

**CERTIFICATE OF ALLOCATION
FOR RESIDENTIAL RENTAL PROJECTS****Number
394**

Pursuant to Minnesota Statutes Chapter 474A as amended

NAME OF ISSUER: City of Shakopee

TITLE OF PROPOSED ISSUE: Multifamily Housing Revenue Bonds, Series 2021
Shakopee Village Apartments Project

AMOUNT OF ALLOCATION: \$6,825,000
Six Million Eight Hundred Twenty-Five Thousand Dollars

**TYPE OF RESIDENTIAL
RENTAL PROJECT:** Preservation Project

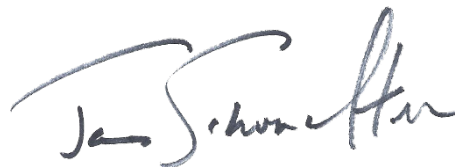
Attached to this Certificate is a sworn statement from the Issuer identifying the project as a preservation project.

This Certificate of Allocation is not transferable.

This Certificate of Allocation shall expire and be deemed not to have been issued if Minnesota Management and Budget has not received a NOTICE OF ISSUE within five business days of issuance of the obligations. A notice of issue is required for each series of obligations if issued in series. Notice of Issue forms are available from Minnesota Management and Budget upon request. Unless otherwise specified, obligations for residential rental projects must be issued within 180 days of the allocation date (date of certificate). Penalties also apply for unused partial allocations. See Minnesota Statutes Chapter 474A for complete instructions regarding applicable rules and procedures.

January 12, 2021

Date of Certificate



James Schowalter, Commissioner
Minnesota Management and Budget

For further information, please contact:
Minnesota Management and Budget
400 Centennial Building
658 Cedar Street
Saint Paul, Minnesota 55155
(651) 201-8099

SWORN APPLICANT STATEMENT
APPLICATION FOR ALLOCATION OF BONDING AUTHORITY
FOR RESIDENTIAL RENTAL PROJECTS

THE UNDERSIGNED is the mayor or chief administrator of the City of Shakopee, State of Minnesota (the "Applicant") and hereby makes the following statements in support of its Application for Allocation of Bonding Authority for Residential Rental Projects, dated December 23, 2020:

1. The Applicant is requesting allocation under Minnesota Statutes, Chapter 474A, Minnesota Bond Allocation Act, for a residential rental project to be known as Shakopee Village Apartments (the "Project") being undertaken by Shakopee Housing Partners, LP (the "Developer").
2. The project is, or will be, located at 1428 Fourth Avenue East, Shakopee, Minnesota
[provide street address or, if none yet, reference to boundary streets].
3. The project meets or will meet all of the criteria specified in the applicable provisions of Minnesota Statutes, Section 474A.02, including but not limited to subdivisions 1a, 1b, 21a and 30 to 33,* and thereby qualifies for designation as a:

☒ Preservation project	☐ 100 percent LIHTC project
☐ 30 percent AMI residential rental project	☐ 20 percent LIHTC project
☐ 50 percent AMI residential rental project	☐ Other residential rental project

**See page 2 of this Sworn Applicant Statement for the definition of each type of project.*

4. The reasonably expected aggregate basis of the project and the land on which the project is or will be located is \$ see attached. Therefore, the aggregate bond limitation for the project, representing 55 percent of the reasonably expected aggregate basis, is \$ see attached. (Alternatively, the Applicant may attach a sworn certification from its certified public accountant attesting to the reasonably expected aggregate basis.)

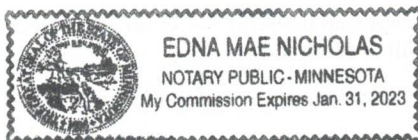
I hereby declare that the information contained in this Sworn Statement is true and correct.

City of Shakopee, a political subdivision of the State of Minnesota

By: [Signature]
Title: City Administrator
Dated: 23 Dec 2020

STATE OF MINNESOTA)
) ss
COUNTY OF SCOTT)

The foregoing instrument was acknowledged before me this 23rd day of December, 2020, by William H. Reynolds, the City Administrator, of the City of Shakopee, a political subdivision of the State of Minnesota.



