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Title: Authorization to extend the designation of The Sherburne Collective as Tentative Developer of 652 Sherburne Avenue, and commit funding of up to \$1,000,000 for the Project, District 7, Ward 1

Sponsors: Russel Balenger

Indexes:

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Attachments: 1. Board Report, 2. Map, 3. D7 Frogtown Thomas Dale Neighborhood Profile.pdf

Date	Ver.	Action By	Action	Result
10/12/2022	1	Housing & Redevelopment Authority	Adopted	Pass

Authorization to extend the designation of The Sherburne Collective as Tentative Developer of 652 Sherburne Avenue, and commit funding of up to \$1,000,000 for the Project, District 7, Ward 1

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, the HRA owns property located at 652 Sherburne Avenue, which consists of an eight (8) unit multi-family residential building on one parcel (collectively referred to as the "Property"); and

WHEREAS, between September 4, 2020 and November 20, 2020, HRA staff received five proposals to purchase the Property in response to a Request for Proposals; and

WHEREAS, after reviewing the five proposals, HRA staff recommended accepting the proposal from Thomas-Dale/District 7 Planning Council, Inc. d/b/a Frogtown Neighborhood Association ("Frogtown Neighborhood Association"), Model Cities of St. Paul Inc., and Hope Community, Inc. (collectively referred to as "The Sherburne Collective") intending to redevelop the Property to convert the existing building into six units to accommodate a wider variety of households and utilize the two vacant lots at 648 and 650 Sherburne to create parking, a garden and green space for residents living in the building (the "Project"); and

WHEREAS, of the five proposals received, the Project proposed by The Sherburne Collective best accomplished the objectives and goals of the HRA Land Disposition Policy and best complied 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 providing family-sized affordable housing options, preservation of naturally-occurring affordable housing in areas with improved transit to reduce displacement, promotion of shared-equity ownership options, and preservation of historic housing stock; and

WHEREAS, the HRA adopted Resolution PH 21-130 on May 26, 2021 granting Tentative Developer status to the Sherburne Collective for the Property until March 31, 2022 on the terms and conditions set forth in Resolution PH 21-130; and

WHEREAS, Resolution PH 21-130 gave the Executive Director of the HRA authority to extend Tentative

Developer status for up to 3 months, which was granted, extending the agreement to June 30, 2022; and

WHEREAS, the Sherburne Collective has made progress on some of the terms and conditions set forth in Resolution PH 21-130 and is requesting more time to complete revised terms and conditions; 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 The Sherburne Collective's Tentative Developer status for the Property is extended until March 31, 2023 on the terms and conditions set forth in this Resolution.

BE IT FURTHER RESOLVED that The Sherburne Collective shall complete the following tasks, at its expense, before March 31, 2023:

1. Meet with Sustainable Building Ordinance staff and show evidence of strategy for compliance.
2. Show evidence that rehab plans are consistent with any historic preservation concerns with either Federal HUD (CDBG) or Federal Treasury (ARPA) funding.
3. Prepare and provide plans to HRA staff at a level of detail that can be used for a bidding process consistent with HRA's Two-Bid Policy.
4. Finalize and provide to HRA staff a detailed plan for the transition from rental to ownership, including:
 - a. Financial and legal transition
 - b. Ownership structure
 - c. Homeowner preparedness
 - d. Post-transition operating budget
5. Provide evidence to HRA staff of all funding commitments necessary to complete the project.
6. Attend a Site Plan Review meeting with Department of Safety and Inspections staff and provide an explanation of the regulatory path forward.
7. Commit to certain development agreement terms and conditions to be determined by HRA legal counsel.

BE IT FURTHER RESOLVED that the terms and conditions of a development agreement between the HRA and the organizations defined herein as The Sherburne Collective shall include the following terms and restrictions:

1. All pre-development costs are the sole responsibility of The Sherburne Collective.
2. The Property will be sold "As Is."

BE IT FURTHER RESOLVED that if The Sherburne Collective timely completes the specified tasks in this Resolution, the Project receives all other necessary funding to proceed, and the Project proceeds through final approvals from all funding sources, the HRA will commit up to \$1,000,000 in HRA funding toward the

Project.

BE IT FURTHER RESOLVED that if The Sherburne Collective does not timely complete the specified tasks or otherwise abide by the terms of this Resolution, its Tentative Developer status shall terminate automatically on March 31, 2023 without further action by this Board.

BE IT FURTHER RESOLVED that the HRA Executive Director, staff and legal counsel for the HRA are further authorized to take all actions necessary to implement this Resolution. The HRA Executive Director is further authorized, subject to review and approval by the HRA's legal counsel, to execute any documents and instruments necessary to implement this Resolution.