



Legislation Text

File #: RES PH 21-130, **Version:** 1

Authorization to designate The Sherburne Collective as Tentative Developer of 648, 650, and 652 Sherburne Avenue, District 7, Ward 1

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, HRA owns property located at 648, 650, and 652 Sherburne Avenue, which consists of an eight (8) unit multi-family residential building on one parcel and two vacant lots (collectively referred to as the "Property"); and

WHEREAS, between September 4, 2020 and November 20, 2020, HRA staff received five proposals to purchase the Property; and

WHEREAS, after reviewing the five proposals, HRA staff recommends accepting the proposal from Thomas-Dale/District 7 Planning Council, Inc. d/b/a Frogtown Neighborhood Association ("Frogtown Neighborhood Association") and Model Cities of St. Paul Inc. in which Frogtown Neighborhood Association, Model Cities of St. Paul Inc., and Hope Community, Inc. (collectively referred to as "The Sherburne Collective") intend to redevelop the Property to convert the existing building into six units to accommodate a wider variety of households and utilize the two vacant lots at 648 and 650 Sherburne to create parking, a garden and green space for residents living in the building (the "Project"); and

WHEREAS, of the five proposals received, the Project proposed by The Sherburne Collective best accomplishes the objectives and goals of the HRA Land Disposition Policy and best complies with the strategies set forth in the Citywide Comprehensive Plan/Redevelopment Plan now legally in effect in the City of Saint Paul, including particularly those related to providing family-sized affordable housing options, preservation of naturally-occurring affordable housing in areas with improved transit to reduce displacement, promotion of shared-equity ownership options, and preservation of historic housing stock; and

WHEREAS, the HRA is empowered by law, including Minnesota Statutes chapter 469, to adopt and enforce this Resolution in pursuit of its mandate to engage in appropriate housing and development projects; to remove or prevent the spread of conditions of blight or deterioration; to bring substandard buildings and improvements into compliance with public standards; to dispose of land for private development; and to improve the tax base and the financial stability of the community,

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, that Frogtown Neighborhood Association, Model Cities of St. Paul Inc., and Hope Community Inc, collectively referred to as The Sherburne Collective, are designated as Tentative Developer for the Property until June 30, 2022 on the terms and conditions set forth in this Resolution.

BE IT FURTHER RESOLVED that within two weeks of the passage of this Resolution, The Sherburne Collective must execute and deliver to HRA staff the first compliance acknowledgment letter and, if at the end of the period for tentative developer status it is determined that a sale under the HRA's land disposition policy is desired, The Sherburne Collective must sign the second compliance letter before approval of the full development agreement is sought.

BE IT FURTHER RESOLVED that The Sherburne Collective shall complete the following tasks, at its expense, before June 30, 2022:

1. Complete and obtain HRA approval of a formal scope of work with architectural/engineering plans and specifications, which shall be suitable for submission to the City of Saint Paul's Department of Safety and Inspections to obtain the proper building permits, shall incorporate Sustainable Development guidelines, and shall include a site plan, elevations, exterior treatments/materials, and interior schematics.
2. Submit evidence of both permanent and construction financing for review and approval by HRA staff.
3. Finalize a detailed development budget and business and marketing plan for approval by HRA staff.
4. Receive all approvals for zoning, licenses and any other required City or State approval for the Project.
5. Negotiate final terms and conditions of a development agreement acceptable to HRA staff and legal counsel for the HRA, which will include all compliance requirements, details of the bidding process, and a sworn construction cost statement from the selected contractor for the Project.
6. Identify the structure of the community ownership model that will be established after the completion of the development Project and submit a detailed plan for the establishment of community ownership structure for review and approval by HRA staff and legal counsel for the HRA.
7. Submit a rental proforma for the Property for review and approval by HRA staff.
8. Frogtown Neighborhood Association, Model Cities of St. Paul Inc., and Hope Community, Inc. review and sign a Memorandum of Understanding (MOU), drafted and deemed acceptable by HRA staff and legal counsel for the HRA, within thirty (30) days of the passage of this Resolution to confirm their understanding and acceptance of the terms and conditions contained in this Resolution that must be met during the period for tentative developer status and to confirm the following:
 - a. The roles and responsibilities of each organization that is part of the Sherburne Collective as defined herein and in the attached report to the Commissioners;
 - b. The nature and scope of the relationship between The Sherburne Collective and the Housing Justice Center, Historic Saint Paul and TWP Architects, including the professional services or other assistance that each of these organizations will provide to the Sherburne Collective as part of the development Project or community ownership model;
 - c. The name and contact information for the person designated as a single point-of-contact for HRA staff; and
 - d. That unless otherwise specifically agreed to in writing by the HRA, items a. through c. shall remain the same during the entire development Project and implementation of any community ownership structure and, as in relation to The Sherburne Collective, throughout the period of time that any organization defined herein as part of The Sherburne Collective owns the Property.

BE IT FURTHER RESOLVED that the terms and conditions of a development agreement between the HRA and the organizations defined herein as The Sherburne Collective shall include the following terms and

restrictions:

1. All pre-development costs are the sole responsibility of The Sherburne Collective.
2. The Sherburne Collective must work with community groups affected by the Project.
3. The Property will be sold "As-Is" and include indemnification from all of the organizations defined herein as The Sherburne Collective.

BE IT FURTHER RESOLVED that if The Sherburne Collective does not timely complete the specified tasks or otherwise abide by the terms of this Resolution or the MOU, in the sole discretion of the HRA Executive Director, The Sherburne Collective's tentative developer status may be terminated without further action by this Board upon written notification of termination by the HRA Executive Director. The Executive Director may by written notification grant a termination forbearance for a period not exceeding three months conditioned on The Sherburne Collective showing significant and continued progress, as determined by the HRA Executive Director, of the tasks defined above and that it is diligently pursuing the completion of any remaining tasks. Upon a final termination of the tentative developer status, The Sherburne Collective shall have no rights and the HRA no obligations under this Resolution.

BE IT FURTHER RESOLVED that a development agreement must be submitted to and approved by this Board, but nothing in this Resolution, or the actions taken by The Sherburne Collective, or any party working with The Sherburne Collective, in connection with the Project, shall be construed to require this Board to approve a development agreement.

BE IT FURTHER RESOLVED that the HRA will grant access to the Property to The Sherburne Collective by a license agreement deemed acceptable by legal counsel for the HRA so that The Sherburne Collective can perform its due diligence, provided that entry onto the Property shall not interfere with any HRA operations or any individuals residing at the Property.

BE IT FURTHER RESOLVED that the HRA Executive Director, staff and legal counsel for the HRA are further authorized to take all actions necessary to implement this Resolution. The HRA Executive Director is further authorized, subject to review and approval by the HRA's legal counsel, to execute any documents and instruments necessary to implement this Resolution.