

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

REPORT TO THE COMMISSIONERS

DATE: APRIL 22, 2020

REGARDING: PUBLIC HEARING FOR A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF CONDUIT MULTIFAMILY HOUSING REVENUE BONDS UP TO \$13,000,000 FOR THE 848 PAYNE AVENUE APARTMENTS PROJECT, DISTRICT 5, WARD 6.

Requested Board Action

On May 22, 2019, the HRA Board approved RES #19-860 authorizing the issuance and sale of Conduit Multifamily Housing Revenue Bonds for the project located at 848 Payne Avenue. At the advice of Bond Counsel, IRS Rules dictate that the approving body is required to hold a public hearing and reauthorize the issuance and sale of Conduit Multifamily Housing Revenue Bonds for the 848 Payne Avenue Apartment project if the Bonds are not sold within one year of the initial approval. The City Council held a public hearing on March 20, 2019 and approved RES PH #19-74 granting preliminary approval for the issuance of the bonds by the HRA.

The HRA Board is requested to hold a public hearing and reauthorize the Issuance and Sale of Conduit Multifamily Housing Revenue Bonds up to \$13,000,000.

Background

The Project, to be developed by Shafer Richardson includes the construction of a four-story building with 99 housing units, 5,600 sq. ft. of commercial space and 90 parking spaces. The proposed housing will consist of 36 efficiencies, 42 one-bedroom and 21 two-bedroom units.

The ninety-nine (99) housing units will be tax credit units affordable to households as follows:

Size and Income /Rent Limits of Units:

Size	# of units	Gross Rent	Rent Limit	Income Limit
Studio	31	\$991	60%	60%
Studio	5	\$711	FMR*	50%
1 BR	37	\$1,062	60%	60%

1 BR	5	\$864	FMR*	50%
2 BR	11	\$1,273	60%	60%
2 BR	10	\$1,089	FMR*	50%
Total	99			

* FMR = Fair Market Rents

The Developer is experienced in the construction and management of multifamily housing projects within the metropolitan area.

The Developer has been working to secure financing for the Project since May of 2019 and anticipates a closing to occur by the end of May 2020. The only action required is to hold a new public hearing since the date of the original hearing was longer than 12 months prior.

Budget Action

This is a conduit bond issue. The bonds shall not constitute an indebtedness, liability, general or moral obligation, or pledge of the faith or credit or taxing power of the HRA, City of Saint Paul, or any agency or political subdivision thereof, and shall not constitute indebtedness of any of the foregoing within the meaning of any constitutional, statutory, or charter provision, nor be a charge against their respective general assets, credit or taxing powers, and do not grant the owners or holders of the bonds any right to have the HRA, City of Saint Paul or any agency or political subdivision thereof to levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Principal and interest on the bonds are payable solely out of the revenues and other sources pledged to the payment thereof as described in the bond documents.

Future Action:

N/A

Financing Structure

N/A

PED Credit Committee Review

N/A

Compliance

N/A

Green/Sustainable Development

N/A

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance

N/A

Statement of Chairman (for Public Hearing)

“Being duly authorized by the Board of Commissioners to conduct this Public Hearing, the hearing is now open. This is a Public Hearing called for the purpose of the issuance of Conduit Revenue Bonds for a multifamily housing project (848 Payne Avenue Project) located in District 5 (Payne-Phalen) by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA).

Notice of time, place, and purpose of this hearing was published via the HRA’s Early Notification System and on the City of Saint Paul’s Housing and Redevelopment Authority web page on April 15, 2020. The Screenshot of the Publication of the Notice of Public Hearing will be made a part of these proceedings.”

Recommendation:

The Executive Director recommends approval of the attached resolution which approves the Issuance and Sale of Conduit Multi-Family Housing Revenue Bonds.

Sponsored by: Commissioner Nelsie Yang
Staff: Daniel K. Bayers, (266-6685)

Attachments

- Map