

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

REPORT TO THE COMMISSIONERS

DATE: JANUARY 24, 2018

REGARDING: AMENDMENT OF THE RENTAL REHABILITATION LOAN
PROGRAM GUIDELINES

Requested Board Action

Approval of the following amendment to the Rental Rehabilitation Loan Program guidelines to expand the definition of eligible properties to include Class A and B properties in ACP50 areas.

Background

In July 26, 2017, through Resolution 17-1158, the HRA Board approved the Rental Rehabilitation Loan Program Guidelines (the “Program”).

The following main goals were defined for the Program:

1. Provide a source of funds to responsible landlords of occupied rental single family, duplex, triplex, or fourplex buildings desiring to make property improvements that provide safe, decent, and healthy rental units in the City of Saint Paul
2. Preserve affordable rental housing options for St. Paul residents.

The City of Saint Paul is committed to taking actions to address fair housing challenges and this Program will address six of the ten identified fair housing goals:

- Reduce Resident Displacement
- Expand Funding for Affordable Housing
- Institute Effective and Meaningful Community Engagement
- Invest in Place-Based Community Improvements
- Support Multicultural Housing Needs
- Support Residents’ Fair Housing Rights

From August 2017 through January 2018, first priority has been given to 1-4 unit rental properties categorized as C and D by the Department of Safety and Inspection (DSI) and located

in ACP50 areas. The Program is to be opened to the rest of the City in February 2018 and is to focus on 1-4 unit properties categorized as C or D.

Implementation of the Program is underway. We have received 8 applications and closed on 4 loans. All the projects we closed on are units graded C by DSI. The proposed renovation issues we are addressing on these projects are deferred maintenance activities that can also apply to any other grades, including properties graded B or A.

Based on the above observations from the applications received in the pilot phase, staff is proposing to amend the Program Guidelines to include properties classified B and A by DSI in the ACP50 areas only. In addition, this action will address the fairness issue raised by some property owners who have made investments throughout the years to maintain their units in a higher grade, but who nevertheless need funds to address deferred maintenance activities in their properties, while maintaining the rents affordable in disinvested neighborhoods.

To summarize, starting in February the Program will open citywide to properties graded D and C, and to properties graded B and A that are located in ACP50 areas only.

Budget Action: N/A

Future Action: N/A

PED Credit Committee Review: N/A

Compliance

The following compliance requirements may apply:

Two-bid Policy and Sustainability Initiative.

Green/Sustainable Development N/A

Public Purpose/Comprehensive Plan Conformance

The program meets objectives of the Housing Plan, adopted as part of the City's Comprehensive Plan, Section 6.0, Strategy 3: Ensure Availability of Affordable Housing.

Recommendation:

Staff recommends approval of the Rental Rehab Loan Program Guidelines as amended.

Sponsored by: Chris Tolbert

Staff: Patty Lilledahl 6-6593 and Jules Atangana 6-6552

Attachments

- Program Policies - Amended