[Signature]
Notary Public

Definition of Project Types

Preservation project. "Preservation project" means any residential rental project, regardless of whether or not the project is restricted to persons of a certain age or older, that is expected to generate low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended, and (1) receives federal project-based rental assistance, or (2) is funded through a loan from or guaranteed by the United States Department of Agriculture's Rural Development Program. In addition, to qualify as a preservation project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

30 percent AMI residential rental project. "30 percent AMI residential rental project" means a residential rental project that does not otherwise qualify as a preservation project, is expected to generate low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units, and in which:

- (1) all the residential units of the project:
 - (i) are reserved for tenants whose income, on average, is 30 percent of AMI or less;
 - (ii) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code of 1986, as amended; and
 - (iii) are subject to rent and income restrictions for a period of not less than 30 years; or

(2)(i) is located outside of the metropolitan area as defined in section 473.121, subdivision 2, and within a county or metropolitan area that has a current median area gross income that is less than the statewide area median income for Minnesota;

(ii) all of the units of the project are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code of 1986, as amended; and

(iii) all of the units of the project are subject to the applicable rent and income restrictions for a period of not less than 30 years.

In addition, to qualify as a 30 percent AMI residential project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

For purposes of this definition, "on average" means the average of the applicable income limitation level for a project determined on a unit-by-unit basis for example, a project with one-half of its units subject to income limitations of not greater than 20 percent AMI and one-half subject to income limitations of not greater than 40 percent AMI would be subject to an income limitation on average of not greater than 30 percent AMI.

50 percent AMI residential rental project. "50 percent AMI residential rental project" means a residential rental project that does not qualify as a preservation project or 30 percent AMI residential rental project, is expected to generate low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units, and in which all the residential units of the project:

- (1) are reserved for tenants whose income, on average, is 50 percent of AMI or less;
- (2) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code of 1986, as amended; and
- (3) are subject to rent and income restrictions for a period of not less than 30 years.

In addition, to qualify as a 50 percent AMI residential rental project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

For purposes of this definition, "on average" means the average of the applicable income limitation level for a project determined on a unit-by-unit basis for example, a project with one-half of its units subject to income limitations of not greater than 40 percent AMI and one-half subject to income limitations of not greater than 60 percent AMI would be subject to an income limitation on average of not greater than 50 percent AMI.

100 percent LIHTC project. "100 percent LIHTC project" means a residential rental project that is expected to generate low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units and does not otherwise qualify as a preservation project, 30 percent AMI residential rental project, or 50 percent AMI residential rental project. In addition, to qualify as a 100 percent LIHTC project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

20 percent LIHTC project. "20 percent LIHTC project" means a residential rental project that is expected to generate low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended, from at least 20 percent of its residential units and does not otherwise qualify as a preservation project, 30 percent AMI residential rental project, 50 percent AMI residential rental project, or 100 percent LIHTC project. In addition, to qualify as a 20 percent LIHTC project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

Additional Definitions:

Aggregate bond limitation. "Aggregate bond limitation" means up to 55 percent of the reasonably expected aggregate basis of a residential rental project and the land on which the project is or will be located.

AMI. "AMI" means the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size.

ATTACHMENT TO

Sworn Applicant Statement—Application for Allocation of Bonding Authority for Residential Rental Projects, Form S (Revised December 2019)

**SWORN CERTIFICATION OF APPLICANT'S CERTIFIED PUBLIC ACCOUNTANT
REGARDING AGGREGATE BOND LIMITATION**

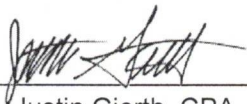
**City of Shakopee, Minnesota
Multifamily Housing Revenue Bonds
(Shakopee Village Apartments Project)
Series 2021**

December 16, 2020

The undersigned is the duly authorized representative of Propp Christensen Caniglia LLP, a California Limited Liability Partnership (the "Accountant"), and hereby represents and certifies as follows:

1. This Sworn Certification of Applicant's Certified Public Accountant Regarding Aggregate Bond Limitation (the "Certification") has been prepared and executed in conjunction with an application by the City of Shakopee, Minnesota (the "Applicant") for an allocation of bonding authority (the "Allocation Application") with respect to the above-referenced obligations, the proceeds of which Shakopee Housing Partners, LP, a Minnesota limited partnership (the "Borrower"), proposes to apply to the acquisition, rehabilitation, and equipping of an approximately 62-unit existing multifamily rental housing facility and facilities functionally related and subordinate thereto located at 1428 Fourth Avenue East, Shakopee, Minnesota, known as Shakopee Village Apartments (the "Project"), for occupancy by seniors of low and moderate income. At least one occupant of each dwelling unit within the Project must be at least 62 years old.
2. The Accountant is the certified public accountant of the Applicant for purposes of the certification as to aggregate bond limitation required to be made in connection with the Allocation Application.
3. The reasonably expected aggregate basis of the Project and the land on which the Project is or will be located is \$12,432,472. Therefore, the aggregate bond limitation for the Project, representing 55 percent of the reasonably expected aggregate basis, is \$6,825,000.
4. The amounts set forth in the preceding paragraph were calculated based on preliminary information provided by the Borrower or its affiliates and represent our professional judgment based on the stated facts as of the date of this Certification. These amounts will change if there is a change in the basis in land, building, land improvements, or personal property.
5. I swear under penalty of perjury that the information I have provided is true and accurate to the best of my knowledge, information and belief, as of the date of this Certification.

