

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

REPORT TO THE COMMISSIONERS

DATE: JANUARY 24, 2024

REGARDING: AUTHORIZATION OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL TO ACCEPT GRANT FUNDS FROM JESSIE MCCLARY, REALTOR AT EDINA REALTY, AND TO CREATE A PROGRAM BUDGET, IN THE AMOUNT OF \$7,300.00, TO SUPPORT THE INHERITANCE FUND LAYERS OF ASSISTANCE IN THE DOWNPAYMENT ASSISTANCE AND HOMEOWNER REHABILITATION PROGRAMS.

Requested Board Action

Authorizing the acceptance of \$7,300.00 in grant funds from Jessie McClary to the Saint Paul Housing and Redevelopment Authority (“HRA”) to support the Inheritance Fund layers of assistance in the Downpayment Assistance and Homeowner Rehabilitation Programs.

Background

In 2023 the Housing and Redevelopment Authority of the City of Saint Paul approved changes to the Downpayment Assistance and Homeowner Rehab Programs. Among these changes was the introduction of additional layers of assistance available in both programs for descendants of property owner’s whose property was taken as a part of the construction of Interstate 94 over approximately a decade in the late 1950s and early 1960s.

The Mayor’s 2023 city budget included this initiative, called the Inheritance Fund, which is intended to mitigate some of the lost generational wealth of direct descendants of families whose homes were taken for the construction of I-94 in the Rondo neighborhood of Saint Paul. This targeted approach to Saint Paul’s specific history allows the City to address homeownership disparities in a hyper-local way that can not only replace lost wealth but also can contribute to community healing.

The Inheritance Fund has garnered significant interest from both eligible applicants and the general public. In late 2023, Jessie McClary, Realtor with Edina Realty, expressed interest in making a donation to the fund. As the first donation to support the Inheritance Fund, today’s action not only accepts the grant but creates a program budget that establishes a fund for future donations, as well.

Budget Action

The attached Financial Analysis amends the 2024 HRA budget.

Future Action

N/A

Financing Structure

N/A

PED Credit Committee Review

N/A

Compliance

Not applicable. Given the nature of the program and the sources of funds, compliance requirements do not apply.

Green/Sustainable Development

Not applicable.

Environmental Impact Disclosure

Not applicable.

Historic Preservation

Not applicable.

Public Purpose/Comprehensive Plan Conformance

The Guidelines and requested allocation meet objectives of the Housing Plan, adopted as part of the City's 2030 Comprehensive Plan, Section 6.0, Strategy 2: Preserve and Promote Established Neighborhoods and Strategy 3: Ensure Availability of Affordable Housing. More specifically, the Housing Plan recommends engaging in mortgage and personal finance education in the community, marketing programs to new homebuyers and expanding housing choices for seniors. It further recommends consideration of shared appreciation loans to enable the HRA to continue assisting the maximum number of households, while still providing benefits of homeownership to low-and moderate-income households.

Recommendation:

The Executive Director recommends accepting \$7,300 in grant dollars for the Inheritance Fund layers of assistance within the Downpayment Assistance and Homeowner Rehab Programs.

Sponsored by: Commissioner Noecker

Staff: Tara Beard (651-266-6636)

Attachment:

- **Financial Analysis**