

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

REPORT TO THE COMMISSIONERS

DATE: January 28, 2015

REGARDING: RESOLUTION APPROVING AND AUTHORIZING ACCEPTANCE OF \$560,000 FROM THE MINNESOTA HOUSING FINANCE AGENCY AND \$160,000 FROM THE METROPOLITAN COUNCIL AND AMENDING THE BUDGET OF THE HRA DISPOSITION PLAN FUND.

Requested Board Action

The specific actions being requested of the HRA Board are as follows:

- 1) Authorization to accept \$320,000 for new construction and \$240,000 for acquisition and rehabilitation from the Minnesota Housing Finance Agency Community Housing Impact Fund.
- 2) Authorization to accept \$160,000 from the Metropolitan Council Local Housing Incentives Account.
- 3) Amendment to increase the HRA Disposition Plan Fund and Budget by \$720,000.

Background

Planning and Economic Development (PED) staff analyzed all HRA-owned property in order to make informed recommendations regarding the retention and disposition of property, and create a disposition strategy and budget to advance redevelopment plans for the sites analyzed. Property that was considered as part of the disposition analysis was predominantly scattered site vacant lots (no more than four contiguous lots) and buildings that are no more than four units. This information was presented to, and the Disposition Strategy and Work Plan (DSWP) was approved by, the HRA Board of Commissioners on July 24, 2013 via Resolution 13-1097.

Progress has been made regarding the implementation of the DSWP under the Inspiring Communities Program, and the action detailed in this report assist in maintaining this momentum. “Inspiring Communities” is currently used for the marketing campaign for homes both rehabilitated and newly constructed, and consolidates property acquired under the Invest

Saint Paul (ISP), Neighborhood Stabilization Program (NSP), and Community Development Block Grant (CDBG) programs, along with some HRA acquired property, under one strategy.

In an effort to continue the implementation of the DSWP staff applied for \$960,000 to the 2014 Single Family Consolidated Request for Proposal program through the Minnesota Housing Finance Agency (MHFA). Our application was partially funded and staff is now seeking HRA Board approval to accept a \$560,000 grant award from MHFA and \$160,000 from the Metropolitan Council, for a net increase of \$720,000 in the DSWP.

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

The current board action is to accept a grant award of \$560,000 from the MHFA and \$160,000 from the Metropolitan Council, and approve a budget amendment to increase the DWPB by \$720,000. (See **Attachment A.**)

Future Action

Consistent with Resolution 13-1097, all expenditures of the DWPB will be specifically authorized through future HRA Board Action.

Financing Structure

Not applicable

PED Credit Committee Review

Not applicable.

Compliance

Development under the Inspiring Communities program will comply with all applicable requirements, which may include the following:

1. Affirmative Action/Equal Employment Opportunity
2. Vendor Outreach
3. Section 3
4. Limited English Proficiency
5. NSP Affordability Covenants
6. Fair Housing Opportunities
7. Two Bid Policy

Green/Sustainable Development

All Inspiring Communities projects will be in compliance with the approved Design Criteria, which meets both the Saint Paul Sustainable Development Policy and the Saint Paul/HRA Sustainability Initiative. All projects will meet the Home Performance for ENERGY STAR or ENERGY STAR for New Homes standards, and be certified by Enterprise Green Communities.

Environmental Impact Disclosure

The Tier 1 environmental review determined that all activities were either exempt or categorically excluded.

Historic Preservation

All projects located in the Dayton's Bluff Historic District will comply with the appropriate historic district guidelines and regulations.

Public Purpose/Comprehensive Plan Conformance

The Public Purpose and Comprehensive Plan Conformance for the DWPB were detailed in Resolution 13-1097 and are attached for reference as **Attachment C**.

Recommendation: The Executive Director recommends approval of the authorization to accept funding from the Minnesota Housing Finance Agency and Metropolitan Council, and a DSWP budget amendment increase of \$720,000.

Sponsored by: Commissioner Lantry

Staff: Sarah Zorn, 651-266-6570

Attachments

- **Attachment A – Resolution**
- **Attachment B – Budget Amendment**
- **Attachment C – Comprehensive Plan Conformance**