



Legislation Text

File #: Min 13-24, **Version:** 1

Approval of the June 12, 2013 HRA meeting minutes.

ROLL CALL

Present: Commissioners Bostrom, Brendmoen, Carter, Lantry, Stark, Thune, Tolbert

CONSENT

1. Approval of the May 22, 2013 HRA meeting minutes.

Commissioner Lantry pulled this item from the consent agenda and moved approval of the amended minutes.

VOTE: Yeas - 7 Nays - 0

2. Resolution Approving and Authorizing the Assignment, Assumption, Modification and Subordination of an Existing HRA Loan in the Amount of \$600,000 and a new CDBG Loan in the Amount of \$250,000.00 for St. Albans Park Project, District 8, Ward 1

Commissioner Lantry moved approval. Approved as set forth in resolution RES 13-842.

VOTE: Yeas - 7 Nays - 0

PUBLIC HEARING

3. Resolution Approving the Sale of Land and Conveyance of Parcel 723 Jenks Avenue under the ISP/NSP Program, Payne-Phalen, District 5.

Ms. Cecile Bedor, Executive Director for the HRA, stated that the HRA purchased 723 Jenks in December 2011 with NSP funds for \$44,500. This foreclosed, two-story, 1,500 square foot home, with three bedrooms and bathrooms, was built in 1907. The property is being sold to Sarah Nelson based on the after-rehab appraisal and in consideration of NSP costs for \$172,500, with an owner-occupancy deed restriction. Total gap assistance is \$138,654; program income is estimated at \$155,000.

Chair Thune announced the public hearing. There being no testimony, Commissioner Bostrom moved to close the public hearing and approve the resolution.

VOTE: Yeas - 7 Nays - 0

4. Resolution Approving the Sale of Land and Conveyance of Parcel 732 Maryland Avenue E. under the ISP/NSP Program, Payne-Phalen, District 5.

Ms. Bedor stated that the HRA purchased 732 Maryland in September 2009 for \$6,375. This foreclosed, two-story, 2,185 square foot home, with four bedrooms and two bathrooms, was built in 1913. The property is being sold to Ying Vang and Sao Xiong based on the after-rehab appraisal and in consideration of NSP costs for \$195,000, with an owner-occupancy deed restriction. Total gap assistance is \$86,012; program income is estimated at \$175,500.

Chair Thune announced the public hearing. There being no testimony, Commissioner Bostrom moved to close the public hearing and approve the resolution.

VOTE: Yeas - 7 Nays - 0

5. Resolution Approving the Sale of Land and Conveyance of Parcel 803 Jessamine Avenue E. under the ISP/NSP Program, Payne-Phalen, District 5.

Ms. Bedor stated that the HRA purchased 803 Jessamine in January 2011 for \$48,500. This foreclosed, two-story, 1,450 square foot home with three bedrooms and one bathrooms, was built in 1940. The property is being sold to Jenna Scadden based on the after-rehab appraisal and in consideration of NSP costs for \$152,900, with an owner-occupancy deed restriction. Total gap assistance is \$99,707; program income is estimated at \$135,400.

Chair Thune announced the public hearing. There being no testimony, Commissioner Bostrom moved to close the public hearing and approve the resolution.

VOTE: Yeas - 7 Nays - 0

6. Resolution Approving the Sale of Land and Conveyance of Parcel 707 Thomas Avenue under the ISP/NSP Program, Thomas-Dale, District 7.

Ms. Bedor stated that the HRA purchased 707 Thomas in March 2010 for \$8,836. This foreclosed, two-story, 1,500 square foot home with five bedrooms and two bathrooms, was built in 1914. The property is being sold to Vincent Almeda on the after-rehab appraisal and in consideration of NSP costs for \$154,900, with an owner-occupancy deed restriction. Total gap assistance is \$24,051; program income is estimated at \$137,400.

Chair Thune announced the public hearing. There being no testimony, Commissioner Carter moved to close the public hearing and approve the resolution.

VOTE: Yeas - 7 Nays - 0

7. Resolution Approving and Authorizing (1) Conveyance of HRA Parcels to City of Saint Paul's Department of Parks and Recreation; and (2) Authorizing the HRA Executive Director to Finalize the Land Conveyance Documents for Execution by Appropriate HRA Officers In Connection with the Heritage Park Project, District 5, Ward 6.

Chair Thune announced the public hearing. There being no testimony, Commissioner Bostrom moved to close the public hearing and approve the resolution.

