

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

REPORT TO THE COMMISSIONERS

DATE: FEBRUARY 8, 2017

**REGARDING: DESIGNATION OF NEIGHBORHOOD DEVELOPMENT ALLIANCE (NEDA)
AS TENTATIVE DEVELOPER FOR THE HRA-OWNED PROPERTIES ON 614
STATE STREET, 623, 633, 645, 647, AND 651 OAKDALE AVENUE.
WARD 2, DISTRICT 3.**

Requested Board Action

Approve Neighborhood Development Alliance (NeDA) as Tentative Developer for certain HRA-owned parcels located on State Street and Oakdale Avenue for a period of 24 months ending February 8, 2019. Approval of this action grants tentative developer status under the terms and conditions contained in the attached Resolution.

Background

During the foreclosure crisis, the HRA used ISP funding to acquire the vacant properties at 614 State Street, 623, 633, 645, 647, and 651 Oakdale Avenue.

NeDA submitted a proposal requesting a Tentative Developer Status in the fall 2016 and in accordance with the HRA policy for the disposition of HRA-owned real estate (adopted by the HRA Board on June 11, 2003), an early notification was issued on November 15, 2016. Interested parties were given 45 days to submit competing proposals. No additional proposals were received.

NeDA intends to build new detached housing or townhomes with at least three bedrooms priced for first-time homebuyers at 80% AMI or below. NeDA anticipates approaching both the City and the State for value gap financing and affordability gap to assist homeowners with down-payment requirements.

PED staff supports granting Tentative Developer status to NeDA due to the following:

- 1) Has the experience and qualifications necessary to successfully redevelop these lots;
- 2) The proposal appears to be consistent with existing plans and guidelines for the area;
- 3) Has demonstrated an interest and willingness to seek community input on its proposal.

(See **Background Attachment**)

Budget Action

Staff is seeking a Tentative Developer designation only. There is no budget action at this time.

Future Action

Before the end of the 24-month Tentative Developer Status period, if successful, a full Development Agreement will be drafted for HRA approval. Staff and NeDA will work closely with key stakeholders, on the continued evolution and refinement of the Proposal.

Financing Structure

Due to the conceptual status of the Proposal, no detailed sources and uses of funds have yet been developed. The HRA's policy is to sell property at its appraised fair-market value. Any write-down of this value will be considered a public subsidy.

PED Credit Review – N/A

Compliance

No detailed sources and uses of funds have yet been developed. However, the following compliance requirements may apply based on funding sources:

- Vendor Outreach Program

- Two Bid Policy
- Affirmative Action
- Section 3
- Labor Standards
- Living Wage

A compliance letter, outlining the specific compliance requirements that will apply to the Project, will be required before seeking approval of the Development Agreement.

Green/Sustainable Development

The Developer will be directed to incorporate “green” elements into the Proposal and may be required to follow the Saint Paul Green/Sustainable Development Policy.

Environmental Impact Disclosure – N/A

Historic Preservation

The property is vacant land and is not located in a historic district.

Public Purpose/Comprehensive Plan Conformance

The Housing Chapter of the Comprehensive Plan lists the following strategies:

Strategy 1: Build upon Saint Paul's Strengths in the Evolving Metropolitan Housing Market

1.1 Increase housing choices across the city to support economically diverse neighborhoods.

Strategy 3: Ensure the Availability of Affordable Housing Across the City.

Recommendation

Staff recommends approval of the attached HRA Board resolution designating Neighborhood Development Alliance (NeDA) as Tentative Developer for the HRA-owned parcels located at 614 State Street, 623, 633, 645, 647, and 651 Oakdale Avenue Saint Paul, for a period of 24 months ending February 8, 2019.

Sponsored by: Commissioner Rebecca Noecker

Staff: Jules Atangana, 651-266-6552

Attachments

- **Attachment – Background**
- **Attachment -- Map**
- **Attachment -- Public Purpose**
- **Attachment – District 3 Profile**