

**MINUTES OF THE
HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA
Wednesday, February 26, 2020**

Tina Sheldon, Recording Secretary
(651) 266-6604

ROLL CALL

Present 7 – Commissioners Brendmoen, Jalali, Noecker, Prince, Thao, Yang and Chair Tolbert

CONSENT AGENDA

1. Approving the December 11, 2019 HRA Board meeting minutes
Adopted as set forth in Min 20-7
2. Approving the January 8, 2020 HRA Board meeting minutes
Adopted as set forth in Min 20-8
3. Approving the January 22, 2020 HRA Board meeting minutes
Adopted as set forth in Min 20-9

Moved by Commissioner Brendmoen, Consent Agenda is Adopted
Vote: Yeas – 7 Nays – 0

FOR DISCUSSION

4. Authorizing and approving restructuring two loans from HRA Loan Enterprise Fund to Frogtown Entrepreneur Center at the northwest corner of University Avenue and Dale Street to support the Northwest University Dale project; District 7, Ward 1

Kristin Guild, Interim Executive Director, stated there are two separate board reports connected to the mixed-use redevelopment at the NW corner of University and Dale by a partnership of the Neighborhood Development Center and Wellington. The project will include 40 units of affordable housing and approximately 25k sq. ft of commercial space for entrepreneur training and business incubator space. There will be a five-story new construction building, and a rehabbed existing commercial building at 501 Dale. The board awarded LIHTC to the housing portion of the project last November.

The first item is connected to project financing for the commercial portion. The second, agenda item #5, is a public hearing on a land sale connected to the project. Agenda item #4 is a staff recommendation to consolidate two HRA loans with balances totaling \$94,930, extending the term an additional 20 years, and shifting the collateral to a first mortgage on 501 Dale, the existing commercial building that will be renovated.

Commissioner Thao thanked everyone who worked on this project.

Moved by Commissioner Thao, Resolution Adopted and set forth in RES 20-385
VOTE: Yeas – 7 Nays – 0

PUBLIC HEARINGS

5. Resolution authorizing and approving the conveyance of 621 University Avenue located at the northwest corner of University Avenue and Dale Street for the North West University Dale Project; District 7, Ward 1

Ms. Guild stated that this is a public hearing on a proposed sale of HRA-owned property at 621 University Avenue. The property will be incorporated into the new construction portion of the development site. The proposed sale price is the appraised Fair Market Value of \$125k which will be structured as a sellers note with a term of 20 years at 1% interest. This property sale has followed the HRA disposition policy, including a 45-day notice through the ENS.

Moved by Commissioner Thao, Resolution Adopted and set forth in RES PH 20-65

VOTE: Yeas – 7 Nays – 0

6. Resolution approving the issuance by the City of Brooklyn Center of conduit Multifamily Senior Housing Revenue Bonds on behalf of Brooklyn Center AH II, LLLP using, in part, recycled bonding authority from the Pioneer Press Building Project, 345 Cedar Street, District 17, Ward 2

Ms. Guild stated that items 6 & 7 are both authorizing the “recycling” of repaid conduit bonds, allowing other cities to issue bonds under Saint Paul’s issuance authority to finance affordable housing. In Nov 2017, the HRA issued conduit revenue bonds for affordable housing conversion of the former Pioneer Press building that financed the construction of 143 affordable housing units. The first issuance of bonds comes with the benefit of an automatic 4% LIHTC that functions as an equity subsidy to the project. These tax credits are often instrumental to the financing for affordable housing development.

The Pioneer Press renovation was completed in 2019 and the property is fully occupied. The bonds have been repaid. Under IRS rules, if bonds are repaid within a certain period they can be “recycled” to finance other affordable housing projects, but there is a very tight timeframe and the second issuance doesn’t come with any tax credits. The Pioneer Press bonds can only be recycled for projects that can close by April of this year. We reached out to all affordable housing projects in Saint Paul, and none could utilize these bonds without tax credits in this timeframe.

Ms. Guild noted that the first authorization is for Brooklyn Center to issue recycled bonds for a 143-unit affordable senior project. The second is for Rochester to issue recycled bonds for a 126-unit building rehab project. The bonds will be issued by the partner jurisdiction and they do not constitute any indebtedness or liability of the HRA or the city of Saint Paul. Through this action we will support affordable housing production elsewhere in the metro and state. Together, these projects will generate approximately \$19k in fees that we use to support investments in Saint Paul.

Moved by Commissioner Noecker, Resolution Adopted and set forth in RES PH 20-62

VOTE: Yeas – 7 Nays – 0

7. Resolution approving the issuance by the City of Rochester of conduit Multifamily Housing Revenue Bonds on behalf of Eastridge Housing Partners, LP using, in part, recycled bonding authority from the Pioneer Press Building Project, 345 Cedar Street, District 17, Ward 2

Moved by Commissioner Noecker, Resolution Adopted and set forth in RES PH 20-63

VOTE: Yeas – 7 Nays – 0

STAFF REPORT

8. Low Income Housing Tax Credit Workshop

Kayla Schuchman, PED Housing Director, presented the Commissioners with an overview of the LIHTC program and the proposed amendments to the Qualified Allocation Plan, QAP, for 2021

Received and Filed as set in SR 20-14

ADJOURNMENT

Moved by Commissioner Jalali, the HRA Board Meeting is Adjourned

VOTE: Yeas – 7 Nays – 0

INFORMATION

The notice of public hearing on the proposed sale of 699 Preble Street, 1025 Sims Ave and 633 Hall Avenue as published in the Pioneer Press has been cancelled and will not be on today's agenda for consideration.