VOTE: Yeas - 7 Nays - 0

8. Resolution (i) Authorizing a Home Loan, (ii) Approving an HRA Budget Amendment, (iii) Approving the Establishment of the Hamline Station East Tax Increment Financing District and (iv) Adopting a Tax Increment Financing Plan Therefor

Ms. Bedor stated that Project for Pride in Living Inc., the developer, is proposing to re-develop 13 parcels at the northeast corner of the Hamline and University Avenues intersection, into a mixed-use development. Due to the overall financing structure of this project and the ownership, the project is bifurcated into two separate projects: east and west. This action is related to the East portion, which will be a four-story, 51unit project owned by Hamline Station Family LP; financing is proposed to include 9% low income housing tax credits, HOME funds, and TIF. Recall, you had a public hearing last week at City Council to establish the TIF district.

The west Project, which is next on your agenda, is four-stories, with approximately 14,000 square feet

of street level (first floor) commercial/retail space and 57 housing units.

A public plaza between the buildings, and structured underground parking, will be jointly owned by both projects.

This, the east project, has 10 units that will serve people with incomes at or below 30% of area median income; 15 units at or below 50%; and 26 at or below 60%. There will be 12 one-bedroom units; 26 two-bedroom units; and 13 three-bedroom units.

This is a \$12.6 million project with 11 sources of funding. They are seeking, and staff is recommending, a \$550,000 HOME loan and TIF. The HOME Loan would be deferred, at 1% interest with a 32-year term.

The TIF will not exceed \$1.4M over 25 years and will be a pay-go note. Last week, the City Council held a public hearing to establish the TIF district. Today, you're approving the TIF financing plan which is required by the State of Minnesota. There is however, no TIF district until it's certified; you won't do that until you approve the final development agreement and the developer has secured all necessary financing. And, again, to be clear, pay-go notes means that if the HRA-pledged TIF stream is insufficient to repay the full principle and interest, the developer will be solely responsible for paying any deficiencies. So, there are no scheduled payments; the developer will receive 90% of what we collect, and all payments made to the developer will first be credited to interest owed.

This is a fantastic project, and one that the broader funding and advocacy communities have been championing for several years now. The project is at the Hamline Station stop on University Ave, and is within a short walking distance of several of amenities such as the Midway shopping center, Super-Target, Walmart, and other major retailers/ employers. Several educational and recreational facilities such as Horton Park and Jimmy Lee Recreational Center are also within close proximity.

This project will also help us achieve our goals under the Big Picture Project, which the HRA accepted and endorsed in November of last year.

Commissioner Stark expressed his appreciation to Ms. Bedor and PED staff for the years of work on getting the project to this point. He noted that the project meets a lot of City goals along University Avenue that we've established over the last five plus years in terms of trans-orientated development, street level retail, and affordable housing. This project, will represent one of the first major redevelopments of one of the old unused car lots that will point the way for a lot of private investment. This is a great way to start the process of getting the ball rolling with investment in that area and getting affordable housing at the same time.

Ms. Bedor announced that Executive Director for Project for Pride in Living, Mr. Steve Cramer, and Project Manager Mr. Chris Dettling were present at the meeting.

Mr. Cramer reiterated Commissioner Stark's comments, and asked for the Board's support in making Hamline Station a reality.

Commissioner Tolbert stated he would not support , stating that he believes this type of support limits the City's tax base. Affordable housing is important, and the City wants to diversify the neighborhoods so that affordable housing isn't only in one neighborhood. This neighborhood arguably already has a lot of affordable housing.

Commissioner Stark moved approval. Approved as set forth in resolution RES 13-856.

VOTE: **Yeas - 6** **Nays - 1 (Tolbert)**

9. Resolution (i) Authorizing a HOME Loan, (ii) Approving an HRA Budget Amendment, (iii) Approving the Establishment of the Hamline Station West Tax Increment Financing District and (iv) Adopting a Tax Increment Financing Plan Therefor

Ms. Bedor stated that this action is related to the west portion. The west portion is four stories, with a little over 14,000 square feet of first floor commercial space, with 57 total units on the second through fourth floors. The commercial portion of the west project will be owned, financed, and leased by Excelsior Bay. Hamline Station LP will own the housing; PPL will be the managing general partner.

In this, the east project, 12 units will serve people with incomes at or below 50% of area median income; and 45 will serve people at or below 60%. There will be nine efficiency units; 30 one bedroom units; and 18 two bedroom units.

As is the case with the east portion, this west portion is a \$12.6 million project with 11 sources of funding. They are seeking, and staff is recommending, a \$550,000 HOME loan and TIF. The HOME Loan would be deferred, at 1% interest with a 32-year term. The TIF will not exceed \$3.69M over 25 years and will be a pay-go note.

Commissioner Stark moved approval. Approved as set forth in resolution RES 13-857.

VOTE: Yeas - 6 Nays - 1 (Tolbert)

ADJOURNMENT

Commissioner Brendmoen moved adjournment. The HRA meeting was adjourned.