

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

REPORT TO THE COMMISSIONERS

DATE: August 8, 2012

**REGARDING: RESOLUTION AUTHORIZING APPROVAL OF 2012 TECHNICAL BUDGET
AMENDMENT**

Requested Board Action

Approval of resolution authorizing amendment to the 2012 HRA Budget

Background – Technical Budget Amendment

The 2012 HRA budget needs to be amended for the following reasons:

- 1) CDBG funds were allocated to the Episcopal Homes project located on the SW corner of Fairview and University (the Porky's site), and these funds are no longer needed (Resolution No. 11-971);
- 2) HRA Fund 117 was used as a temporary source to provide a portion of funds for the Northern Warehouse Project (Resolution No. 11-2106) to replace with CDBG and HOME when such funds became available;
- 3) ISP funds were used as a temporary source to provide funds for the renovation of 242-244 Maria Avenue (Resolution No. 12-894) with the intent to replace these funds with CDBG when CDBG became available; and
- 4) Adopt a Tax Increment Finance budget for the Carondelet Project.

Background

Episcopal Homes & Northern Warehouse

On May 25, 2011, the HRA adopted Resolution #11-971 approving a \$500,000 loan to Episcopal Homes to partially finance a fifty (50) unit affordable rental housing project for seniors located at the SW corner of Fairview and University in St. Paul (the "Episcopal Project") and adopted an amended budget allocating CDBG funds to the Episcopal Project. The Episcopal Project has received Livable Communities Demonstration Account funds for acquisition and no longer needs the CDBG funds, thus releasing \$500,000 of CDBG funds for use in the Northern Warehouse project. Additionally, a recent repayment of HOME funds has created \$200,000 available for spending.

On October 26, 2011, the HRA adopted Resolution #11-2106 approving two loans totaling \$854,000 from HRA Fund 117 as a *temporary* source for the Northern Warehouse Project with the intent to utilize future CDBG and HOME dollars to replace a portion of the HRA Fund 117 dollars when those funds became available. The two loans included a \$604,000 Cash Flow Loan and a \$250,000 Deferred Loan. The \$250,000 Deferred Loan will be taken out with \$50,000 of released CDBG and \$200,000 of available HOME funds; and \$450,000 in CDBG dollars will take out/fund \$450,000 of the Cash Flow Loan leaving \$154,000 balance to continue to be funded by Fund 117 dollars. Thus, \$700,000 will be returned to Fund 117.

BB Housing – 242-244 Maria

On May 9, 2012, the HRA adopted Resolution #12-894 approving a \$420,000 loan to BB Housing Associates, LLC to redevelop 242-244 Maria Avenue under the Invest Saint Paul Initiative (ISP). The \$420,000 Loan was to be initially funded with ISP funds, and then, up to \$330,000 of CDBG funds were to be used to replace the ISP rehabilitation account when the CDBG funds became available after June 1, 2012. Thus, \$330,000 of CDBG funds will replace \$330,000 of ISP funds, and the ISP funds will be returned the ISP program for future spending.

Carondelet

On June 23, 2010, the HRA approved Resolution #10-6/23-8 adopting a TIF Plan which included a \$10,609,947 budget for the Carondelet Village TIF project. This HRA Budget needs to be formally recorded in the Finance System as evidenced by the Attachment A.

Summary

HRA Board action today will:

1. remove the \$500,000 of CDBG from the Episcopal Homes Project and utilize \$200,000 of HOME program income and apply those both to the Northern Warehouse Project;
2. replace \$330,000 of ISP funding for the 242-244 Maria Avenue project with CDBG funds as initially intended under action of the HRA Board; and
3. adopt a TIF budget for the Carondelet Village TIF district.

Budget Action

The 2012 HRA budget is amended as detailed above, as shown in Attachment A to the Resolution.

Future Action

No further action is required.

Financing Structure

Financing will be provided as shown in Attachment A to the Resolution.

PED Credit Committee Review

N/A

Compliance

N/A

Green/Sustainable Development

N/A

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance

N/A

Recommendation:

The Executive Director recommends HRA Board adoption of the attached Resolution (**Attachment A**) authorizing the 2012 Technical Budget Amendment.

Sponsored by: Commissioner Thune

Staff: Patricia Lilledahl, 266-6593

Jenny Wolfe, 266-6680

Attachments

- **Attachment A -- Resolution**