[ACCOUNTANT]

By: 
Name: Justin Gierth, CPA
Its: Partner


Debbi J. Christensen
Subscribing Witness

STATE OF _____)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2020, by
_____, the _____ of
_____, a _____, on behalf of said
_____.

See attached

Notary Public

CALIFORNIA NOTARY ACKNOWLEDGEMENT (PROOF OF EXECUTION BY SUBSCRIBING WITNESS)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Placer

On December 16, 2020 (date), before me, Sunny L S Darling, Notary the undersigned, a notary public for the State, personally appeared Debbi J. Christensen (name of subscribing witness), proved to me to be the person whose name is subscribed to the within instrument, as a witness thereto, on the oath of Jacqueline Propp (name of credible witness), a credible witness who is known to me and provided a satisfactory identifying document. Debbi J. Christensen (name of subscribing witness), being by me duly sworn, said that he/~~she~~ was present and saw/~~heard~~ Justin Gierth (name[s] of principal[s]), the same person(s) described in and whose name(s) is/~~are~~ subscribed to the within or attached instrument in his/~~her~~/~~their~~ authorized capacity(~~ies~~) as (a) party(~~ies~~) thereto, execute or acknowledge executing the same, and that said affiant subscribed his/~~her~~ name to the within or attached instrument as a witness at the request of Justin Gierth (name[s] of principal[s]).

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Sunny L S Darling

(Seal)



The notary commission is
extended pursuant to Executive
Order N-63-20.

ATTACHMENT TO

**Sworn Applicant Statement – Application for Allocation of Bonding Authority for Residential
Rental Projects, Form S (Revised December 2019)**

**SWORN STATEMENT OF BORROWER
IDENTIFYING PROJECT AS PRESERVATION PROJECT**

**City of Shakopee, Minnesota
Multifamily Housing Revenue Bonds
(Shakopee Village Apartments Project)
Series 2021**

December 17, 2020

I, Stephen R. Whyte, the duly authorized representative of Shakopee Housing Partners, LP, a Minnesota limited partnership (the “Borrower”), hereby swear or affirm on behalf of the Borrower as follows:

1. This statement has been prepared and executed in conjunction with an application by the City of Shakopee, Minnesota (the “Issuer”) for an allocation of bonding authority (the “Allocation Application”) with respect to the above-referenced obligations (the “Bonds”), the proceeds of which the Borrower proposes to apply to the acquisition, rehabilitation, and equipping of an approximately 62-unit existing multifamily rental housing facility and facilities functionally related and subordinate thereto located at 1428 Fourth Avenue East, Shakopee, Minnesota, known as Shakopee Village Apartments (the “Project”), for occupancy by seniors of low and moderate income. The head of household of each dwelling unit within the Project must be at least 62 years old or disabled.
2. The Project is a residential rental project that is expected to generate low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended, and receives federal project-based rental assistance (which includes Section 8 project-based rental assistance). Accordingly, the Project constitutes a “preservation project,” as that term is defined in Minnesota Statutes, Section 474A.02, subdivision 21a, as amended.
3. I swear under penalty of perjury that the information I have provided is true and accurate to the best of my knowledge, information and belief.
4. It is understood and agreed by the Borrower that the Borrower shall indemnify the Issuer against all liabilities, losses, damages, costs, and expenses (including attorneys’ fees and expenses incurred by the Issuer) arising with respect to the Allocation Application, the Project, and the Bonds.

SHAKOPEE HOUSING PARTNERS, LP
a Minnesota limited partnership

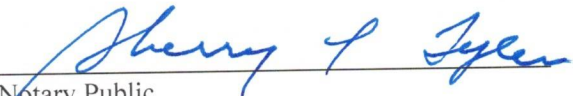
By: Shakopee Housing Management, LLC,
a Minnesota limited liability company,
its General Partner

By: Vitus Development IV, LLC,
a Delaware limited liability company,
its Sole Member and Manager

By: 
Stephen R. Whyte, President

STATE OF Washington)
) ss
COUNTY OF King)

The foregoing instrument was acknowledged before me this 17th day of December, 2020, by
Stephen R. Whyte, the President of Shakopee
Housing Partners, LP, a Minnesota limited partnership, on behalf of said limited partnership.


Notary Public

