

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

REPORT TO THE COMMISSIONERS

DATE: April 9, 2014

REGARDING: AUTHORIZATION TO ACCEPT THE MINNESOTA HOUSING FINANCE AGENCY PURCHASE DISCOUNT COMMUNITY FIX-UP TARGETED HOME IMPROVEMENT PILOT GRANT FUNDS (THIP).

Requested Board Action

Authorization to accept up to \$65,772 in THIP grant funds from the Minnesota Housing Finance Agency for the Minnesota Housing Finance Agency's Fix-Up Home Improvement program to be administered by the City of Saint Paul Home Loan Fund staff.

Background

The HRA is an authorized MHFA Fix-Up Home Improvement Lender. This program provides home improvement loans to households with annual incomes up to \$96,500 regardless of household size. For example, \$96,500 is 115% of area median income for a household of four. The interest rate is adjusted periodically and is currently 5.75%. Over the past six (6) years, the program has served 79 homeowners. (See activity map, Attachment C)

The interest rate for the Fix-Up Home Improvement Program is 5.75%. The THIP grant funds will be used to discount the interest rate on the loans. The \$65,772 grant in this report will be used to discount the fix up loans as follows:

- 4% for households between 80% - 100% of area median income (AMI)
- 3% for households between 50% - 80% of AMI
- 2% for households below 50% of AMI.

Budget Action

See Attachment A of the resolution.

Future Action

N/A

Financing Structure

MHFA is granting PED Targeted Home Improvement Pilot Grant Funds up to \$65,772 for a 24-month period starting March 2014.

PED Credit Committee Review

N/A

Compliance

N/A

Green/Sustainable Development

N/A

Environmental Impact Disclosure

N/A

Historic Preservation

All Citywide Rehab Deferred Loans are reviewed by Historic Preservation for verification prior to proceeding with any home improvement repairs. All Purchase Discount Program loans will comply with all applicable building or housing code regulations and ordinances, and all necessary permits and licenses shall be obtained.

Public Purpose/Comprehensive Plan Conformance

This action supports all three strategies of the Housing Chapter of the City's Comprehensive Plan: 1) build on Saint Paul's strengths in the evolving metropolitan housing market; 2) preserve and promote established neighborhoods; and 3) ensure the availability of quality and affordable housing across the City.

Recommendation:

The Executive Director recommends acceptance of up to \$65,772 THIP Grant pursuant to the attached resolution.

Sponsored by: Commissioner Brendmoen

Staff: Zong T. Vang x66564

Attachments

- **Attachment A -- Resolution**
- **Attachment B – N/A**
- **Attachment C— Activity Map**