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

REPORT TO THE COMMISSIONERS **DATE: FEBRUARY 11, 2026**

REGARDING: RESOLUTION EXTENDING AUTHORIZATION OF RES 25-869 RESERVING FUNDS FOR CERTAIN SAINT PAUL PROJECTS APPLYING FOR FUNDING FROM THE MINNESOTA HOUSING FINANCE AGENCY

Requested Board Action

HRA approval to extend authorization of RES 25-869 reserving funds for certain Saint Paul projects applying to the Minnesota Housing Finance Agency's 2025 Consolidated RFP through Round 2 applications.

Background

The Minnesota Housing Finance Agency (MHFA) requires that projects applying for financial assistance as part of the Agency's annual funding solicitation, the "Consolidated RFP", provide evidence of funding commitments to earn "commitment points" and provide site control letters indicating purchase prices, to earn non-capital contribution or land write down points, under the MHFA scoring criteria. Projects without substantial funding commitments and non-capital contribution points will likely not be competitive enough to obtain an award.

Following initial awards, MHFA may open a "Round 2" solicitation with remaining or returned housing tax credits or funding sources. Applications for Round 2 of the 2025 Consolidated RFP are due February 12, 2026.

RES 25-869, which approved funding reservations for six Saint Paul projects that applied for funding under Round 1, did not explicitly state that the reservations would remain in place for those projects applying for funding under Round 2. The purpose of this report and accompanying resolution is to clarify that both Round 1 and Round 2 applications are part of the 2025 Consolidated RFP and that reservations will remain in place for projects applying for funding in Round 2.

The Aragon project received a reservation of $500,000 via RES 25-869 and was awarded 9% Low Income Housing Tax Credits by the HRA on October 15, 2025, by resolution 25-1530; the developer will be submitting an application for additional State housing tax credits in Round 2. A summary of the project is as follows:

The Aragon – 470 White Bear Avenue

The Aragon project, located in District 1, Ward 7, includes the new construction of 53 units of affordable workforce housing. Unit sizes include 12 one-bedroom, 27 two-bedroom, 9 three-bedroom, and 5 four-bedroom units. The developer, Beacon Interfaith, has received a commitment of 21 project-based vouchers from the Saint Paul Public Housing Agency, which apply a rent and income restriction that ensure residents pay no more than 30% of their income toward housing. Further, the developer intends to apply for funding through MHFA, Ramsey County, and the Metropolitan Council.

Budget Action

There is no required budget action at this time.

Future Action

Future HRA actions may include:

1. Approval of loan amounts, terms and conditions, and authorization execute development and/or loan agreements
2. Authorization to issue tax-exempt bonds and low-income housing tax credits
3. Authorization of pass-through loan agreements.

Financing Structure

Preliminary sources and uses of funds were attached to the report accompanying RES 25-869.

PED Credit Committee Review

PED Credit Committee review is not a requirement of this action.

Compliance

All projects will be required to meet City compliance requirements. Projects that receive federal funding will comply with Federal Davis Bacon and Section 3, as applicable.

Green/Sustainable Development

All projects will comply with the Sustainable Building Ordinance as applicable.

Environmental Impact Disclosure

An environmental review will be required on any project containing or receiving federal financial assistance.

Historic Preservation

Historic preservation requirements will be adhered to as applicable.

Public Purpose/Comprehensive Plan Conformance:

Public purpose and Comprehensive Plan conformance were included in the report accompanying RES 25-869.

Recommendation:

The Executive Director of the HRA recommends approval of the extension of funding reservations approved via RES 25-869 for the purpose of Round 2 applications.

This resolution will not constitute a binding or enforceable legal agreement; rather, the action taken herein is a reservation of funds that shall not become effective for each respective project until each such respective project receives its applied-for MHFA 2025 funding, and thereafter all appropriate formalities are to be followed.

Sponsored by: Commissioner Jost

Staff: Sarah Zorn, 651-266-6570

Attachments

- **Resolution**