

## **BACKGROUND**

On August 8, 2007, by Resolution 07-08/08-3 HRA approved the Invest Saint Paul Initiative and work plan including strategic acquisition of vacant properties. Dayton's Bluff District 4 identified a 4-5 block radius around Dayton's Bluff Achievement Plus School as an immediate area of concentration. The properties at 652 Conway and 208 Bates had been acquired together with several others that are now moving forward under the 4<sup>th</sup> Street Preservation process. These two properties were identified to become part of a Phase II for Homes for Learning a rental project that was developed by DBNHS in 2006 which provided 16 large family rental units to help stabilize the mobility issues related to school families. Phase II was to get underway with the use of Low Income Housing Tax Credits (LIHTC). There has been such a large demand for the LIHTC that there has not been any additional allocation to move forward with these properties. Since these properties were originally foreclosed and vacant when purchased and meet the 1-4 unit size identified under NSP the development can be funded under NSP.

On February 25, 2009, by Resolution 09-02/25-5 HRA accepted and approved the budget for NSP 1 funds (\$10.6 million); on March 24, 2010, by Resolution 10-3/24-3 HRA accepted and approved the budget for NSP 2 funds (\$18.0 million); on February 23, 2011, by Resolution 11-387 and on April 20, 2011 by Resolution 11-623 the City Council accepted and approved budget for NSP 3 funds (\$3.1 million); all NSP funds to continue to carry out activities under the ISP/NSP Rebuilding Plan 2009-2013. The NSP funds came with extensive restrictions that continue to be amended and an extremely short timeline to expend and/or obligate funds within a short period of time. Any unspent or unobligated funds are returned to the Federal Government after said date.

HUD in an effort to more thoroughly define what obligated actually met in actions, Grantees had to take specific action to insure that funds were set aside to meet the obligations. On June 23, 2010, by Resolution 10-06/23-4. HRA approved entering into a Development Agreement, Obligating NSP funds of up to \$800,000 to Dayton's Bluff Neighborhood Housing Services (DBNHS) for the rehabilitation of 652 Conway Street. The final development approval was subject to a public hearing for sale and conveyance of property. The obligation was contingent on finalizing the scope of work and development plan which includes engineering evaluation for 652 Conway covering structural concerns and off-street parking, bidding process, approvals required through the Heritage Preservation Commission, finalizing an agreement concerning easement in MnDot right-of-way property at the front of 652 Conway and meeting all other NSP requirements as necessary.