



Legislation Text

File #: RES PH 16-205, **Version:** 1

Resolution Approving and Authorizing the Contingent: (a) Sale and Conveyance of 830, 840 and 940 Selby Avenue, Saint Paul, MN to Rondo Community Land Trust and Community Housing Development Corporation, and (b) Commitment of HOME Funds, CDBG Funds and Net Land Sales Proceeds, District 8, 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, 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 owns in fee simple the following properties, namely: 838, 840 and 940 Selby Avenue, Saint Paul, Minnesota (collectively the "Properties"); and

WHEREAS, on May 13, 2015 by Resolution No. 15-868 the HRA Board of Commissioners designated Rondo Community Land Trust and Community Housing Development Corporation (collectively the "Tentative Developer") as tentative developer for the development of the Properties; and

WHEREAS, since May 13, 2015 the Tentative Developer has engaged in many actions to further the pre-development of a project consisting of 34 units of affordable housing targeting seniors, and approximately 9,300 square feet of affordable commercial space (the "Project"), and these actions include the securing of Met Council funds of \$597,000.00, Capitol River Watershed District funds of \$95,000.00, and Neighborhood STAR funds of \$200,000.00, and other actions as more specifically set forth in the staff report accompanying this Resolution; and

WHEREAS, the Tentative Developer needs to secure additional financing for the Project from: (a) the HRA in the form of HOME funds, CDBG funds and net land sales proceeds; and (b) other funders including Minnesota Housing Finance Agency; and

WHEREAS, the HRA is willing to conditionally approve the sale and conveyance of the Properties to the Tentative Developer, and award the Tentative Developer up to \$300,000.00 of HOME funds, up to \$500,000.00 of CDBG funds, and up to \$450,000.00 of net land sales proceeds of the sale of the Properties ("HRA Financing"), contingent on the Tentative Developer securing financing from other funders ("Additional Financing") in an amount necessary to fund the capital costs to construct the Project no later than December 31, 2017; and

WHEREAS upon the Tentative Developer securing the necessary Additional Financing, HRA staff will conduct a gap analysis to determine the appropriate level of HRA Financing, and will return to this Board with a recommendation of the amount of the actual HRA Financing and approval of a development agreement and budget amendment; and

WHEREAS, notice of this contingent sale and conveyance of the Properties to the Tentative Developer was published in the Saint Paul Pioneer Press and a public hearing on this proposed sale was held on Wednesday, June 22, 2016 at 2:00 pm, central daylight time, on the third floor of City Hall, 15 West Kellogg Boulevard, Saint Paul, Minnesota; and

WHEREAS, by this resolution the HRA finds a public purpose for the actions taken by the HRA Board in this Resolution.

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

1. The HRA Board of Commissioners hereby conditionally approves the sale and conveyance of the Properties to the Tentative Developer and approval of the HRA Financing contingent on: (a) the Tentative Developer securing the necessary Additional Financing for the Project no later than December 31, 2017; and (b) this HRA Board of Commissioners approving the actual amount of HRA Financing for the Project. The failure to satisfy the condition in this section 1(a) by December 31, 2017 and the condition in this section 1(b) by March 31, 2018 will render this conditional approval null and void without any further action taken by this HRA Board of Commissioners, and the Properties will not be sold or conveyed and the HRA Financing will not be provided to the Tentative Developer.

2. The HRA Executive Director, staff and legal counsel for the HRA are further directed and authorized to take all actions necessary to implement this Resolution. The HRA's Executive Director is authorized to execute any documents and instruments in connection with this Resolution.