



Legislation Details (With Text)

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Title: Approving the October 12, 2016 HRA Board Meeting Minutes

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Date	Ver.	Action By	Action	Result
10/26/2016	1	Housing & Redevelopment Authority	Adopted	Pass

Approving the October 12, 2016 HRA Board Meeting Minutes

Commissioner Voting

The reader calls the names of all Commissioners. A vote in favor is cast by remaining silent, and a vote against is cast by saying no or nay. When the voting is complete, the reader will state whether the motion passed or failed.

ROLL CALL

Present 5 - Commissioners Bostrom, Prince, Stark, Tolbert and Chair Brendmoen

Excused 2 - Commissioners Noecker and Thao

CONSENT AGENDA

Note: Items listed under the Consent Agenda will be enacted by one motion with no separate discussion. If discussion on an item is desired, the item will be removed from the Consent Agenda for separate consideration.

Approval of the Consent Agenda

1. Approving the September 28, 2016 HRA Board Meeting Minutes
Adopted as set forth in Min 16-38
2. Resolution Authorizing the Issuance of Conduit Lease Revenue Refunding Bonds for the Hmong College Prep Academy Charter School Project, 1515 Brewster Street, under Minnesota Statutes, Sections 469.152 through 469.1655 and Approving Related Documents District 10, Ward 4
Adopted as set forth in RES 16-1759
3. Resolution Authorizing Acceptance of a Home Ownership Education, Counseling, and Training Fund Grant from the Minnesota Housing Finance Agency for the Mortgage Foreclosure Prevention Program. (Citywide)
Adopted as set forth in RES 16-1762

Moved by Commissioner Tolbert, Consent Agenda is Adopted

VOTE: Yeas - 5 Nays - 0

FOR DISCUSSION

4. Resolution Authorizing the Issuance of Conduit Lease Revenue Refunding Bonds for the Nova Classical Academy Project, 1455 Victoria Way, under Minnesota Statutes, Sections 469.152 through 469.1655 and Approving Release of Reverter and Related Documents District 9, Ward 2 Carrier Over from the September 28, 2016 HRA Board Meeting

Mr. Sage-Martinson, HRA Executive Director, stated that this is the final approval request for \$26,500,000 in conduit lease revenue refunding bonds for the Nova Classical Academy Project. The Bonds will be used to refund existing HRA-issued bonds, acquire adjacent land, and complete site improvements. The conduit bonds do not constitute a general or moral obligation on behalf of the City or the HRA.

Chair Brendmoen introduced version 2 of the resolution. Jenny Wolfe, PED Debt Manager, explained the two changes to resolution.

Moved by Commissioner Stark, Resolution Amended

VOTE: Yeas - 5 Nays - 0

Moved by Commissioner Stark, Resolution Approved as Amended and set forth in 16-1672

VOTE: Yeas - 5 Nays - 0

5. Reservation of Year 2017 Low Income Housing Tax Credits for the Selby Milton Victoria Project

Mr. Sage-Martinson, HRA Executive Director, stated that the Qualified Allocation Plan (QAP) to allocate the City's share of Low Income Housing Tax Credits was approved by the HRA on May 11, 2016 with no changes to the previous year's QAP and was then adopted by the Minneapolis/St. Paul Housing Finance Board.

Five proposals were received and are detailed in the report. One of the requirements is to meet a financial readiness and due to some requests not moving forward given the outcome of the 2016 Legislative session, the Dorothy Day Center did not meet the requirements. The remaining four proposals were scored and the project with the most points, 44 points, is the Selby Milton Victoria project put forward by Rondo Community Land Trust. Staff is recommending approval of \$755,842 in 2017 Low Income Housing Tax Credits for this project.

Commissioner Tolbert expressed his excitement for this project.

Greg Finzell, Mychael Wright and Charles Bradley, Rondo Community Land Trust, thanked the commissioners and staff for their support.

Moved by Commissioner Prince, Resolution Approved as set forth in RES 16-1770

VOTE: Yeas - 5 Nays - 0

6. Authorization to Reinstate Neighborhood Development Alliance, Inc. as Tentative Developer of 430 S. Robert Street and 0 S. Robert Street, District 3, Ward 2.

Mr. Sage-Martinson, HRA Executive Director, stated this request is to reinstate tentative developer status for two HRA owned properties to the Neighborhood Development Alliance for two years with benchmarks along the way.

Karen Reid, NeDA, expressed her appreciation for additional time and thanked the commissioners and staff.

Moved by Commissioner Bostrom, Resolution Approved as set forth in RES 16-1774

VOTE: Yeas - 5 Nays - 0

7. Resolution Authorizing Approval of a \$40,000 Loan under the Strategic Investment Fund Program to The Original Cakerie Co. for 30 East 7th Street, Saint Paul, Minnesota, District 17, Ward 2.

