MULTIFAMILY RENTAL HOUSING PROGRAM OF THE
CITY OF COON RAPIDS, MINNESOTA

(COTTAGES OF COON CREEK APARTMENTS PROJECT)

Adopted July 21, 2015

Proposal; Authority. Pursuant to Minnesota Statutes, Chapter 462C (the "Act"), the City of Coon Rapids, Minnesota (the "City"), is authorized to develop and administer programs to finance or refinance multifamily senior rental housing projects described herein (this "Program") under the circumstances and within the limitations set forth in the Act. Minnesota Statutes, Section 462C.07, provides that such programs for multifamily housing developments may be financed by revenue bonds issued by the City.

Purposes. In creating this Program, the City is acting in furtherance of its findings that the preservation of the quality of life in the City is in part dependent upon the maintenance and provision of adequate, decent, safe, sanitary, and affordable housing stock; that accomplishing the goals of this Program is a public purpose and will benefit the residents of the City; that the need exists within the City to provide in a timely fashion additional affordable rental housing to and for the benefit of elderly persons residing and expected to reside within the City; that there exist or are expected to exist persons within the City who are and will be able to benefit from and are in need of the Program; that the Program is necessary in view of the limited resources that may be available to such persons relative to the expenses involved in accomplishing the type of objectives outlined in this Program in the absence of one or more of the forms of assistance described herein or otherwise available pursuant to the Act; and that the City hereby finds that such forms of assistance are often necessary for the benefit of such persons, families, and goals and that, furthermore, the successful implementation of the objectives of the kind described in this Program has been found to provide impetus for the development of other housing in the City, as well as the general development of the City, by other persons who are not the beneficiaries of such governmentally sponsored or assisted activities.

Rental Housing Purposes. More particularly, the City finds that there exists a need for multifamily rental housing due to a variety of factors, including that the cost of new construction of multifamily rental units may in many cases prove economically unfeasible, given the high costs of construction and prevailing area rental levels, and that therefore appropriate levels of public assistance may be helpful and necessary in bridging that gap.

General Description of the Program. This Program consists of the acquisition, rehabilitation and equipping of an approximately 47 unit senior housing development and related amenities located at 2600 through 2689, inclusive, 110th Lane NW in the City. The initial owner of the Project will be Coon Creek Senior Community, Limited Partnership, a Minnesota limited partnership (or an affiliated entity to be created, the "Borrower").

In accordance with section 462C.05, subdivision 2 of the Act, the Project is designed to be affordable by persons and families with adjusted gross income not in excess of the limits set

forth in section 462C.03, subdivision 2, and by other persons and families to the extent determined to be necessary in furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, with at least 20% of the dwelling units held for occupancy by families or individuals with adjusted gross income not in excess of 80% of the median family income as estimated by the United States department of housing and urban development for the standard metropolitan statistical area. The Borrower will own and operate the Project as a residential rental project for seniors.

Under federal law, at least 20% of the units must be occupied by persons or families whose family incomes do not exceed 50% of area median gross income or 40% of the units must be occupied by persons or families whose family incomes do not exceed 60% of area median gross income. The base monthly rents, including certain utilities, are approximately as follows:

	Estimated Rental Range
One Bedroom	$799
Two Bedroom	$999

Location. This Program is limited to the Project. The Project is located at 2600 through 2689, inclusive, 110th Lane NW in the City.

Revenue Bonds. The maximum amount of revenue bonds issued or to be issued by the City to finance the Program is approximately $5,000,000. The proceeds will finance the costs of the acquisition, construction and equipping of a multifamily senior housing facility and pay costs of issuing the bonds, and may be used to establish a reserve.

The Project is operated as a housing development within the meaning of Minnesota Statutes, Section 462C.05, Subd. 1. The Bonds may be structured so as to take advantage of whatever means are available or necessary and are permitted by law to enhance the security for and marketability of the Bonds. Substantially all of the net proceeds of the Bonds (the initial principal amount thereof, less any amounts deposited in a reasonably required reserve or paid out as costs of issuance of the Bonds) will be used to pay the costs of the Project, including any functionally related and subordinate facilities.

The City has adequate existing capacity to administer, monitor and supervise the Project in order to insure that the Project will be consistent with the City's housing plan. The Borrower will construct the Project in compliance with all applicable development restrictions, and all new construction is subject to applicable state and local building codes. The Borrower will be required to operate the Project in accordance with state and local anti-discrimination laws and ordinances.

The costs of the Project and the Program undertaken to finance the Project, including specifically the costs to the City, will be paid or reimbursed by the Borrower.

Housing Plan. The City hereby adopts the Comprehensive Plan of the City of Coon Rapids as the housing plan relating to the Project.

Monitoring. The Program will be monitored by the City or its agent. The City expects to enter into or continue suitable agreements with necessary parties to ensure consistent compliance with the objectives of this Program, as well as with the requirements of applicable law.

Meeting Needs; Methods. The Program will meet the need for rental housing. The City believes that this Program will help meet the identified needs under this Program. The specific methods anticipated to be used include the issuance of revenue bonds under the Act to provide feasible financing for various aspects of the Program so undertaken. The City will monitor the implementation of this Program pursuant to its loan agreement for the Project.

Authorization. The Program is undertaken pursuant to Minnesota Statutes, Chapter 462C and is consistent with the Comprehensive Plan.