

Attachment B --Background

Implementation of the Disposition Work Plan and Budget (DWPB) is now well underway. For consistency in presentation and clarity for the public, the Invest Saint Paul (ISP) initiative and Neighborhood Stabilization Program (NSP) have been jointly renamed the “Inspiring Communities” program. “Inspiring Communities” is being used for marketing of all homes rehabilitated or constructed using NSP and ISP funds, and is a more accurate description of the DWBP, which combines the properties acquired under the NSP, ISP, and Community Development Block Grant (CDBG) programs, along with some HRA acquired property.

Planning and Economic Development (PED) staff analyzed all HRA-owned property to make informed recommendations regarding the retention and disposition of properties, and created 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 cannot be developed with more than four units. This information was presented to the HRA Board and the HRA Board approved the DWPB pursuant to Resolution 13-1097 on July 24, 2013.

A portion of the budget approved by the HRA Board on July 24, 2013 was intended to be used to fund projects stalled due to lack of program funding or ongoing negotiations between the HRA and a developer. The 846 University project was included in the above mentioned budget due to a shortage of funding. Since a strategy was in place when the DWPB resolution was adopted, this property was not released through the Inspiring Communities RFP process. Pursuant to Resolution 13-1097 staff is required to return to the HRA Board for expenditure of funds for each property. Now that funds are available and firm numbers have been established by Greater Frogtown Community Development Corporation (GFCDC), staff is seeking approval to use \$211,682.97 from the DWPB for gap funding.

This project consists of rehabilitating the vacant and blighted property located at 846 University. The property to be redeveloped is adjacent to the light rail Green Line and a number of City bus lines. There are as well a number of restaurants in the vicinity and the project is located 6 blocks from the Frogtown Rondo Library and 8 blocks from a recreation center. All these amenities make the Aurora-St. Anthony neighborhood a focus of significant economic development and housing investment activity.

The new home will be owner-occupied with 2 units. Each unit will consist of 2 bedrooms and 1 bathroom. The expansion space available in the basement will be shared for laundry and utilities.

Finally, a two-car garage asphalt slab will be built. This property was acquired with NSP funds and will have an affordability restriction. This home can only be sold to a household at or below 120% of area median income. It is expected that the rehabilitation of the two units will have significant positive impact on the tax base and livability of the neighborhood.