

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

REPORT TO THE COMMISSIONERS

DATE: MAY 11, 2016

**REGARDING: AUTHORIZATION TO ALLOCATE PROGRAM PROCEEDS
FROM THE FORMER HUD RENTAL REHABILITATION
PROGRAM AND ENTER INTO A LOAN AGREEMENT WITH ST.
MATTHEWS CATHOLIC CHURCH FOR CAPITAL
IMPROVEMENTS AT CASA GUADALUPANA LOCATED IN
WARD 2 AND DISTRICT 3**

Requested Board Action

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

1. Authorization to allocate \$127,161 of Program Proceeds from the former HUD Rental Rehabilitation Program, for eligible capital improvements at Casa Guadalupe; and
2. Authorization to enter into a Loan Agreement with St. Matthews Catholic Church for construction related to capital improvements at Casa Guadalupe; and
3. Adoption of the Resolution.

Background

Since 1999, Casa Guadalupe has been providing emergency shelter to homeless Latina women and families. The large-sized Victorian-style house located at 507 Hall Avenue is the property of St. Matthew's Catholic Church. In 2008, Casa Guadalupe ("Casa") executed a lease with St. Matthew's Catholic Church to use the former parish rector house. Subsequently, over the past few years, Casa secured approximately \$350,000 of donations (material and labor) to improve this housing facility. In 2015, Casa executed a formal partnership with Interfaith Action (Formerly known as St. Paul Area Council of Churches) and The Family Place (a day drop-in center for homeless families) to develop a new short-term transitional housing program.

Based on this partnership, Casa has been providing short-term transitional housing services to up to 25 homeless families annually who participate in case management services, such as budgeting, job search, and home management, while seeking permanent housing. Casa also receives referrals of homeless families from Ramsey County Continuum of Care's Coordinated Access to Housing and Shelter. Families stay at Casa for up to 120 days.

Casa Guadalupana – Capital Improvement Project.

Casa Guadalupana is requesting \$127,161 of HRA funds for overall improvement of interior and exterior space for safety and energy performance installation upgrades.

Work for safety improvement will include fixing of potholes and resurfacing of the driveway, replacement of the retaining wall, installation of a safety fence, and replacement of the broken garage door.

Upgrade for energy efficiency will involve the replacement of current knob and tube wiring in the attic, insulation of the attic, installation of air conditioning units, and replacement of damaged storm windows.

Budget Action

Approving the allocation of \$127,161 of program proceeds from the former HUD Rental Rehabilitation Program for eligible capital improvements for Casa Guadalupana.

Future Action

No further action will be required.

Financing Structure

If approved, the Loan Agreement will be executed with St. Matthew's Catholic Church, the owner of the building, with the following terms:

- Forgivable loan at 0% interest with a ten-year term evidenced by a promissory note, loan agreement, and assignment of rent and leases
- The loan will be forgiven on a pro-rata basis with one tenth of the loan forgiven annually.
- The forgivable loan will be secured by a mortgage placed on the property, with a ten-year performance period of providing emergency shelter or transitional housing services for homeless families.
- If Casa fails to provide housing services, or St. Matthews Catholic Church interrupts the lease contract with Casa, HRA will have the options of extending the loan term performance period, assign lease to an alternate housing provider, or demand full payment of the loan amount.

PED Credit Committee Review

The PED Credit Committee reviewed and approved this request on February 29, 2016.

Compliance

The Project must meet all applicable compliance requirements (e.g. Vendor Outreach, Affirmative Action, Davis Bacon, Section 3, Project Labor Agreements, etc.).

Green/Sustainable Development

This project will comply with the Saint Paul Sustainable Development Policy, as needed.

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose

- Supports supportive housing services to Saint Paul's homeless families and formerly homeless families; and
- Ensures a safer environment for homeless families residents in the Casa Guadalupe premises; and
- Affirms the Consolidated Plan that homelessness prevention programs and supportive services are provided to Saint Paul homeless residents; and
- Supports the City's homelessness prevention initiatives so that homeless residents have the support services needed to eventually secure appropriate permanent housing.

Recommendation:

The Executive Director recommends approval of attached resolution authorizing the allocation of \$127,161 of program proceeds from the former HUD Rental Rehabilitation Program for the

installation of capital improvements at Casa Guadalupana; and authorization to enter into a Loan Agreement with Casa Guadalupana for overall improvement of interior and exterior space for safety and reduction of on-going energy costs.

Sponsored by: Rebecca Noecker

Staff: Jules Atangana (651-266-6552)
Joe Collins (651-266-6020)

- **Attachment A – Budget Amendment**
- **Attachment B – Map**
- **Attachment C – Public Purpose**
- **Attachment D – District Profile**