



Legislation Text

File #: RES 23-1120, **Version:** 1

Resolution recommending approval of an amendment to the Community Development Block Grant (CDBG) loan made to Brandt Jens Kluge Limited Partnership for the 653 Artist Lofts Project at 653 Galtier Street, District 7, Ward 1

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") is a public body corporate and politic organized, existing, and operating under the laws of the State of Minnesota, Minn. Stat. Sec. 469.001, et seq. (the "Act"); and

WHEREAS, the HRA has the power to engage in development and redevelopment activities under the Act, and is authorized to create redevelopment projects as defined in the Act, and said activities include but are not limited to: (a) providing adequate, safe and sanitary dwellings, remedying housing shortages for low and moderate income residents, and providing housing for persons of all incomes through housing projects and development, (b) removing and preventing blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) performing duties according to the comprehensive plan, (e) disposing of land for private redevelopment, and (f) improving the tax base and the financial stability of the community; and

WHEREAS, the 653 Artist Lofts ("Project") is owned by Brandt Jens Kluge Limited Partnership of which TCHDC BJK, LLC ("TCHDC" or "Developer") is the Managing General Partner and Artspace Frogtown, LLC is a General Partner; and

WHEREAS, the Developer requested from the HRA a \$2,363,000 loan for the purpose of rehabilitation to the Project and refinancing a Family Housing Fund loan; and

WHEREAS, the HRA recommended the funding in order to preserve the affordability of the Project for 20 more years; and

WHEREAS, on February 8, 2023, by Resolution 23-199, the Board of Commissioners of the HRA determined there was a proper public purpose to providing the requested rehabilitation and refinancing assistance to the Project, and approved such assistance in the form of a loan, deferred for 20 years, in the amount of \$2,363,000, consisting entirely of federal Community Development Block Grant ("CDBG") funds and recommended approval to the City Council; and

WHEREAS, the Developer has requested an amendment to the previously approved loan to increase the loan by \$70,992, for a total loan amount of \$2,433,992 to address unforeseen costs related to temporary residential relocation during the course of rehabilitation, all other terms will remain the same; and

WHEREAS, by this Resolution, the HRA finds a public purpose in amending the existing loan to continue to support the rehabilitation of the Project;

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. that the Board hereby recommends approval of the amendment to increase the \$2,363,000 loan by \$70,992 to Brandt Jens Kluge Limited Partnership with additional CDBG financing from the City of Saint Paul.

2. that upon approval by the City Council, the HRA hereby approves and authorizes staff, under the direction of the Executive Director, to take all actions necessary to carry out the activities authorized by this Resolution, including finalizing all documents and agreements necessary to effectuate the activities to be undertaken by this Resolution, subject to approval by the City Attorney's Office.

3. that this Resolution does not constitute a binding legal agreement; rather, the action taken herein shall not be effective until said documents are executed by the appropriate official(s) of the HRA.