

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

REPORT TO THE COMMISSIONERS

DATE: June 24, 2015

**REGARDING: ASSIGNMENT AND ASSUMPTION OF HRA CDBG LOAN FROM
CATHEDRAL HILL LIMITED PARTNERSHIP TO COMMON BOND
COMMUNITIES**

Requested Board Action

The specific actions being requested of the HRA Board are as follows:

Authorization to execute an Assignment and Assumption from the Cathedral Hill Homes Limited Partnership of existing HRA \$440,000 CDBG Rehabilitation Loan to Common Bond Communities newly established Limited Partnership.

Background

Cathedral Hill Homes housing project (Cathedral Hill Homes Limited Partnership) was established in 1998 using Low Income Housing Tax Credits. Common Bond Communities (CommonBond) is currently acting as Managing General Partner. In 1996, the HRA Board approved a 20 year \$440,000 CDBG deferred loan at 2% for the rehabilitation of the project. CommonBond will be refinancing with MHFA and undertaking a major rehabilitation of the property in order to achieve long-term preservation and stabilization. CommonBond is requesting that the current CDBG Loan maturity (2018) be extended to be coterminous with the new debt (2047).

Cathedral Hill Homes is a 60 unit family Section 8 property comprised of seven 3-story walk-up buildings in the historic Ramsey Hill neighborhood of St. Paul. It contains 21 one bedroom units, 16 two bedroom units, and 23 three bedroom units, with adjacent surface parking. Cathedral Hill provides much-needed subsidized housing for large families and is in very high demand. It is reaching the completion of its LIHTC compliance period, and is in need of substantial rehabilitation, including unit interiors, appliances, furnaces, windows, HVAC, roofing and exterior work.

The project has and will continue to rent one hundred percent of the units to individuals and families with income of 60% or less of the AMI income.

Developer

Common Bond develops, preserves, and manages affordable housing with on-site resident services and has earned a national reputation for excellence. They are experts at acquiring, developing, and managing quality affordable housing. Their tax credit expertise, capital reinvestment program, and community engagement tools yield stable homes, strong futures, and vibrant communities.

Budget Action

No impact on the budget

Future Action

No future action

Financing Structure

See Attachment C

PED Credit Committee Review

PED Credit Committee will review the proposed action at their June 23rd meeting.

Compliance

Not Applicable

Green/Sustainable Development

Not applicable

Environmental Impact Disclosure

Not applicable

Historic Preservation

Because of the minimal historical work to be performed on the project this process only requires internal HPC administrative approval. Application has been received and HPC Staff is reviewing and processing this application.

Public Purpose/Comprehensive Plan Conformance

The project will continue to provide housing for low and very low income residents and be preserved as a critical component of the housing inventory in the City of Saint Paul.

Recommendation:

Authorize HRA Executive Director to proceed and execute the Cathedral Hill Limited Partnership request for Assignment and Assumption and all pertaining documentation of the existing HRA CDBG loan to Common Bond Communities newly established Limited Partnership.

Sponsored by: Commissioner Dai Thao

Staff: Eduardo Barrera 651-265-6585

Attachments

- **Attachment B-- Map**
- **Attachment C—Sources and Uses**