



Legislation Text

File #: RES 23-1721, **Version:** 1

Resolution approving and authorizing extension of the terms of three HRA loans associated with Tilsner Building Limited Partnership, for property at 300 Broadway Street, District 17, Ward 2

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") is a public body corporate and politic organized, existing, and operating under the laws of the State of Minnesota, Minn. Stat. Sec. 469.001, et seq. (the "Act"); and

WHEREAS, the HRA has the power to engage in development and redevelopment activities under the Act and when needs cannot be met through reliance solely upon private initiative, which can also be undertaken in targeted neighborhoods, and is authorized to create redevelopment projects as defined in the Act, and said activities include but are not limited to: (a) providing adequate, safe and sanitary dwellings, remedying housing shortages for low and moderate income residents, and providing housing for persons of all incomes through housing projects and development, (b) removing and preventing blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) performing duties according to the comprehensive plan, (e) disposing of land for private redevelopment, and (f) improving the tax base and the financial stability of the community; and

WHEREAS, in 1993, Tilsner Building Limited Partnership, a Minnesota limited partnership ("Borrower") purchased the subject property at 300 Broadway Street, for the purpose of renting housing units at an affordable rate to artists. The building was in substandard condition, and thereafter Borrower brought building into compliance with public standards, improved the tax base, improved the financial stability of the community, and created affordable housing units; and

WHEREAS, in connection with such purchase and development of the building, the HRA and Borrower executed a Fourth Mortgage Agreement dated March 10, 1993 ("Fourth Mortgage"), and Borrower executed and delivered to HRA a certain Promissory Note dated March 10, 1993 in the original principal amount of \$400,000 and maturing on December 31, 2023 (the "Note") as payment for the purchase price and redevelopment; and

WHEREAS, in connection with such purchase and development of the building, the HRA and Borrower executed a Fifth Repayment Note dated March 10, 1993 ("Fifth Mortgage"), and Borrower executed and delivered to HRA a certain Promissory Note dated March 10, 1993 in the original principal amount of \$320,000 and maturing on December 31, 2023 (the "Note") as payment for the purchase price and redevelopment; and

WHEREAS, in connection with such purchase and development of the building, the HRA and Borrower executed a Sixth Repayment Note dated March 10, 1993 ("Sixth Mortgage"), and Borrower executed and delivered to HRA a certain Promissory Note dated March 10, 1993 in the original principal amount of \$250,000 and maturing on December 31, 2023 (the "Note") as payment for the purchase price and redevelopment; and

WHEREAS, The Amendments to the three loans will only take place if the Third Mortgage from the Family Housing Fund is also amended to extend the maturity date to December 31, 2029.

WHEREAS, the parties hereto now desire to modify the Notes and the Mortgage to change the maturity date of the three associated loans, along with other related modifications;

WHEREAS, staff from the Department of Planning and Economic Development, after the Credit Committee's approval on October 31, 2023, now recommends that the Board of Commissioners of the HRA approve the loan modifications that are set forth below.

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

1. that in the event that the Family Housing Fund also extends the maturity date of its Third Mortgage and the Limited Partnership extends the maturity date of its Second Mortgage, the HRA hereby approves amending the Fourth Mortgage and Note, and the Fifth and Sixth Repayment Notes, and any related loan documents made with Tilsner Building L.P. under the terms and conditions described in the staff report and consistent with the following:
 - a. The maturity date of the three loans may be extended to December 31, 2029,
 - b. that the HRA waives its loan modification fee above \$500.
- c. that the HRA hereby approves and authorizes staff, under the direction of the Executive Director, to take all actions necessary to carry out the activities authorized by this Resolution, including finalizing all documents and agreements necessary to effectuate the activities to be undertaken by this Resolution, subject to approval by the City Attorney's Office.
- d. that the only signature that shall be required on any and all documents in connection with this Resolution, subject to approval by the City Attorney's Office, is that of the Executive Director of the HRA who is hereby approved and authorized to execute all said documents and instruments, which shall be sufficient to bind the HRA to any legal obligations therein.
- e. that this Resolution does not constitute a binding legal agreement; rather, the action taken herein shall not be effective until said documents are executed by the appropriate official(s) of the HRA.