



Legislation Text

File #: RES 23-345, **Version:** 1

Resolution recommending approval of the financing of a \$2,307,342 American Rescue Plan Act (ARPA) loan and authorization to enter into a Subrecipient and Loan Agreement for the Ashland Apartments project at 532 Ashland, District 8, Ward 1

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 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, on March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President of the United States; and

WHEREAS, the ARPA established the Coronavirus Local Fiscal Recovery Fund, intended to provide support to local governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 in communities, residents, and businesses; and

WHEREAS, from the Local Fiscal Recovery Fund the U.S. Department of Treasury is distributing \$45.8 billion to metropolitan cities, of which the City of Saint Paul (the City) received an allocation totaling \$166,641,623; and

WHEREAS, on December 16, 2021, via RES 21-1794, the City allocated \$20 Million of its ARPA Local Fiscal Recovery Funds to its department of Planning and Economic Development for the provision of deeply affordable housing as a response to the negative economic impacts suffered from the COVID-19 public health emergency; and

WHEREAS, on December 7, 2022, via RES 22-1868, the City allocated an additional \$17.5 Million of its ARPA Local Fiscal Recovery Funds to its department of Planning and Economic Development for the provision of deeply affordable housing as a response to the negative economic impacts suffered from the COVID-19 public health emergency; and

WHEREAS, through a formal solicitation and review process for the 30% AMI Deeply Affordable Housing ARPA funds, the City identified Ashland Apartments as an eligible recipient for an allocation; and

WHEREAS, Ashland Apartments LLC, a Minnesota limited liability company (“Developer”), in response to the City’s solicitation, proposes to create 17 units of affordable housing by converting and rehabilitating Ashland Apartments, a property located at 532 Ashland Avenue (“Project”); and

WHEREAS, the Developer has requested financial assistance in the amount of \$2,307,342 of ARPA funds

from the City; and

WHEREAS, to facilitate the conversion, rehabilitation, and production of deeply affordable housing units at the Project, the City proposes to provide the Developer with an ARPA loan of \$2,307,342; and

WHEREAS, the ARPA loan will be made pursuant to the terms and conditions of a ARPA Subrecipient and Loan Agreement ("Loan Agreement") between the City and Developer and related documents; and

WHEREAS, by this Resolution the HRA finds a public purpose for issuance of the requested financing because it will facilitate the development of decent, safe, and affordable housing;

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

1. The Board recommends authorization and approval of \$2,307,342 in ARPA award funds for the Project and authorization to enter into the Loan Agreement with the Developer.
2. The Board 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.
3. 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 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.
4. 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.