



## Legislation Text

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**File #:** RES PH 21-314, **Version:** 1

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Amending the redevelopment plan for the Saint Paul Neighborhood Redevelopment Project Area and approving the establishment of the 520 Payne Avenue Housing Tax Increment Financing District (The Hollows) in the Neighborhood Redevelopment Project Area and approving a tax increment financing plan therefore (District 5, Ward 7).

WHEREAS, the City Council of the City of Saint Paul (the "Council") has the statutory responsibility under Minnesota Statutes, Section 469.028, to approve redevelopment plans and projects of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA"), after public hearing thereon; and

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") has heretofore established the Saint Paul Neighborhood Redevelopment Project Area (the "Project Area"), and has adopted a redevelopment plan therefor (the "Redevelopment Plan") pursuant to Minnesota Statutes, Sections 469.001 to 469.047, as amended (the "HRA Act"); and

WHEREAS, the Redevelopment Plan contains an identification of need and statement of objectives and program of the HRA for carrying out a housing and redevelopment project, including property to be acquired, public improvements to be provided, development and redevelopment to occur, and sources of revenue to pay costs thereof; and

WHEREAS, the HRA has asked the Council to approve the Seventh Amendment to Redevelopment Plan for the Saint Paul Neighborhood Redevelopment Project Area (the "7<sup>th</sup> Amendment to Redevelopment Plan") to enlarge the Project Area pursuant to and in accordance with the HRA Act following the holding of a public hearing upon published notice as required by law; and

WHEREAS, the Saint Paul Planning Commission, on October 29, 2021, reviewed said 7<sup>th</sup> Amendment to Redevelopment Plan, and adopted resolution #21-50 approving the same as being in conformity with the Saint Paul Comprehensive Plan and the general plan for the development and redevelopment of the City as a whole; and

WHEREAS, the HRA has performed all actions required by law to be performed prior to approving the 7<sup>th</sup> Amendment to Redevelopment Plan;

WHEREAS, the HRA has also asked the Council to approve the creation, within the Project Area, as expanded, of the 520 Payne Avenue Housing Tax Increment Financing District (The Hollows) as a housing tax increment financing district under Minnesota Statutes, Section 469.174, Subdivision 11 (the "TIF District") and adopt a Tax Increment Financing Plan therefor (the "TIF Plan"), all pursuant to and in accordance with Minnesota Statutes, Section 469.174 to 469.1794 (the "TIF Act"); and

WHEREAS, Minnesota Statutes, Section 469.175 requires that before a county auditor may certify a tax increment financing district created under the TIF Act, the governing body of the municipality must approve the tax increment financing plan after a public hearing thereon; and

WHEREAS, the TIF District is being established primarily to facilitate the construction of an affordable housing development consisting of approximately 62 residential units and related amenities including on site management and leasing office, community room, fitness center, business center, elevator, playground and

surface and underground parking (the “Development”) to be developed by Hollows Apartments LLLP, or an affiliate (the “Developer”); and

WHEREAS, the HRA and the City have performed all actions required by law to be performed prior to the creation of the TIF District and adoption of the TIF Plan therefor, including, but not limited to, notification of the Ramsey County Commissioner representing the area of the County in which the TIF District is located, and delivering a copy of the TIF Plan to Ramsey County and Independent School District Number 625, which have taxing jurisdiction over the property to be included in the TIF District; and

WHEREAS, on this date, the Council conducted a public hearing on the TIF Plan and the 7th Amendment to Redevelopment Plan, after duly published notice thereof; and

WHEREAS, at said public hearing the Council considered comments provided by all interested parties on the TIF Plan and the 7th Amendment to Redevelopment Plan; and

WHEREAS, the Council has considered the findings and determinations of the Saint Paul Planning Commission and the HRA respecting the 7<sup>th</sup> Amendment to Redevelopment Plan and the TIF Plan and information respecting the TIF District and the Development, together with the TIF Plan and other documentation submitted in support of the same and has taken into account the information and knowledge gained in hearings upon and during consideration of other matters relating to the developments proposed within the Project Area.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Saint Paul, Minnesota (the “City”) as follows:

Section 1. Findings for the Approval of the 7th Amendment to Redevelopment Plan.

1.01 The Council hereby finds that the 7th Amendment to Redevelopment Plan is intended and, in the judgment of the Council, the effect will be, to carry out the objectives of the Redevelopment Plan, as amended, and to provide an impetus for development and redevelopment activities in the City and to otherwise promote certain public purposes and accomplish certain objectives as specified in the Redevelopment Plan.

