

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

REPORT TO THE COMMISSIONERS

DATE: November 12, 2015

REGARDING: RESOLUTION APPROVING THE ADOPTION OF AN AMENDMENT TO THE TAX INCREMENT FINANCING PLAN FOR THE SAINT PAUL NEIGHBORHOOD SCATTERED SITE TAX INCREMENT FINANCING DISTRICT NO. 100 AND NO. 148, Wards 1, 2, 3, 5 and 6, Districts 2, 5, 6-9, 13 and 15

Requested Board Action

The purpose of this report is to request approval by the Housing and Redevelopment Authority of the City of Saint Paul (HRA) Board of Commissioners of the attached resolution authorizing adoption of the Second Amendment to the Saint Paul Neighborhood Scattered Site Tax Increment Financing Plan ("Plan") for TIF District No. 100 and No. 148 to increase revenues and authorized expenditures.

Background

The HRA created the Saint Paul Neighborhood Scattered Site TIF District No. 100 and No. 148 (Empire Builder) ("District") in 1988 and has used tax increment from the District to assist multiple redevelopment projects throughout the city, including: the Northend Center on Rice and Front; Seeger Square on Arcade; Phalen Village; University and Dale (northeast and southwest corners); St. Albans project; Hafners/Hillcrest Center on White Bear Avenue; and the Empire Builder Business Park (completed by the Port Authority). The TIF Plan was amended and restated in 2004.

In March, 2010, the District was amended to increase the budget to assist in the financing of the betterments for the Green Line Light Rail Transit. In September, 2010, the HRA authorized \$3,000,000 of tax increments from the District for The Lofts at Farmers Market rental housing project. On September 23, 2015, the HRA adopted RES PH #15-288 which authorized the execution of a Purchase Agreement for the sale of The Lofts at Farmers Market project. Upon a sale of the Project, the TIF District will receive sales proceeds equal to the approximate amount of \$2,876,000.

Staff has determined that it is necessary to further amend the Plan to increase the budgeted revenues to reflect the receipt of the sales proceeds from The Lofts at Farmers Market project, and increase authorized expenditures in connection with development and redevelopment anticipated to occur within the Saint Paul Neighborhood Redevelopment Project Area, including, but not limited to, development along the Green Line Light Rail Transit and the construction of affordable housing within the City. The TIF definition of affordable rental housing mirrors the Low Income Housing Tax Program definition (either 20% of the units affordable to 50% SMSA, or 40% at 60% of SMSA). The TIF definition for affordable homeownership mirrors the First Time Homebuyer Program definition, with at least 95% of the units occupied by households earning at or below 100% of SMSA for a family of 2 or fewer, or 115% for a family of 3 or more.

To accomplish these goals, it is necessary to further amend the Plan to better align expected revenues with anticipated uses of funds. The Second Amendment to the Plan is included as **Attachment B**. See **Attachment C** for a map of the TIF District and Project Area.

The City Council is scheduled to hold a public hearing on November 4, 2015, and will consider approval of a resolution authorizing the amendment to the TIF Plan (RES PH#15-323).

Budget Action

The HRA is approving a budget amendment to increase revenue and expenditures for future spending which is included in Attachment A to the resolution.

Future Action

Specific funding for activities in the Project Area and/or for construction of affordable housing will require approval by the HRA Board of Commissioners.

Financing Structure

The funding for activities will include all available tax increment revenue generated through TIF eligible activities including tax increments collected from properties and projects financed with tax increments.

PED Credit Committee Review

If appropriate, the PED Credit Committee will review future activities prior to requested action from the HRA Board.

Compliance

All activities will conform to required compliance triggered with tax increment funds.

Green/Sustainable Development

All activities will conform to required sustainability policies triggered with tax increment funds.

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance

All activities will conform to previously adopted citywide and neighborhood plans.

Recommendation:

The Executive Director recommends and requests that the HRA Board of Commissioners approve the attached Resolution which approves the Second Amendment to the Saint Paul Neighborhood Scattered Site Tax Increment Financing Plan No. 100 and No. 148.

Sponsored by: Commissioner Stark

Staff: Jenny Wolfe, 266-6680

Attachments

- **Attachment A – HRA Budget Amendment**
- **Attachment B – Second Amendment to Saint Paul Neighborhood Scattered Site No. 100 and No. 148 TIF Plan**
- **Attachment C – Map of TIF District & Project Area**