

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

REPORT TO THE COMMISSIONERS

DATE: JANUARY 24, 2018

**REGARDING: AUTHORIZATION TO ENTER INTO AN AMENDED LOAN
AGREEMENT WITH ST. MATTHEWS CATHOLIC CHURCH FOR
ADDITIONAL CAPITAL IMPROVEMENTS AT CASA
GUADALUPANA LOCATED AT 507 HALL AVENUE IN
DISTRICT 3, WARD 2**

Requested Board Action

Authorization to amend an existing Loan Agreement to allocate \$26,100 of program proceeds from the former HUD Rental Rehabilitation Program for additional eligible capital improvements at Casa Guadalupe.

Background

Since 1999, Casa Guadalupe ("Casa") has provided 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 executed a lease with St. Matthew's Catholic Church to use the former parish rector house.

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.

Last year, the HRA provided a \$127,161 Loan for overall improvement of interior and exterior space and for safety and energy performance installation upgrade ("Initial Loan"). Work for safety improvement has included 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. Upgrades for energy efficiency 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.

Improvement work is underway and additional issues have been uncovered. These activities require to be addressed and include the following: Sidewalk repair, new vents for additional air condition work, and additional funds to fix the fence. The total cost for the additional work is \$26,100 ("Additional Loan")

Budget Action:

No budget action needed as the former HUD Rental Rehab Program has been set up for 2018.

Future Action: NA

Financing Structure

Over the past 12 years, Casa secured investments of approximately \$350,000 to:

- Redesign the kitchen, including installation of new appliances
- Redesign the a total of 4 bedrooms in the basement, 1st and 2nd floor

- Installation of energy efficient windows throughout the 1st and 2nd floor
- Installation of new lighting fixtures and ceiling fans throughout the bedrooms, in the kitchen, the dining room, and the living rooms
- Repair walls and repaint the basement, 1st and 2nd floor
- Re-sand and finish all hardwood floors
- Installation of a handicapped accessible ramp to improve service for those with mobility challenges.

In 2016, the HRA Board allocated \$127,161 of Program Proceeds from the former HUD Rental Rehabilitation Program for the following activities:

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| • Removal, insulation, and installation of attic floor: | \$16,834 |
| • Installation of air conditioning: | \$25,250 |
| • Repair of retaining wall: | \$54,062 |
| • Rehabilitation of parking lot: | \$31,015 |

Casa is requesting \$26,100 to funds the following activities to complete the project:

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| • Repair sidewalk next to retaining wall: | \$17,000 |
| • Additional Air Conditioning (new vents and thermostats): | \$8,400 |
| • Fence: | \$700 |

If approved, this will bring the total HRA contribution to \$153,261. Terms and conditions of the Additional Loan will be the same as those of the Initial Loan:

- 0% interest and forgivable on a pro-rata basis. One-tenth of the loan to be forgiven annually over 10 years
- 10-year performance period of providing emergency shelter or transitional housing services for homeless families

- If housing services were not provided annually, then such amount will not be forgiven and HRA would have the option of extending the loan term performance period
- If housing services are terminated, then HRA would have the option to assign the lease to an alternative housing provider or demand full payment of the remaining loan amount

PED Credit Committee Review

The PED Credit Committee reviewed and approved this request on January 17, 2018.

Compliance

The following compliance requirements are applicable to the project:

Affirmative Action, Vendor Outreach Program, Two Bid Policy, HUD Section 3

Green/Sustainable Development: NA

Environmental Impact Disclosure

An environmental review has been completed for this project with the conclusion no significant impact found.

Historic Preservation

A HUD 106 review has been completed with the conclusion that no historic properties eligible for or listed on the National Register of Historic Places will be affected by this project

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 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 the attached resolution authorizing an amendment to the Loan Agreement allocating \$26,100 of program proceeds from the former HUD Rental Rehabilitation for the Casa Guadalupe project.

Sponsored by: Rebecca Noecker

Staff: Jules Atangana (651-266-6552)

Attachments

- **Map**
- **Public Purpose**
- **District Profile**