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Title: Resolution authorizing a waiver of the maximum per-unit subsidy under the Inspiring Communities Program and approving additional financing for the project at 47 Douglas Street, District 9, Ward 2

Sponsors: Rebecca Noecker

Indexes:

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Attachments: 1. Board Report, 2. Map

| Date | Ver. | Action By | Action | Result |
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| 4/27/2022 | 1 | Housing & Redevelopment Authority | Adopted | Pass |

Resolution authorizing a waiver of the maximum per-unit subsidy under the Inspiring Communities Program and approving additional financing for the project at 47 Douglas Street, District 9, Ward 2

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “HRA”) is a public body corporate and politic established pursuant to the provisions of Minnesota Statutes, Section 469.001, et seq. (the “Act”); and

WHEREAS, the HRA has the power to engage in development or redevelopment activities under Minnesota law and the HRA is authorized to engage in activities relating to (a) housing projects and development, (b) removal and prevention of the spread of conditions of blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) disposition of land for private redevelopment, and (e) improving the tax base and the financial stability of the community, and to engage in the aforementioned activities when these needs cannot be met through reliance solely upon private initiative and which can also be undertaken in targeted neighborhoods; and is authorized to create redevelopment projects as defined in Minnesota Statutes, Section 469.002, Subdivision 14; and

WHEREAS, the HRA owns a vacant single-family house with an address of 47 Douglas Street (the “Property”), which is included in its Inspiring Communities Program (“Program”); and

WHEREAS, on June 9, 2021, by Resolution 21-141, the HRA Board approved and authorized the sale and conveyance of the Property to Historic Saint Paul (“HSP”), execution of a development agreement and expenditures of up to \$130,000 for redevelopment (the “Project”); and

WHEREAS, costs for the proposed rehabilitation and in the construction industry at large have increased significantly and HSP and HRA staff have become aware of property conditions requiring additional rehabilitation, and these additions and cost inflation have produced a net increase to the development subsidy of \$72,610; and

WHEREAS, the anticipated need for development subsidy from the HRA now totals \$202,610; and

WHEREAS, the HRA wishes to establish a contingency fund of \$22,390 to cover additional costs incurred in its carrying out the project; and

WHEREAS, on October 9, 2013, by Resolution 13-1592, the HRA Board accepted and approved key terms of the Program, which included a maximum gross subsidy cap per unit of \$150,000 (the “Cap”); and

WHEREAS, on July 13, 2016, by Resolution 16-1190, the HRA Board accepted and approved a change to the Cap, increasing it from \$150,000 to \$175,000 (the “Revised Cap”) (for properties in Wards 1, 2, 5, 6 and 7); and

WHEREAS, the HRA Board wishes to facilitate the redevelopment of the Property and therefore finds a public purpose in increasing the project budget as described in this Resolution and the Board Report attached to this Resolution;

NOW THEREFORE BE IT RESOLVED by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, as follows:

1. The Program maximum per-unit subsidy cap is waived for the project at 47 Douglas Street.
2. The HRA Board hereby approves an increase of \$95,000 to the allocation of development subsidy and contingency funding for the Project at 47 Douglas Street, and acknowledges the total development subsidy and contingency funding allocated to the Project is now \$225,000.
3. The HRA Board hereby authorizes the HRA Executive Director, staff and legal counsel to take all actions necessary to effectuate this Resolution.