

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

**REPORT TO THE COMMISSIONERS**

**DATE: January 23, 2013**

**REGARDING: AUTHORIZATION TO PARTICIPATE IN THE MINNESOTA  
HOUSING FINANCE AGENCY (MHFA) COMMUNITY  
REVITALIZATION FUND (CRV) PROGRAM FOR THE REHAB  
SUPPORT PROGRAM IN TARGETED BLOCKS OF WARD 1 AND  
WARD 5.**

## **Requested Board Action**

Authorization to accept a \$500,000 Minnesota Housing Finance Agency (MHFA) Community Revitalization Fund (CRV) Program award to provide deferred, due on sale home improvement loans to owner occupant residents in targeted blocks of Ward 1 and Ward 5.

## **Background**

In 2010, the HRA was awarded \$750,000 from the Minnesota Housing Finance Agency's CRV Program to provide deferred home improvement loans to home owners in targeted blocks of neighborhoods in Ward 1 and Ward 4 that were beginning to see an increase in mortgage foreclosures. In June of 2012, staff submitted an additional request for CRV funds for new target blocks that met the following high priority points for MHFA: along transit corridors; increase in pre-foreclosure notices; areas that had not received ISP and or NSP funding (see attached maps). The purpose of the program is to invest in neighborhoods that are fairly healthy, but remain at risk of destabilization due to the adjacent proximity to neighborhoods hit hard during the recession.

As a result of our request, Saint Paul was awarded \$500,000 to provide home improvement loans to homeowners within the target areas that have incomes at or below 115% of the area median income. Loans will be at zero percent, due on sale, with a maximum loan amount of \$20,000.00. The loans will be administered by the Saint Paul Home Loan fund staff and assigned to the MHFA.

**Budget Action**

NA

**Future Action**

NA

**Financing Structure**

The loans will be funded by MHFA. The loans will close in the name of the HRA and will be immediately assigned to MHFA.

**PED Credit Committee Review**

No PED Credit Committee review required.

**Compliance**

NA. Loans will be secured with a MHFA note and mortgage.

**Green/Sustainable Development**

NA

**Environmental Impact Disclosure**

NA

**Historic Preservation**

NA

**Public Purpose**

The goal of the program is to maintain the health of the City's housing stock and viability of neighborhoods by providing deferred home improvement loans to homeowners in blocks of the community that have seen an increase in mortgage foreclosures. Homeowners that are struggling to maintain their homes and may have credit issues will be required to speak with our foreclosure prevention counselors.

**Recommendation:**

The Executive Director recommends approval of the attached resolution supporting the administration of the rehab support loan program.

**Sponsored by:** Commissioner Carter and Commissioner Brendmoen

**Staff:** Michelle Vojacek x 66599

**Attachments**

- **Attachment A -- Resolution**
- **Attachment C – Map of the Project**