Mr. Sage-Martinson, HRA Executive Director, stated that this item is for the approval of a Strategic Investment Fund investment for The Original Cakerie Co., an international company founded in Canada, which recently acquired another firm, has expanded significantly and has over 900 staff members with several production facilities. They are looking at putting their corporate headquarters in the Minneapolis/Saint Paul region. One option is in the Wells Fargo building in downtown Saint Paul.

Commissioner Bostrom asked how much The Original Cakerie is investing. Andy Hestness, PED Project Manager, stated that The Original Cakerie is proposing their move and build out costs at approximately \$390,000 including the build out and furniture purchase.

Moved by Commissioner Prince, Resolution Approved as set forth in RES 16-1767

VOTE: Yeas - 5 Nays - 0

8. Resolution Approving an Administrative Amendment to Budget for Tax Increment Financing Plan for Penfield Redevelopment Tax Increment Financing District and Approving an HRA Budget Amendment, District 17, Ward 2.

Mr. Sage-Martinson, HRA Executive Director, stated that the Penfield Apartments sold on September 22 for \$65.5 million. That returned \$19.2 million in equity that the City had put into the project with an additional \$8.7 million in profit to the HRA. Since the Penfield was completed, there have been five additional market rate housing projects resulting in an investment of over \$250 million in downtown Saint Paul.

Mr. Sage-Martinson thanked all the partners who helped the City successfully build, manage and sell the Penfield; BKV Group, Weis Builders, Village Green, Doherty Mortgage, AFLCIO, HUD and Moran & Company.

Commissioner Bostrom asked how the \$8.7 million profit is being distributed and what is left after everything is paid off. Mr. Sage Martinson stated that the total payment to the HRA is about \$27 million; that includes the return of equity and \$8.7 million in profit. About \$12 million is returned to the three TIF districts, \$7.4 million in return to the HRA Enterprise Loan Fund, \$2 million allocated to the Job Opportunity Fund and \$4.3 million to pay off the golf debt that the City holds.

Commissioner Bostrom asked that 1/3 of the profits be allocated to the East Side. Chair Brendmoen stated that there is a significant amount of interest in ensuring that any profits be re-invested in affordable housing and other ED in the neighborhoods around the City.

Commissioner Stark stated that this is a wonderful outcome for the City and the HRA and congratulated all the staff who worked on the project over the years.

Moved by Commissioner Tolbert, Resolution Approved as set forth in RES 16-1775

VOTE: Yeas - 5 Nays - 0

9. Resolution Approving the Decertification of the Penfield Redevelopment Tax Increment Financing District and the Termination of the Development Agreement with Penfield Apartments LLC, District 17, Ward 2.

Mr. Sage-Martinson, HRA Executive Director, stated that this request is to terminate the development agreement that the HRA had with Penfield Apartments LLC and authorization to decertify the Penfield Redevelopment TIF district and thanked Marie Franchett, Al Carlson and Pete McCall for their hard work on the project.

Moved by Commissioner Stark, Resolution Approved as set forth in RES 16-1776

VOTE: Yeas - 5 Nays - 0

The HRA recessed and convened as The Board of Governors of Penfield Apartments, LLC.

The HRA reconvened.

PUBLIC HEARING

10. Resolution Approving and Authorizing the Sale and Conveyance of 208-210 Bates; Authorization to Enter into a Development Agreement, and Authorization of Expenditures for Redevelopment. District 4, Ward 7.

Mr. Sage-Martinson, HRA Executive Director, stated this request is for an HRA owned property, 208-210 Bates, to convey the property for redevelopment to Eric Foster, Historic Saint Paul, to enter into a development agreement with the developers and allocating funding for the redevelopment. This is the twenty-second property that the HRA has invested in through Inspiring Communities or a related investment in the Dayton's Bluff Historic District; totaling nearly \$4 million in that neighborhood.

Commissioner Stark asked for clarification on the term of the affordability requirement. Mr. Sage Martinson stated the affordability requirement is fifteen years.

Eric Foster, developer and Dayton's Bluff resident, expressed his excitement in this project and expressed appreciation for the support. Carol Carey, Historic Saint Paul, thanked everyone for their hard work on this project and shared her excitement for the transformation in the neighborhood. Barry Madore, Dayton's Bluff resident, shared examples of the private investments that have catalyzed due to the public investments in the neighborhood.

Moved by Commissioner Prince, the Public Hearing Closed.

Commissioner Prince thanked HRA staff & Jonathan Sage-Martinson for their extraordinary work on this project, Eric Foster and Historic St. Paul for their vision for this development and her constituents for stepping up and marketing the community.

Moved by Commissioner Prince, Resolution Approved as set forth in RES PH 16-334

VOTE: Yeas - 5 Nays - 0

STAFF REPORT

11. Housing Toolkit Information Report

Carried over from the September 14, 2016 HRA Board Meeting

Patty Lilledahl, PED Housing Director, presented the second half of the PED Housing Resources presentation.

Received and Filed as SR 16-81

ADJOURNMENT

Moved by Commissioner Tolbert, HRA meeting is adjourned.

VOTE: Yeas - 5 Nays - 0