

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

REPORT TO THE COMMISSIONERS

DATE: APRIL 27, 2016

**REGARDING: RESOLUTION APPROVING A BUDGET AMENDMENT TO THE HRA LOAN ENTERPRISE FUND AND AN AMENDMENT TO THE INVEST SAINT PAUL BUDGET, CITYWIDE.**

## **Requested Board Action**

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

1. Approval of an amendment to the HRA Loan Enterprise Fund in the amount of \$644,903.
2. Approval of an amendment to the Invest Saint Paul budget in the amount of \$96,695.

## **Background**

On March 23, 2016, the HRA Board approved the use of \$644,903 in CDBG funds for the Willow Reserve project in order to meet a HUD spend down deadline. The \$644,903 had originally been budgeted for the Inspiring Communities program and budget action today will replace the CDGB with HRA Enterprise funds. The flexibility afforded by the Enterprise funding is more compatible with Inspiring Communities' homeownership and development activities.

In 2008 and 2009, the Department of Safety and Inspections (DSI) requested assistance to fund the demolition of vacant properties located within, or adjacent to, designated Invest Saint Paul (ISP) areas. DSI had worked with affected ISP neighborhoods and received input and recommendations for prioritizing vacant building demolitions. HRA supported this activity and recommended budget approval of ISP funds. The funds were structured as a 0% interest loan, which was to be paid back as funds became available. DSI has now repaid \$96,695 towards this ISP funded loan. The housing-related ISP program has since morphed into the Inspiring Communities program and staff is recommending reallocating the \$96,695 repayment to the Inspiring Communities Disposition budget.

**Budget Action**

The requested budget action is to transfer \$644,903 from the HRA Loan Enterprise Fund to the Inspiring Communities Disposition budget and to transfer \$96,695 from the ISP budget to the Inspiring Communities Disposition budget.

**Future Action**

No future HRA Board action is anticipated.

**Financing Structure**

The funds will be used to continue activities under the Inspiring Communities program.

**Public Purpose/Comprehensive Plan Conformance**

This action allows for the continued support of Inspiring Communities initiatives that support strategies listed in the Housing Chapter of the Comprehensive Plan. The strategies include the intent to: 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.

The proposed budget amendments will assist in the goal of the Inspiring Communities program to strategically channel resources and build upon stabilization efforts in neighborhoods most impacted by vacancy and foreclosure in order to further the HRA's mission to "preserve, grow and sustain" neighborhoods.

**Recommendation:**

The Executive Director recommends approval of the amendments to the HRA Enterprise Fund and the Invest Saint Paul fund.

**Sponsored by:** Amy Brendmoen

**Staff:** Sarah Zorn, 651-266-6570

**Attachment B** – Budget Amendment