and the issuance of MCCs to finance the acquisition, primarily by low and moderate income persons and families, of single family housing located within the geographic boundaries of the City or Saint Paul; and

WHEREAS, it is proposed that the Program be approved and the Board be authorized to issue Bonds and MCCs pursuant to the Program and the Joint Powers Agreement; and

WHEREAS, the Program and the issuance of Bonds and/or MCCs by the Board are in the best interests of the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

1. The Program is hereby approved in its entirety in substantially the form on file with the City. The officers of the City and the Board are authorized to take all actions as may be necessary or appropriate to carry out the Program in accordance with the Act and any other applicable laws and regulations.

2. Be It Further Resolved that the issuance of the Bonds and/or MCCs to finance the Program is hereby finally approved subject to agreement by the Board and the purchasers of the Bonds, if any, and by the Board as issuer of the MCCs, as to the exact terms of the Bonds and the MCCs.

3. Be It Further Resolved that the Bonds may be issued in one or more series at the time or times and pursuant to terms determined by the Board, and 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 approved by the

Board. The MCCs may be issued at the time or times and pursuant to terms determined by the Board. All such determinations by the Board must comply with the applicable provisions of the Act and the Internal Revenue Code, of 1986, as amended, and regulations promulgated thereunder.

4. Be It Further Resolved that the Board is authorized to take all actions which may be necessary or desirable in connection with the issuance of the Bonds and the MCCs, and no further approval or consent of the City shall be required prior to the issuance of the Bonds or the MCCs by the Board, or prior to the taking of any action by the Board to undertake and implement the Program.

5. Be It Further Resolved that nothing in this Resolution or the documents prepared pursuant hereto shall authorize the expenditure of any municipal funds on the Program other than as specified and authorized by separate actions of the City and other than the revenues derived from the Program or otherwise granted to the City for such purpose. The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City except the revenues 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 against any property of the City. The Bonds shall recite in substance that the principal and interest thereon are payable solely from the revenues 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 of indebtedness.

6. Be It Further Resolved that any one or more series of Bonds (to the extent authorized by law) or the MCCs may be issued by the City in lieu of issuance by the Board, at the discretion of the City.