



Legislation Text

File #: RES 15-2174, **Version:** 1

Resolution Approving a Modification on a \$1,000,000 Loan to Jamestown Homes, LLLP, Ward 1, District 8
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, the HRA has the power to engage in development or redevelopment activities under Minnesota law; 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, 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, subd. 14; and

WHEREAS, Jamestown Homes, LLLP (the "Developer") requested from the HRA a \$1,000,000 loan for the purpose of acquiring the Jamestown Homes site located at 564 Central Avenue and comprised of seventy-three (73) units of affordable rental housing (the "Project"); and

WHEREAS, on May 14, 2014, by Resolution 14-846, the Board of Commissioners of the HRA determined that there was a proper public purpose to providing the requested acquisition assistance to the Project, and approved such assistance in the form of a loan, deferred for a period of up to 30 years, in the amount of up to \$1,000,000, consisting entirely of \$250,000 of federal Community Development Block Grant ("CDBG") funds and \$750,000 from the Affordable Housing Trust Fund; and

WHEREAS, on June 25, 2014, by Resolution 14-1109, the Board of Commissioners rescinded Resolution 14-846 and authorized a budget amendment in order to change to source of assistance to consist solely of CDBG funding; and

WHEREAS, the Developer has requested a modification of the previously approved loan to extend the maturity date to be 43 years or coterminous with first mortgage financing at 1% interest with deferred interest and payments; and

WHEREAS, the Board finds a public purpose in converting the acquisition assistance loan to permanent financing, with Parcel A as collateral, in order to support the rehabilitation of the Project; and

WHEREAS, the Board finds a public purpose in creating a \$25,730 security interest in Parcel B to protect the HRA's investment at 1% interest with deferred interest and payments for a period of fifteen (15) years,

WHEREAS, Parcels A and B are legally described as follows:

Description of Parcel A

Lots 1 through 11 and Lots 20 through 30, Block 11, MACKUBIN AND MARSHALL'S ADDITION, according to the recorded plat thereof, Ramsey County, Minnesota, and part of Lot 12, said Block 11, MACKUBIN AND MARSHALL'S ADDITION, lying east of a line described as commencing at the northwest corner of Lot 14, of said Block 11, MACKUBIN AND MARSHALL'S ADDITION; thence North 89 degrees 22 minutes 13 seconds East, along the north line of said Block 11, a distance of 98.68 feet to the point of beginning of the line to be described; thence South 00 degrees 34 minutes 36 seconds East 132.26 feet to the south line of said Lot 12

and said line there terminating.
(Abstract and Torrens property)

Description of Parcel B

Lots 13 and 14, Block 11, MACKUBIN AND MARSHALL'S ADDITION, according to the recorded plat thereof, Ramsey County, Minnesota, and part of Lot 12, said Block 11, MACKUBIN AND MARSHALL'S ADDITION, lying west of a line described as commencing at the northwest corner of said Lot 14; thence North 89 degrees 22 minutes 13 seconds East, along the north line of said Block 11, a distance of 98.68 feet to the point of beginning of the line to be described; thence South 00 degrees 34 minutes 36 seconds East 132.26 feet to the south line of said Lot 12 and said line there terminating.
(Abstract and Torrens property)

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 approves the modification of the \$1,000,000 loan to Jamestown Homes, LLLP by extending the maturity date and terms in accordance with this Resolution.
2. The HRA Board approves the creation of a security interest in Parcel B.
3. The HRA Executive Director, staff and legal counsel are authorized and directed to take any actions required to implement this Resolution provided that such agreement and documents are acceptable in form and substance to the Saint Paul City Attorney.