

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

REPORT TO THE COMMISSIONERS

DATE: APRIL 12, 2017

**REGARDING: APPROVAL OF A FORGIVEABLE LOAN OF \$115,000.00 TO THE EAST SIDE NEIGHBORHOOD DEVELOPMENT COMPANY FOR THE DESTINATION PAYNE PARKING IMPROVEMENTS PROGRAM, DISTRICT 5, WARD 6**

## **Requested Board Action**

Approve and authorize a \$115,000 forgivable loan to East Side Neighborhood Development Company (ESNDC) for the Destination Payne Parking Improvements Program.

## **Background**

The goal of the Destination Payne Parking Improvements Program (DPPI Program) is to increase utilization of commercial lots on Payne Avenue, improve the surrounding public realm, facilitate shared parking, support private reinvestment in commercial properties and continue to support the increasing commercial activity along Payne Avenue. Improvements include stormwater management, landscaping, signage and general improvements to the public realm around the lots.

The DPPI Program will make forgivable loans to commercial property owners on Payne Avenue willing to make improvements to their parking lots that positively reflect the character of the neighborhood. The 0% interest loans will be forgiven over a seven-year period provided the recipient remains in operation and continues to maintain the parking lot and related improvements. See attached DPPI Program Guidelines. ESNDC has successfully administered numerous programs assisting businesses on Payne Avenue, including a Business Improvement Fund loan program that is funded through the City's CDBG allocation.

See the attached **District 5 Profile** of Payne/Phalen, the Saint Paul planning district in which the Property is located.

**Budget Action**

No budget action required. Funding will come from the HRA Neighborhood Parking Fund, amended by Res #17-468 which moved unspent 2016 Neighborhood Parking Funds into the 2017 budget. If this action is approved, \$130,000 will remain in the Fund.

**Future Action**

No additional HRA actions are anticipated at this time.

**Financing Structure**

The HRA's forgivable loan to ESNDC will have a ten-year term and assumes all funds will be disbursed to end-borrowers within the first three years. The loan will be at 0% interest and forgiven annually in conjunction with the forgiveness provided to the end-borrowers.

**PED Credit Committee Review**

On March 27, 2017 the PED Credit Committee reviewed the Program, recommended approval of terms for the Loan and risk-rated the Loan as Forgivable.

**Compliance**

The Applicant has signed the 1<sup>st</sup> compliance letter regarding the Project. The following compliance requirements may apply to individual projects of the program: Vendor Outreach, Two-Bid Policy, Affirmative Action, and Little Davis Bacon.

**Green/Sustainable Development**

The Project will comply with the Saint Paul/HRA Sustainability Initiative as required (storm water ponding requirements).

**Environmental Impact Disclosure**

Not applicable.

**Historic Preservation**

Not applicable.

## **Public Purpose/Comprehensive Plan Conformance**

The following public purposes will be met:

1. Improve off-street parking lots to assist businesses on Payne Avenue by maintaining existing supply and enhancing public realm.
2. Generate private investment and support commercial activities.

This project is consistent with the Comprehensive Plan and other plans:

- Comprehensive Plan (2010): Land Use Chapter policies LU 1.46 encourages the expansion of compact commercial areas of a variety of retail establishments in proximity to each other, LU 1.50 encourages the City's effort to assist redevelopment of existing buildings that are no longer considered functional, to accommodate viable retail and businesses.
- Near East Side Improvement Strategy (1989) Goal 1, Recommendation 1. Utilize present parking space to their fullest capacity by adding or improving signs, lot surfaces, striping and lighting, and Recommendation 7. Parking lots should be sensitive to adjacent land uses.

## **Recommendation**

The HRA Executive Director recommends approval of the attached Resolution.

## **Sponsored by**

Commissioner Bostrom

## **Staff**

Hilary Holmes, 266-6612

## **Attachments**

- **Attachment -- Parking Program Guidelines**
- **Attachment -- Map**
- **Attachment -- Public Purpose**
- **Attachment -- District 5 Profile**