

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

REPORT TO THE COMMISSIONERS

DATE: NOVEMBER 8, 2023

REGARDING: RESOLUTION GIVING PRELIMINARY APPROVAL TO THE PROPOSED ISSUANCE OF CONDUIT MULTIFAMILY HOUSING REVENUE BONDS FOR MARSHALL FLATS LOCATED AT 1606 MARSHALL AVENUE, UNDER MINNESOTA STATUTES, CHAPTER 462C; AND ADOPTING A HOUSING PROGRAM, DISTRICT 13, WARD 4

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 proposed issuance of conduit multifamily housing revenue bonds for Marshall Avenue Flats; and
2. Adopt a housing finance program related to the Marshall Avenue Flats project.

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

PAK Management Group, LLC proposes to develop Marshall Avenue Flats, a six-story building with 98 units of new, affordable rental housing and underground parking located at the corner of Marshall Avenue and Fry Street. Forty-four units will be restricted to households with income at 60% area median income (AMI) or below, twenty-four units will be restricted to households with income at 50% area median income (AMI) or below and ten units will be restricted to households with income at 30% area median income (AMI) or below with supportive services.

Budget Action

There is no budget action required at this time.

Future Action

Future City Council and HRA Board actions are required for the HRA to issue final approval of conduit housing revenue bonds for Marshall Avenue Flats project and approval of all other City financing including HOME, ARPA, and the Metropolitan Council LCDA TOD funding.

Financing Structure

The total development cost is estimated to be \$33,352,039. Other funding sources will include a City ARPA, HOME, and Met Council LCDA TOD, 4% low-income housing tax credits that come automatically with the tax-exempt housing revenue 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 review is not needed for public hearing. A review assessment will be provided for HRA final approval of the bonds.

Compliance

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

Green/Sustainable Development

The project will comply with the Saint Paul Sustainable Development Policy.

Environmental Impact Disclosure

N/A

Historic Preservation

A Memorandum of Agreement has been approved by the Minnesota State Historic Preservation Office (SHPO) for historic mitigation work associated with the adjacent property at 1619 Dayton Avenue.

Public Purpose/Comprehensive Plan Conformance

This Project meets several public purpose objectives as listed including providing deeply affordable rental housing and will further several planning strategies and goals such as the following:

1. The 2040 Comprehensive Plan major housing strategies is to ensure the availability of affordable housing across the city.
2. Comprehensive Plan policy H 1.1 calls for increasing housing choices across the city to support economically diverse neighborhoods.
3. Policy H-42. Pursue public and private funding sources, including local sources, for affordable housing preservation and production.
4. Policy H-55. Support housing that is proximate to transit.

Union Park Council 13 has submitted a letter of support for the Marshall Avenue Flats project.

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 October 24, 2023. 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 \$21,000,000.00 and adopt the attached Housing Program for the Marshall Avenue Flats project.

Sponsored by: Commissioner Mitra Jalali

Staff: Diane Nordquist (651-266-6640)

Attachments:

- Housing Program
- Map
- D13 Union Park Neighborhood Profile