



Legislation Text

File #: RES PH 11-1066, **Version:** 1

Resolution Authorizing Entering into a Development Agreement, Obligate NSP Funds and Approve Sale and Conveyance of Land to Marpe Development, LLC for Parcels Located in Fourth Street Preservation ISP/NSP Area as follows:

1. Parcel 314 Bates Avenue, Dayton's Bluff District 4
2. Parcel 336 Maple Street, Dayton's Bluff District 4
3. Parcel 868 Fremont Street, Dayton's Bluff District 4

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 Dayton's Bluff District 4 area 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, NSP funds came with extensive restrictions and an extremely short timeline to expend \$9.0 million by February, 2013, and any unspent funds are returned to the Federal Government after said date; and

WHEREAS, the Parcels at 314 Bates Avenue, 336 Maple Street and 868 Fremont Street were reviewed in combination with the District Council when being considered for strategic acquisition under ISP/NSP activities in Dayton's Bluff District 4; and

WHEREAS, HRA advertised 11 properties within the Fourth Street Preservation Area in 2009; no proposals were received and staff continued to market the properties until mid 2010 and decided that the HRA should begin the rehabilitation of these Fourth Street Preservation properties in stages, which might result in interest from other parties; and

WHEREAS, HRA received a proposal from Marpe Development, LLC in early 2011 and on April 13, 2011 HRA approved tentative developer designation to Marpe Development, LLC in order to finish Scopes of Work, complete the HPC review process, bid the work, identify financing needs and ultimately move forward with the purchase and rehabilitation of the Parcels; and

WHEREAS, said proposal, pursuant to due notice thereof was published in the Saint Paul Pioneer Press on

September 3, 2011, and a public hearing on said proposal and proposed sale and provisions thereof, was held on Wednesday, September 14, 2011 at 2:00 p.m., Central Standard Time, third floor City Hall, 15 West Kellogg Boulevard, in the City of Saint Paul, Minnesota; and

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota as follows:

1. That Marpe Development, 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:

Parcel 314 Bates Avenue Lot 14, Block 34, Lyman Dayton's Addition to the City of St. Paul, Ramsey County, Minnesota, excepting therefrom the Northeasterly 12 feet.

Parcel 336 Maple Street Lot 20, Block 1, Highland Addition to St. Paul, Ramsey County, Minnesota.

Parcel 868 Fremont Street Lot 12, Walther and Schnittger's Subdivision of Block 90 of Lyman Dayton's Addition to St. Paul, Ramsey County, MN.

further identified as the "Parcels".

2. 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.
3. That the sum of Ninety-Nine Thousand Two Hundred Fifty Dollars (\$99,250.00) for the Parcels represents the purchase price and is satisfactory in accordance with Sec. 469.032 and the Neighborhood Stabilization Program requirements and use and restrictions are in conformance with the City Wide Redevelopment Plan and Consolidated Plan.
4. That HRA hereby obligates \$673,661.12 of NSP and ISP funds for the redevelopment of the Parcels to provide affordable housing at or below 120% 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.
5. That Marpe Development, 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.
6. That the proposed disposal transaction by and between HRA and Marpe Development, LLC is satisfactory in form and complies with the requirements of state and federal law for all Parcels.
7. That \$772,911.12 of both Neighborhood Stabilization funds and Invest Saint Paul funds that has been expended/obligated for acquisition and rehabilitation, 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.

8. That the execution and delivery of said Development, Loan and Grant Agreement between Marpe Development, 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.
9. 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 three (3) single family homes for resale to qualified home ownership in accordance with NSP/ISP regulations and 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.
10. 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 Marpe Development, 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.
11. 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.