

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

REPORT TO THE COMMISSIONERS

DATE: JUNE 8, 2016

**REGARDING: RESOLUTION APPROVING AND AUTHORIZING THE  
SUBMISSION OF A GRANT APPLICATION TO THE  
MINNESOTA HOUSING FINANCE AGENCY FOR \$560,000 FOR  
THE INSPIRING COMMUNITIES PROGRAM.**

## **Requested Board Action**

The specific action being requested is the approval to submit an application to Minnesota Housing Finance Agency (“MHFA”) for grants for additional value gap funding for the Inspiring Communities program.

## **Background**

In the spring of 2013, staff analyzed all property in the HRA inventory in an effort to make informed recommendations regarding the retention and disposition of properties, and create a disposition strategy (“Strategy”) and budget to advance redevelopment plans for the sites analyzed. The resulting Strategy was designed to address parcels in the HRA inventory and was approved by the HRA Board of Commissioners on July 24, 2013 by Resolution 13-1097. All related activities were branded as Inspiring Communities, which prioritizes subsidy to address property with an outcome prescribed by US Department of Housing and Urban Development (HUD).

Progress has been made regarding the implementation of the Strategy under the Inspiring Communities Program, and the action detailed in this report will assist in maintaining this momentum. Inspiring Communities projects have been funded with a variety of different sources which include HRA, MHFA, Metropolitan Council, CDBG, and Invest Saint Paul funds. In an effort to continue the implementation of the Strategy, staff would like to apply to the 2016 Single Family Request for Proposal through MHFA (aka. the Super RFP). The application would request grant funds in the amount of \$400,000 from MHFA’s Community Housing Impact Fund, and \$160,000 from the Metropolitan Council’s Local Housing Incentives Account (awarded through the Super RFP process). MHFA’s preferred value gap amount under this program

averages \$40,000 per property. With this assumption, the HRA would be able to address approximately 14 Inspiring Communities projects on vacant lots. Due to the low inventory of structures, staff is proposing to apply for new construction funds only.

Previous Board action related to Inspiring Communities includes:

- Approval of the Disposition Strategy, Work Plan, and Budget (13-1097)
- Approval of Program Manuals, and Guidelines for Disposition of Splinter Parcels (13-1592)
- Acceptance of \$840,000 from MHFA and \$200,000 from the Metropolitan Council through the 2013 CHIF RFP (14-295)
- Approval of the Property Valuation Policy, Disposition Policy and Procedure for the Sale of Vacant Lots for Market Value, and application to Minnesota Housing's Community Housing Impact Fund for \$960,000 (14-1331)
- Approval of a budget amendment to allocate \$1,194,000 in CDBG funds to the Inspiring Communities Disposition Strategy Budget (14-1577)

### **Budget Action**

There is no budget action at this time.

### **Future Action**

If the HRA receives an award from MHFA, staff will request an amendment to the Disposition Strategy budget.

### **Financing Structure**

Not applicable.

### **PED Credit Committee Review**

Not applicable.

### **Compliance**

Not Applicable.

**Green/Sustainable Development**

Not Applicable.

**Environmental Impact Disclosure**

Not Applicable.

**Historic Preservation**

Not Applicable.

**Public Purpose/Comprehensive Plan Conformance**

This action will complement activity that is in conformance with and furthers the strategies and goals of the Comprehensive Plan.

**Recommendation:** The Executive Director recommends approval of the submission of an application to MHFA under the 2016 Single Family RFP for Inspiring Communities funding in the amount of \$560,000.

**Sponsored by:** Commissioner Brendmoen

**Staff:** Sarah Zorn, 651-266-6570