1.02 The Council hereby finds that:

(a) for the reasons set forth in the Redevelopment Plan, as amended by the 7th Amendment to Redevelopment Plan, the land in the Project Area, as amended pursuant to the 7th Amendment to Redevelopment Plan, would not be made available for redevelopment without the financial aid to be sought;

(b) the Redevelopment Plan, as amended by the 7th Amendment to Redevelopment Plan, will afford maximum opportunity, consistent with the needs of the City as a whole, for the redevelopment of the Project Area by private enterprise; and

(c) the Redevelopment Plan, as amended by the 7th Amendment to Redevelopment Plan, conforms to the Saint Paul Comprehensive Plan and the general plan for the development of the City as a whole.

Section 2. Findings for the Creation of the TIF District and Adoption of a TIF Plan therefor.

2.01 The Council hereby finds that the creation of the TIF District and adoption of the

TIF Plan therefore are intended and, in the judgment of the Council, the effect will be, to carry out the objectives of the Redevelopment Plan and to create an impetus for the construction of low and moderate income housing, and will otherwise promote certain public purposes and accomplish certain objectives as specified in the Redevelopment Plan and the TIF Plan.

2.02 The Council hereby finds that the TIF District qualifies as a “housing district” within the meaning of the TIF Act for the following reasons:

The District is, pursuant to Minnesota Statutes, Section 469.174, Subdivision 11, a “housing district” because it consists of a project or portions of a project or a portion of a project intended for occupancy, in part, by persons or families of low and moderate income as defined in Chapter 462A, Title II of the National Housing Act of 1934; the National Housing Act of 1959; the United States Housing Act of 1937, as amended; Title V of the Housing Act of 1949, as amended; and any other similar present or future federal, state or municipal legislation or the regulations promulgated under any of those acts. No more than 20% of the square footage of buildings that receive assistance from tax increments will consist of commercial, retail or other nonresidential uses.

The Development to be constructed in the TIF District will consist of approximately 62 units of residential rental housing. At least 40% of the units (i.e., 25 units) in the Development will be rented to and occupied by individuals or families whose income is 60% or less of area median income.

The Development is not expected to be used for any commercial, retail, or other non-residential use; therefore, not more than 20% of the square footage of the building that will receive assistance from tax increments from the TIF District is expected to be used for commercial, retail or other non-residential uses.

2.03 The Council hereby makes the following findings:

(a) The Council further finds that the proposed development, in the opinion of the Council, would not occur solely through private investment within the reasonably foreseeable future and, therefore, the use of tax increment financing is deemed necessary. The specific basis for such finding being:

The Development will result in the acquisition and construction of affordable housing units which construction would not otherwise have been undertaken in the reasonably foreseeable future. The Developer has represented that it could not proceed with the Development without tax increment assistance.

(b) The Council further finds that the TIF Plan conforms to the general plan for the development or redevelopment of the City as a whole. The specific basis for such finding being:

The TIF Plan will generally complement and serve to implement policies adopted in the City’s comprehensive plan. The Development contemplated is or will be in substantial accordance with the existing zoning or any permitted exception for the property.

(c) The Council further finds that the TIF Plan will afford maximum opportunity consistent with the sound needs of the City as a whole for the development of the TIF District by private enterprise. The specific basis for such finding being:

The proposed Development to occur within the TIF District is affordable housing. The Development will increase the taxable market valuation of the City. The available housing in the City will expand by approximately 62 rental units with the completion of the Development

contemplated by the TIF Plan.

(d) The City elects to retain all of the captured tax capacity to finance the costs of the TIF District. The City elects the method of tax increment computation set forth in Minnesota Statutes, Section 469.177, Subdivision 3(a).

(e) The City elects to delay the receipt of the first increment until tax payable year 2024.

2.04 The provisions of this Section 2 are hereby incorporated by reference into and made a part of the TIF Plan.

Section 3. Creation of TIF District and Approval of the 7<sup>th</sup> Amendment to Redevelopment Plan and the TIF Plan.

3.01 The 7<sup>th</sup> Amendment to Redevelopment Plan, the creation of the TIF District, and the adoption of the TIF Plan therefor are hereby approved.

3.02 The Council hereby authorizes the staff of the HRA and the City and the HRA's and City's advisors and legal counsel to proceed with the establishment of the TIF District and implementation of the TIF Plan, the 7<sup>th</sup> Amendment to Redevelopment Plan and this Resolution. The Council hereby authorizes the staff of the HRA and the City and the HRA's and City's advisors and legal counsel to negotiate, draft, prepare and present to the Board of Commissioners of the HRA for its consideration all further plans, resolutions, documents and contracts necessary to accomplish these actions.

3.03 Staff of the HRA is directed to submit a request to Ramsey County to certify the original tax capacity of the TIF District.

3.04 The staff of the HRA is also directed to file a copy of the TIF Plan with the Commissioner of Revenue and the Office of the State Auditor within 60 days after the latest of: (a) the filing of the request with the County Auditor to certify the TIF District and (b) the date of approval of the TIF Plan by the City and the HRA.