APPROVING A PROGRAM OF REFUNDING SINGLE FAMILY MORTGAGE REVENUE BONDS TO PROVIDE FOR THE RECYCLING OF PROGRAM MONIES TO MAKE ADDITIONAL LOANS FOR LOW OR MODERATE PERSONS AND FAMILIES AND APPROVING AND AUTHORIZING THE EXECUTION OF VARIOUS DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the City of Minneapolis (*the City*), either (a) on its own behalf or (b) acting through the Minneapolis/Saint Paul Housing Finance Board (*the MHFB*), pursuant to that certain Joint Powers Agreement, as amended, by and between the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (*the HRA*) and the City of Minneapolis (*Minneapolis*) and accepted by the City of Saint Paul (*Saint Paul*), from time to time has issued individually or jointly with other issuers various series of single family mortgage revenue bonds, as listed on Exhibit A attached hereto, (*the Prior Bonds*), for the purpose of providing below-market interest rate financing to low and moderate income persons and families (*Qualified Buyers*); and

WHEREAS, the federal tax law permits the issuance of tax-exempt refunding bonds to refund certain principal amounts of the Prior Bonds as they mature or become subject to redemption prior to maturity; and

WHEREAS, it is the policy of the City to "recycle" the resource represented by the Prior Bonds by authorizing the MHFB to issue refunding bonds (*the Refunding Bonds*) to the greatest extent possible to provide for the origination of additional single family loans to Qualified Buyers; and

WHEREAS, because the various series of Prior Bonds are due and become subject to redemption at various times during the calendar year in relatively small principal amounts which cannot efficiently and economically be refunded by the issuance of separate series of publicly offered or privately placed Refunding Bonds, the City, in cooperation with Saint Paul, proposes to make a loan or loans to the MHFB in amounts sufficient, from time to time, to permit the MHFB to refund the Prior Bonds, which loan or loans would be repaid with the proceeds of Refunding Bonds issued periodically by the MHFB;

NOW THEREFORE, be it resolved by the City Council of the City of Minneapolis, as follows:

1. The Director of Department of Community Planning and Economic Development or his designee is hereby authorized and directed to take such actions as are necessary or convenient to implement the City's policy of maximizing the resource represented by the Prior Bonds. Without limiting the generality of the foregoing, the Director is specifically authorized to execute and deliver, from time to time, agreements, including any amendments thereto, and to do all other things necessary or convenient to provide for the loan of funds to the MHFB, which loan is to be secured by escrow deposits made by MHFB of proceeds of the Prior Bonds (*Escrow Deposits*) and to provide for the repayment of such loan from the proceeds of Refunding Bonds to be issued by the MHFB from time to time.

2. The City intends that the MHFB will issue Refunding Bonds at such times and in such amounts as are effective and economical and will use the proceeds to reimburse the City for any and all Escrow Deposits described in paragraph 1, all for the purpose of providing for the origination of additional single family mortgage loans to be made to Qualified Buyers.

3. All actions of the members, employees and staff of the City heretofore taken in furtherance of the policies of the City stated herein are hereby approved, ratified and confirmed.