



## Legislation Text

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**File #:** RES 24-1018, **Version:** 1

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Resolution recommending the authorization and approval of a subordination of a \$1,400,000 TIF Loan to Listening House of St. Paul, Incorporated, 421 7<sup>th</sup> Street East, District 4, Ward 2

**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**, Listening House acquired the building and parking lot on parcels located at 421, 423, and 423a East 7th Street (the "Property") for the purpose of redeveloping the Property into a drop-in day shelter (the "Project"); and

**WHEREAS**, the Project will provide important resources for unsheltered persons and others needing the services Listening House provides; and

**WHEREAS**, on July 27, 2022, the Housing and Redevelopment Authority of the City of Saint Paul approved a \$1,400,000 Temporary TIF loan via RES 22-1150 for the Project (the "TIF Loan"); and

**WHEREAS**, the TIF Loan includes a mortgage which is currently in first position on the Property, but had previously been subordinate to a private bank loan that has since been satisfied; and

**WHEREAS**, after the TIF Loan was executed, Listening House received an appropriation grant from the State of Minnesota ("State Appropriation"), which requires that no prior and/or superior lien may be imposed on the Property; and

**WHEREAS**, so that Listening House may access the State Appropriation, which would allow them to complete the Phase Two of the Project, the HRA must subordinate its lien position for the TIF Loan; and

**WHEREAS**, by this Resolution, the HRA finds that the Project will increase the services and accommodations provided by the Listening House to the unsheltered population.

**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 hereby recommends the authorization and approval of a subordination of the TIF Loan under the terms articulated in the Board Report accompanying this Resolution, with any additional terms and conditions as deemed necessary and appropriate by the HRA Executive Director and the City Attorney's Office.
2. The HRA Chair or Commissioner, the HRA Executive Director, and the City's Director of the Office of Financial Services are hereby authorized to execute the necessary documents in connection with the Loan, provided that such documents are acceptable in form and substance to the City Attorney's Office.
3. The HRA Executive Director, Staff, and City Attorney's Office are hereby authorized to take all other actions needed to implement this Resolution.
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.