



Legislation Details (With Text)

File #: RES PH 12- 245 **Version:** 1

Type: Resolution-Public Hearing **Status:** Archived

In control: Housing & Redevelopment Authority

Final action: 8/8/2012

Title: Resolution Authorizing Entering into a Development Agreement, Obligating NSP Funds and Approving Sale and Conveyance of Land to BB Housing Associates, LLC for Properties Located within ISP/NSP Neighborhoods Identified as:

- 754 Payne Avenue, Payne Phalen District 5, Ward 5

Sponsors: Dan Bostrom

Indexes:

Code sections:

Attachments: 1. BB Housing Rental Phase V Board Report, 2. Attachment B - Background, 3. Attachment C - Map, 4. Attachment D - Project Summary, 5. Attachment E - S&U, 6. Attachment F - Public Purpose, 7. Attachment G - District 5 Profile, 8. District 5 - 754 Payne Support Letter, 9. District 5 - BB Housing Support Letter, 10. HRA 2012_08_754 Payne.pdf, 11. HRA 2012_08_BBHOUSINGSUPPORTLTR.pdf

Date	Ver.	Action By	Action	Result
8/8/2012	1	Housing & Redevelopment Authority	Adopted	Pass

Resolution Authorizing Entering into a Development Agreement, Obligating NSP Funds and Approving Sale and Conveyance of Land to BB Housing Associates, LLC for Properties Located within ISP/NSP Neighborhoods Identified as:

- 754 Payne Avenue, Payne Phalen District 5, Ward 5

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA), has duly adopted and there is now lawfully in effect in the City of Saint Paul, Minnesota, a City Wide Comprehensive/Redevelopment Plan (Plan) providing for the acquisition, clearance and resale of land for redevelopment which includes Payne-Phalen District 5 areas within the Plan and the City Consolidated Five-Year Plan; and

WHEREAS, on November 19, 2008 the City Council approved by Resolution 08-1270 the NSP plan and its submission to HUD for \$4.3 million in funding and on January 28, 2009 the City received a letter from HUD approving the NSP Plan and funding; and

WHEREAS, on January 28, 2009, the City Council approved by Resolution 09-103 the NSP plan and its submission to Minnesota Housing for \$6.3 million in funding and it was approved February 23, 2009; and

WHEREAS, on February 25, 2009 the HRA approved the Neighborhood Stabilization Program and Rebuilding Plan 2009-2013 under Invest Saint Paul Initiative and approved a budget amendment to carry out Programs/Plans which included the acquisition of properties in designated ISP/NSP areas; and

WHEREAS, on March 24, 2010, by Resolution 10-3/24-3 the HRA accepted and approved the budget for NSP 2 funds (\$18.0 million) to continue to carry out activities under the NSP Rebuilding Plan 2009-2013; and

WHEREAS, on February 23, 2011, by Resolution 11-387 and on April 20, 2011, by Resolution 11-623 the City

Council accepted and approved budget for NSP 3 funds (\$3.1 million) to continue to carry out activities under the NSP Rebuilding Plan 2009-2013; and

WHEREAS, NSP regulations required that 25% of the \$31.0 million (\$7,750,000) be used to develop housing for families at or below 50% of area median income; and

WHEREAS, the Parcel at 754 Payne Avenue was reviewed in combination with the District Council when being considered for strategic acquisition under ISP/NSP activities; and

WHEREAS, said proposal, pursuant to due notice thereof was published in the Saint Paul Pioneer Press on 28th, 2012, and a public hearing on said proposals and proposed sales and provisions thereof, was held on Wednesday, August 8th, 2012 at 2:00 p.m., Central Daylight Time, third floor City Hall, 15 West Kellogg Boulevard, in the City of Saint Paul, Minnesota; and

WHEREAS, staff recommends a write-off of the existing loan in the original principal amount of \$65,000.00 plus accrued interest dated December 31, 1991 made to the East Side Neighborhood Development Company and a loan in the original principal amount of \$99,917 dated January 28, 2000 ("Loan") for a combined total of \$164,917 to provide clear title to facilitate property sale to BB Housing; and

