



Legislation Text

File #: RES 21-1717, **Version:** 1

Resolution approving revisions to the budget for the construction of a single-family home located at 1080 Ross Avenue and authorizing the execution of a development agreement with Green Affordable Homes of Minnesota under the Inspiring Communities Program, District 4, Ward 6

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 Minn Stat Section 469.002, Subd. 14; and

WHEREAS, the HRA has duly adopted, and there is now lawfully in effect in the City of Saint Paul, Minnesota, a City Wide Comprehensive/Redevelopment Plan (the “Comp Plan”) providing for the acquisition, clearance, and re-sale of land for redevelopment and a City Consolidated Five-Year Plan; and

WHEREAS, on July 24, 2013, by Resolution 13-1097, the HRA Board accepted and approved the HRA Disposition Strategy Work Plan and Budget (the “Disposition Plan”) to address the disposition of certain parcels of real property owned by the HRA; and

WHEREAS, on October 9, 2013, by Resolution 13-1592, the HRA Board accepted and approved key terms of the Disposition Plan’s Inspiring Communities Program (the “Program”); and

WHEREAS, on September 20, 2018, HRA staff released an RFP to solicit proposals for redevelopment of HRA-owned real property in accordance with the Program criteria, and analyzed proposals received, and based upon that work, PED staff made recommendations for award of Program funds and conveyance of seventeen properties to various developers (the “Recommendations”); and

WHEREAS, the Recommendations included an award of 1080 Ross Avenue, and gross subsidy of \$68,087.00, to Green Affordable Homes of Minnesota (the “Developer”); and

WHEREAS, on February 27, 2019, by Resolution PH 19-59, the HRA approved and authorized subsidy expenditures as contained in the Recommendations, and authorized and directed PED staff to take all actions necessary to carry out the Recommendations; and

WHEREAS, subsequent to the February 27, 2019 approval of the Recommendations, the Developer, due to circumstances beyond its control, experienced cost and schedule challenges, resulting in significant construction delays and increased construction costs; and

WHEREAS, the Developer has presented a new schedule and budget proposal to PED staff and has requested an increased gross subsidy of \$153,843; and

WHEREAS, PED staff has determined that the Developer's request is reasonable and consistent with the Disposition Plan, the Program, and the Recommendations.

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

1. The HRA Board hereby approves a gross subsidy of \$153,843 to the Developer for the construction of a new, single-family house at 1080 Ross Avenue, which shall consist of a \$136,343 cash subsidy in the form of a forgivable loan, and a fully forgivable land loan of \$17,500.
2. The HRA Board approves the execution of a new development agreement with the Developer consistent with the approvals contained in this Resolution and Program requirements, including applicable compliance requirements. The Executive Director is authorized to negotiate a development agreement that is consistent with the intent of this Resolution and is approved by the City Attorney Office.
3. The HRA Board hereby authorizes and directs staff to take all actions necessary to carry out the activities authorized by this Resolution, and the Executive Director is hereby authorized and directed to execute all documents and instruments necessary to effectuate the activities to be undertaken by this Resolution.