

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

REPORT TO THE COMMISSIONERS

DATE: DECEMBER 14, 2016

REGARDING: RESOLUTION APPROVING AN ADMINISTRATIVE AMENDMENT TO THE BUDGET FOR THE TAX INCREMENT FINANCING PLAN FOR THE PENFIELD REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT AND APPROVING AN HRA BUDGET AMENDMENT, DISTRICT 17, WARD 2

Requested Board Action

The requested action includes approval of an amended and restated First Amendment to the TIF Plan for the Penfield Redevelopment TIF District (“TIF District”), and adoption of an HRA budget amendment.

Background

On October 12, 2016, the HRA Board approved a First Amendment to the Penfield TIF Plan which added revenue to the TIF District from the sale of the Penfield project. The amendment adjusted the budget by adding spending for affordable housing and decreasing the spending for interest, without increasing the total budget. Subsequent to the HRA action, HRA staff met with the State Auditor’s office about the TIF budgets relative to the sale of the Penfield project. We were advised that the adopted amendment increased project costs and would require additional City approvals. Therefore, as an alternative, staff is presenting an amended and restated First Amendment that decreases spending for other qualifying public improvements instead of interest, again without increasing the total budget.

Budget Action

The HRA budget amendment will adjust the spending for other qualifying public improvements and interest as included in the attachment Financial Analysis. With the sale of the Penfield project, \$708,844 is being returned to the TIF District and is budgeted to be spent on affordable housing. These funds can be used for qualified affordable rental housing anywhere in the City, or for affordable homeownership within the Saint Paul Neighborhood Project Area.

Future Action

N/A

Green/Sustainable Development

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance

N/A

Recommendation:

The Executive Director recommends approval of the attached resolution.

Sponsored by: Commissioner Noecker

Staff: Jenny Wolfe, 266-6680

Attachments

- **Attachment** – Budget Amendment
- **Attachment** – Amended and Restated First Amendment to Penfield TIF Plan