



Legislation Text

File #: RES 22-951, **Version:** 1

Authorization to Extend the Designation of MWF Properties, LLC, as Tentative Developer of 1180 and 1186 Prosperity Avenue, Saint Paul, MN, District 2, Ward 6

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") is a public body corporate and politic established pursuant to the provisions of Minnesota Statutes, Section 469.001, et seq. (the "Act"); and

WHEREAS, HRA owns land located at 1180 and 1186 Prosperity Avenue (the "Property"); and

WHEREAS, on January 9, 2020, HRA staff received two proposals to purchase the Property; and

WHEREAS, after reviewing the two proposals, HRA staff recommends accepting the proposal of MWF Properties, LLC to construct a multi-family development on the Property (the "Project"); and

WHEREAS, of the two proposals received, the Project proposed by MWF Properties, LLC best accomplishes the objectives and goals of the HRA Land Disposition Policy and best complies with the strategies set forth in the Citywide Comprehensive Plan/Redevelopment Plan now legally in effect in the City of Saint Paul, including particularly those related to preserving and promoting established neighborhoods, ensuring the availability of affordable housing and increasing commercial space and jobs; and

WHEREAS, the HRA on June 10, 2020, by Resolution #20-839 approved the tentative developer status for MWF Properties, LLC for the Property; and

WHEREAS, To assist in the financing of their proposal, MWF Properties, LLC applied to Minnesota Housing for the State's Housing Infrastructure Bonds (HIB), First Mortgage and Bridge loans. Minnesota Housing's approval process took a lot longer than PED Staff anticipated and MWF's tentative developer status expired during this review on July 1, 2021. The HRA Resolution allows the Executive Director to extend the tentative developer status for an additional six months. On July 9, 2021, HRA Executive Director Goodman extend the tentative developer status until December 31, 2021. PED Staff was hoping to hear from Minnesota Housing by the end of the year, but their final decision did not take place until January 2022. On January 28, 2022, Minnesota Housing final approved the funding for MWF's proposal.

WHEREAS, to give the proposal time to finalize other funding, the HRA Executive Director is requesting an extension of the tentative developer status until July 1, 2023; and

WHEREAS, the HRA is empowered by law, including Minnesota Statutes chapter 469, to adopt and enforce this Resolution in pursuit of its mandate to engage in appropriate housing and development projects; to remove or prevent the spread of conditions of blight or deterioration; to bring substandard buildings and improvements into compliance with public standards; to dispose of land for private development; and to improve the tax base and the financial stability of the community,

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, that MWF Properties, LLC, is designated as Tentative Developer for the Property until July 1, 2023, on the terms and conditions set forth in this Resolution.

BE IT FURTHER RESOLVED that MWF Properties, LLC shall complete the following tasks, at its expense,

before July 1, 2023:

1. Complete and obtain HRA approval for a formal scope of work with architectural/engineering plans and specifications, which shall be suitable for submission to the Department of Safety and Inspections to obtain the proper building permits, shall incorporate Green/Sustainable Development guidelines, and shall include a site plan, elevations, exterior treatments/materials, and interior schematics.
2. Submit evidence of both permanent and construction financing for review by HRA staff for acceptability.
3. Finalize a detailed development budget and business and marketing plan for approval by HRA staff.
4. Receive all approvals for zoning, licenses and any other required City or State approval for the Project.
5. Negotiate final terms and conditions of a development agreement, which will include all compliance requirements, details of the bidding process, and a sworn construction cost statement from the selected contractor for the Project.

BE IT FURTHER RESOLVED that the terms and conditions of a development agreement between the HRA and MWF Properties, LLC shall include the following terms and restrictions:

1. All pre-development costs are the sole responsibility of MWF Properties, LLC.
2. MWF Properties, LLC must work with affected community groups.
3. The Property will be sold "As Is."

BE IT FURTHER RESOLVED that if MWF Properties, LLC does not timely complete the specified tasks or otherwise abide by the terms of this Resolution, its Tentative Developer status shall terminate without further action by this Board upon notification of termination by the HRA Executive Director or the Executive Director may grant an extension of the Tentative Developer status for a period not exceeding six months upon a showing of significant progress of the tasks defined above by MWF Properties, LLC.