



Legislation Text

File #: RES 21-1775, **Version:** 2

Resolution Approving Civil Uprising Funding Allocations, 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.; and

WHEREAS, in the aftermath of the murder of George Floyd in May of 2020, numerous businesses and properties across the City of Saint Paul were impacted during the resulting civil uprising; and

WHEREAS, At the December 9, 2020 Meeting of the HRA, a budget for fiscal year 2021 in the amount of \$1,000,000 was established for 2020 civil uprising business assistance through the passage of resolution RES 20-1681 (the “Civil Uprising Budget”); and

WHEREAS, The State of Minnesota approved the Main Street Economic Revitalization Program in the 2021 legislative session and signed by Governor Tim Walz on June 29, 2021; and

WHEREAS, The Main Street Economic Revitalization Program will make grants to nonprofit partner organizations to fund matching grants and guaranteed loans to eligible recipients for eligible projects that are designed to address the greatest economic development and redevelopment needs that have arisen in communities across Minnesota since March 15, 2020, including impacts of civil unrest and the COVID-19 outbreak; and

WHEREAS, On October 14, 2021 The Saint Paul and Minnesota Foundation was awarded \$8,960,000 from the Main Street Economic Revitalization Program to provide grants to business in the Snelling-University-Rice Cultural district, East Side and West Seventh commercial corridors of Saint Paul to support economic recovery from the impacts of civil uprising and the COVID-19 public health emergency; and

WHEREAS, Capital projects funded through the Saint Paul and Minnesota Foundation Main Street Economic Revitalization Program will require matching funds that do not come from the state or federal governments; and

~~**WHEREAS**, The identified Snelling-University-Rice Cultural district, East Side, and West Seventh commercial corridors continue to have need for capital funds for businesses to recover from the civil uprising and COVID-19 public health emergency; and~~

WHEREAS, There is also a desire to see properties in or near areas affected by the civil uprising conveyed to existing businesses, residential tenants within the community, and community-based owners to promote wealth-building, prosperity and resilience; and

WHEREAS, the Local Initiatives Support Corporation Twin Cities (LISC) established The Community Asset Transition (“CAT”) Fund as a flexible, affordable pool of capital to enable the acquisition of commercial and residential properties in or near the cultural districts that were impacted by the civil uprising following the murder of George Floyd and the economic fallout of the COVID-19 public health emergency; and

WHEREAS, The CAT Fund combines LISC debt capital with credit enhancement from public and private

mission investors to help secure key properties and allow time to cultivate a vision for transformation and ownership that reflect the goals of the community; and

WHEREAS, The CAT Fund, utilizing separate funds, also provides technical, predevelopment, and capacity supports to prospective developers and long-term owners to help them prepare for development and sustainable property ownership; and

WHEREAS, The HRA Board of Commissioners finds that there is a compelling reason to reduce the ENS notice period for projects requesting funding from the Civil Uprising Budget to be able to quickly respond to the needs of businesses to acquire and renovate properties expeditiously; and

WHEREAS, The HRA Board of Commissioners finds a public purpose in participating in the initiatives outlined herein as they support Saint Paul's economic recovery from the impacts of social unrest and the COVID-19 public health emergency;

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

1. The Board hereby allocates \$500,000 of the Civil Uprising Budget to support capital investments in businesses ~~citywide in the Snelling-University-Rice Cultural district, East Side and West Seventh commercial corridors~~, for the following expenses: repair or renovation of real property; building construction; landscaping and streetscaping; demolition and site preparation; predesign and design; engineering; infrastructure; related site amenities.
2. The Board hereby allocates \$500,000 of the Civil Uprising Budget to support the LISC CAT Fund.
3. The Board hereby approves and authorizes a Master Participation Agreement with LISC to create a leveraged capital pool CAT Fund for the acquisition of commercial and residential properties along commercial corridors within the City of Saint Paul that were adversely impacted by civil unrest and identified by community partners as being at risk of market conversion or gentrification, with an amount not to exceed \$500,000 in total or \$250,000 for a single acquisition, terms of these loans would be interest at a rate of 0% to the CAT Fund, loan terms of 5 years or less to be extended only with the written approval by the HRA, eligible uses would be for acquisition only with HRA funds, borrowers must be community-based nonprofit organizations, and the HRA's right to repayment on loaned funds would be subordinated to payments to LISC.
4. The Board hereby authorizes the reduction of the HRA's ENS public notice period for requests of \$250,000 or more of financial assistance from the Civil Uprising Budget from 45-days to 10-days.
5. The Board hereby authorizes and directs staff to take all actions necessary to carry out the activities authorized by this Resolution including, but not limited to, the execution of all documents and instruments necessary to effectuate the activities to be undertaken by this Resolution.