WHEREAS, the HRA Board of Commissioners accepts and agrees with the recommendation to write-off the Loan made to ESND.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, that:

1. The HRA Board hereby approves the write-off of the unpaid principal balance and all accrued interest owing under the Loan.
2. The HRA Executive Director, staff and legal counsel for the HRA are further directed and authorized to take all actions necessary to implement this Resolution.
3. That BB Housing Associates, LLC, a Minnesota limited liability company will proceed to finalize all specifications for rehabilitation, complete the bidding requirements for contract work meeting all the compliance requirements and comply with all other NSP and City /HRA requirements as they move forward with the purchase of Parcels all located within Invest Saint Paul/NSP Activity areas and hereby conform to the objectives and specific requirements of the Neighborhood Stabilization Program under the Invest Saint Paul Initiative and meet the intended reuse as identified in the City Wide Comprehensive Plan and Consolidated Plan, legally described as:

ADDRESS

LEGAL DESCRIPTION

754 Payne Avenue Units No. 1 through 12,
Apartment Ownership No. 82, On the Avenue
Condominiums

further identified as the "Parcels".

4. That the method of disposition of said Parcels is in accordance with the Neighborhood Stabilization Program and Rebuilding Plan 2009-2013 under the Invest Saint Paul Initiative, City Wide Redevelopment Plan and Consolidated Plan and is the appropriate method of making said Parcels available for redevelopment.
5. That the sum of One Hundred Sixty-Four Thousand Nine Hundred Seventeen Dollars (\$164,917.00) for the Parcel represents the purchase price and is satisfactory in accordance

with Sec. 469.032 and use and restrictions are in conformance with the City Wide Redevelopment Plan and Consolidated Plan.

6. That HRA hereby obligates \$741,500.00 of NSP funds for the redevelopment of the Parcels to provide affordable housing at or below 50% of the area median income and hereby conform to the objectives and specific requirements of the Neighborhood Stabilization Program and meet the intended reuse of the Parcels under the Program.

7. That BB Housing Associates, LLC has the apparent qualifications and financial resources to acquire said Parcels in accordance with the Neighborhood Stabilization Program and Rebuilding Plan 2009-2013 under the Invest Saint Paul Initiative.

8. That the proposed disposal transaction by and between HRA and BB Housing Associates, LLC is satisfactory in form and complies with the requirements of state and federal law for all Parcels.

9. That \$741,500.00 of Neighborhood Stabilization funds that has been expended/obligated for rehabilitation and contingency/reserve and will be used to complete the development of Parcels as approved by HRA and will be secured with a Mortgage and Note against the properties according to the terms and conditions outlined in the HRA Board Report accompanying this Resolution.

10. That the execution and delivery of said Development, Loan and Grant Agreement between BB Housing Associates, LLC and HRA for Parcels is hereby authorized by the Board of Commissioners to be executed on its behalf by the Chairperson or his/her designated Commissioner, the Executive Director of the HRA or Acting Executive Director, and the Director, Office of Financial Services of the City of Saint Paul.

11. That the execution and delivery of Deeds of Conveyance of Parcels is in accordance with said Development Agreement and will include occupancy and use of the properties only as one four-plex within the deed restriction, and is hereby authorized by the Board of Commissioners, to be executed on its behalf by the Chairperson or his or her designated Commissioner of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota.

12. That upon satisfactory completion of the improvements, and other obligations, in accordance with the terms of said Development Agreement, the execution and delivery of the Certificate of Completion to BB Housing Associates, LLC is hereby authorized by the Board of Commissioner to be executed on behalf by the Chairperson or his or her designated Commissioner of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota subject to all the remaining conditions/restrictions required with the use of NSP funds.

13. That the Executive Director of the HRA is hereby authorized to negotiate and agree to any amendments, deletions or revisions to the Development Agreement which do not substantially change the rights or obligations of the HRA or Developer under the Development Agreement and further continues to comply with all NSP requirements and take such further action necessary to implement this Resolution.