

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS

DATE: DECEMBER 14, 2022

**REGARDING: RESOLUTION GIVING PRELIMINARY APPROVAL TO THE
ISSUANCE OF CONDUIT MULTIFAMILY HOUSING REVENUE
BONDS ON BEHALF OF 115 PLATO LP, FOR THE PLATO
APARTMENTS AT FARWELL YARDS PROJECT, AT 115 PLATO
BOULEVARD W., DISTRICT 3, WARD 2**

Requested Board Action

The purpose of this report is to request the Housing and Redevelopment Authority (HRA) Board of Commissioners to:

1. Hold a public hearing and adopt a resolution providing preliminary approval on the issuance of conduit multifamily housing revenue bonds for the Plato Apartments at Farwell Yards; and
2. Adopt a housing finance program related to Plato Apartments at Farwell Yards.

This is a conduit bond issue. The Bonds shall not constitute an indebtedness, liability, general or moral obligation, or pledge of the faith or credit or taxing power of the HRA, City of Saint Paul, or any agency or political subdivision thereof. Principal and interest on the Bonds are payable solely out of the revenues and other sources pledged to the payment thereof as described in the bond documents.

Background

The HRA has received a proposal from Buhl Investors, a private developer of multifamily projects in Minnesota (or an affiliated entity, the “Borrower”), that the HRA undertake a housing finance program (the “Housing Program”) to finance the Plato Apartments at Farwell Yards, a 4-story multifamily development located 115 Plato Blvd W, through the issuance of tax exempt housing revenue bonds or notes (the “HRA Bonds”), in one or more series in an estimated aggregate principal amount not to exceed \$11,000,00. The project to be financed by the HRA Bonds is the acquisition, construction and equipping of a building with approximately 63-unit multifamily rental housing development and functionally related facilities, including parking stalls for cars and

bicycles. The Project will be owned and operated by the Borrower, or an affiliated entity, and the proposal calls for the HRA to loan the proceeds realized upon the issuance and delivery of the HRA bonds to the Borrower pursuant to a loan agreement wherein the Borrower will be obligated to pay all costs and expenses of the HRA and the City incident to the issuance of the HRA bonds. All units will be restricted to households with income at 50% area median income (AMI) or below, including 7 units for households at 30% AMI or below with supportive services.

Budget Action

There is no budget action required

Future Action

Future City Council and HRA Board actions would be required for the HRA to issue final approval of conduit housing revenue bonds for the Plato Apartments at Farwell Yards project, and approval of other City and/or HRA related funding sources, including an HRA Board action to approve a TIF development agreement authorizing TIF assistance for the affordable project.

Financing Structure

The total development cost is estimated to be \$23,292,657. On October 26, 2022, the HRA Board approved a resolution establishing the Farwell Yards redevelopment tax increment district and a TIF plan. Other funding sources may include a Metropolitan Council TBRA grant, City of Saint Paul's American Rescue Plan Act funding, 4% tax credits attached to the bonds, and private funding. A detailed structure of the sources and uses will be provided to the Board at the final approval of the bonds.

PED Credit Committee Review

The Credit Committee reviewed is not needed for public hearing. A review assessment will be provided for HRA final approval of the bonds.

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Compliance

A list of compliance requirements will be provided for the HRA final approval of the bonds.

Green/Sustainable Development

The City Green Sustainable Policy is applicable to this project, as well as Chapter 81 of the City's Administrative Code.

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance

This project's purpose aligns with the Comprehensive Plan, promoting housing and community development in an area guided to be Mixed Used by the Comprehensive Plan's Future Land Use Map. With the coming G-Line Arterial Bus Rapid Transit service to Rice and Robert Street, the proposed construction of Bidwell Street, and the addition of a bike lane to Water Street West, high-density, affordable multifamily development on Plato Boulevard West directly supports land use and housing goals in the Saint Paul 2040 Comprehensive Plan. This project conforms to the following policies established in the Land Use and Housing chapters of the Comprehensive Plan:

- LU-1. Encourage transit-supportive density and direct the majority of growth to areas with the highest existing or planned transit capacity.
- H-16. Increase housing choice across the city to support economically diverse neighborhoods by pursuing policies and practices that maximize housing and locational choices for residents of all income levels.
- H-37. Encourage the development of affordable housing in areas well-served by transit and/or in proximity to employment centers.
- H-46. Support the development of new housing, particularly in areas identified as Mixed Use, Urban Neighborhoods, and/or in areas with the highest existing or planned transit service, to meet market demand for living in walkable, transit-accessible, urban neighborhoods.

Additionally, the 2003 Harriet Island / District del Sol Final Concept Plan envisions this area transitioning to multifamily use. The Final Concept Plan guides the City to retain and reuse historic warehouses as loft-style housing or employment; because the existing warehouse at 115 Plato is

considered unfit for rehabilitation, new multifamily housing conforms closest to this guidance. This project also conforms to the Final Concept Plan by respecting “the existing property lines... so that the area can develop parcel by parcel...” The proposed reconstruction of Bidwell Street adjacent to this property, led by the same developer as a part of the overall Farwell Yards project, complements this multifamily development in providing the “Historic Street grid reinstated, ...providing a fine-grained, pedestrian-scaled development pattern.”

Statement of Chairman

“Being duly authorized by the Board of Commissioners to conduct this Public Hearing, the hearing is now open. Notice of time, place, and purpose of this hearing was published in the Saint Paul Pioneer Press on November 29, 2022. The Notice of Public Hearing will be made a part of these proceedings.

Is there anyone who wishes to be heard on this item? If not, the Chair will declare this Public Hearing adjourned.”

Recommendation:

The Executive Director recommends that the Board of Commissioners adopt the attached resolution providing preliminary approval for the issuance of conduit revenue bonds in the maximum amount of \$11,000,000.00 and adopting the attached Housing Program for the Plato Apartments at Farwell Yards project.

Sponsored by: Commissioner Rebecca Noecker

Staff: Angela Riffe, Jenny Wolfe, and Jules Atangana (266-6660).

Attachments: Attachments (not “exhibits”) should be included only if the information can’t be summarized in the text of the board report (like a detailed sources and uses of funds).

- **Map**
- **Housing Program**
- **Neighborhood Profile**