



## Legislation Text

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**File #:** RES 20-902, **Version:** 1

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Resolution authoring the Housing and Redevelopment Authority of the City of St. Paul to participate in the Minnesota Housing Finance Agency Community Homeownership Impact Fund and accept a grant for \$1,025,000 for the St. Paul HRA Downpayment Assistance Program, Citywide

**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 Minnesota Statutes section 469.002, subdivision 14; and

**WHEREAS**, pursuant to Minnesota Statute Section 469.012, subd. 13, the HRA has the power to develop and administer a downpayment assistance loan and grant program with respect to property located within the City of Saint Paul on terms and conditions the HRA determines; and

**WHEREAS**, before carrying out such a downpayment assistance loan and grant program, the HRA must find that the program is necessary in the areas in which it is made available in furtherance of an HRA policy to promote economic integration or to encourage owner occupancy of single-family residences; and

**WHEREAS**, the Saint Paul City Council, through Resolution 18-1204, called for a Downpayment Assistance Program in the 2019 budget to benefit Saint Paul residents who wish to become homeowners and to provide additional support for first-time home buyers; and

**WHEREAS**, the Saint Paul City Council, through Resolution 19-1970, approved the guidelines and funding for the Downpayment Assistance Program; and

**WHEREAS**, in June 2019, the HRA applied to the Minnesota Housing Finance Agency's Community Homeownership Impact Fund (MHFA Impact Fund) program for an additional \$1,000,000 to be used with the Housing Trust Fund ("HTF") dollars in targeted geographic areas. The HRA received an award from MHFA of \$1,025,000; and

**WHEREAS**, at its September 24, 2019 meeting, the Planning and Economic Development ("PED")'s Credit Committee voted to approve origination of loans consistent with the Downpayment Assistance Program Guidelines with a risk rating of "Vulnerable."

**WHEREAS**, at its November 13, 2019 Board Meeting, the HRA allocated \$1,500,000 of the Housing Trust Fund (HTF) to the Downpayment Assistance Program. The HRA also approved the Downpayment Assistance Program Guidelines.

**WHEREAS**, the \$1,025,000 MHFA Impact Funds will be used as follows: \$1,000,000 for deferred 0%

downpayment assistance loans with a maximum loan of \$20,000 per household/buyer. MHFA reimburses the HRA for each of the loans made after closing on the purchase of the home; \$25,000 for administrative fees to the HRA. HRA will receive \$500 per loan closed as part of the reimbursement request.

**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 authorizes to participate in the MHFA Community Impact Fund Program and can accept a Grant for \$1,025,000 for the St Paul HRA Downpayment Assistance Program.

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.