



Legislation Text

File #: RES 22-50, **Version:** 1

Resolution authorizing and approving the financing of a \$750,000 Community Development Block Grant (CDBG) loan and entrance into a Loan Agreement, the extension of terms for three existing City/HRA loans, and an early pre-financing start for the American House project at 352 Wacouta Street, District 17, Ward 2 WHEREAS, the American House project is owned by 352 Wacouta Street, LLC, of which Beacon Interfaith Housing Collaborative ("Beacon" or "Developer") is the sole owner;

WHEREAS, the building is comprised of 69 single room occupancy units and one caretaker unit, and is home to very low income individuals, many of who have experienced homelessness;

WHEREAS, the Developer plans to renovate the building by reconfiguring the first floor and lower level to accommodate programming and community space needs, office space for service providers, adding a foyer and front desk for security staff, expansion of the camera and controlled access system to better monitor activity within the building, and replacement of the roof and flooring, and improvements to the HVAC system;

WHEREAS, the Developer has requested financial assistance in the amount of \$750,000 from the City and the balance of the rehabilitation funds from Minnesota Housing (MHFA) to carry out the renovation;

WHEREAS, to facilitate the rehabilitation, the City of Saint Paul Housing and Redevelopment Authority (HRA) proposes to provide Beacon with \$750,000 in deferred financing and proposes to extend the maturity date for 30 years with no interest on three outstanding loans to be coterminous with the MHFA's first mortgage financing and the CDBG loan;

WHEREAS, the Developer has also requested authorization for an early start in order to purchase select materials prior to closing, the reimbursement of expenses incurred due to an early start is subject to United States Department of Housing and Urban Development (HUD) approval according to 2 CFR § 200.407, but also requires authorization from the awarding agency; and

WHEREAS, by this Resolution, the HRA finds a public purpose in the issuance of rehabilitation financing because the Developer's proposal will address safety, security and maintenance of a valuable affordable housing resource;

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

1. The Board hereby approves and authorizes the extension of existing debt terms to be coterminous with proposed rehabilitation financing from the City and Minnesota Housing.
2. The Board approves and authorizes the rehabilitation financing and entrance into a Loan Agreement.
3. The Board approves the early start, subject to final approval by HUD.
4. The Board hereby authorizes the execution of all necessary agreements and documents associated with the actions contained in the report.