



## Legislation Text

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**File #:** RES 19-1856, **Version:** 1

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Resolution approving and authorizing the execution of a Second Amended and Restated Compliance Agreement, certain TIF Note Assignments, and related documents for the North Quadrant TIF District, District 17, Ward 2

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") has heretofore created the North Quadrant Redevelopment Project Area (as amended, the "Project Area") and adopted a Redevelopment Plan therefor pursuant to Minnesota Statutes, Sections 469.001 to 469.047 (the "HRA Act") to provide for, among other things, the acquisition and redevelopment of blighted areas within the City of Saint Paul (the "City");

WHEREAS, the HRA has established, within the Project Area, the North Quadrant Tax Increment Financing District (the "TIF District"), as a redevelopment tax increment financing district, and adopted a Tax Increment Financing Plan therefor (the "TIF Plan"); all pursuant to Minnesota Statutes, Sections 469.174 through 469.1794 (the "TIF Act") and the Laws of Minnesota 2000, Chapter 490, Article 11, Section 40 (the "Special Law");

WHEREAS, under the Special Law the applicable income restrictions for the housing developments in the TIF District are measured across the TIF District rather than within each building or development so that at least 20% of the housing units in the TIF District must be occupied by individuals whose family income is equal to or less than 50% of area median gross income ("AMI") and an additional 60% of the housing units in the TIF District must be occupied by individuals whose family income is equal to or less than 115% of AMI (collectively, the "Income Restrictions") while 20% of the housing units in the TIF District are not subject to any income limitations;

WHEREAS, the HRA, Sibley Park Limited Partnership ("Sibley Park"), Sibley Court Limited Partnership ("Sibley Court") and Lyons Court Limited Partnership ("Lyons Court" and, together with Sibley Park and Sibley Court, the "Rental Developers"), together with Northeast Quadrant, LLC (the "Northeast Developer"), Dakota on the Park LLC (the "Dakota Developer"), and 9th Street Lofts LLC (the "9th Street Developer" and, together with the Northeast Developer and the Dakota Developer, the "Ownership Developers"), entered into an Amended and Restated Compliance Agreement dated December 11, 2003, which amended and restated a Compliance Agreement dated September 27, 2001 (as amended, the "Original Compliance Agreement");

WHEREAS, each of the Rental Developers and the Ownership Developers (together, the "Developers") entered into development agreements with the HRA dated as of October 17, 2000, September 27, 2001, or September 24, 2003, as the case may be (collectively, the "Development Agreements"), relating to owner-occupied or rental housing developments (the "Housing Developments") constructed by the Developers in a tax increment financing district created by the HRA and commonly referred to as the Northeast Quadrant Tax Increment Financing District (the "TIF District");

WHEREAS, the Developers are all entities formed by, or affiliated with, Sherman Associates ("Sherman");

WHEREAS, in connection with a sale of Sherman's interests in Sibley Court Apartments and Sibley Park Apartments to Orbach Affordable Housing Services ("Orbach"), the Developers have requested that the HRA amend and restate the Original Compliance Agreement (the "2nd Amended and Restated Compliance agreement") in order to clearly document the Income Restrictions as they apply to each of the Housing Developments intended for rental to residential tenants (i.e., Sibley Park Apartments, Sibley Court Apartments

and Lyons Court Apartments (collectively, the “Rental Housing Developments”);

WHEREAS, in addition, in connection with the sale of Sherman’s interests in Sibley Court Apartments and Sibley Park Apartments to Orbach, Sibley Court and Sibley Park have requested that the HRA consent to the assignment of certain pay as you go tax increment revenue notes issued in connection with the development of Sibley Park Apartments and Sibley Court Apartments (collectively, the “TIF Notes”) to a new entity to be formed by Sherman and, subsequently, collateral assignments of the TIF Notes to a lender which will provide a loan to the new Sherman entity secured, in part, by the revenues payable under the TIF Notes (collectively, the “TIF Note Assignments”);

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the “Board”) of the HRA, as follows:

Section 1. The HRA hereby finds, determines and declares that it is in the public interest of the residents of the City that the Income Restrictions as they apply to each of the Housing Developments be satisfied as set forth in the 2nd Amended and Restated Compliance Agreement.

Section 2. The Board hereby approves the 2nd Amended and Restated Compliance Agreement, in substantially the form on file with the Executive Director of the HRA, together with the consents to TIF Note Assignments and such other documents as the Saint Paul City Attorney to the HRA considers appropriate in connection therewith (collectively, the “Development Documents”) and the Chair of the Board (or any Commissioner), the Executive Director of the HRA and Director, Office of Financial Services of the City (the “Authorized Officers”) are hereby authorized and directed to execute, on behalf of the HRA, the Development Documents.

Section 3. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Saint Paul City Attorney to the HRA, the appropriate HRA staff person or by the Authorized Officers authorized herein to execute or accept, as the case may be, said documents prior to their execution; and said Authorized Officers or staff members are hereby authorized to approve said changes on behalf of the HRA. The execution of any instrument by the Authorized Officers shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the Authorized Officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any member of the Board or any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the Saint Paul City Attorney to the HRA, may act in their behalf.

Section 4. The authority to approve, execute and deliver future amendments to the Development Documents entered into by the HRA and consents required under the Development Documents is hereby delegated to the Authorized Officers, subject to the following conditions: (a) such amendments or consents do not materially adversely affect the interests of the HRA; (b) such amendments or consents do not contravene or violate any policy of the HRA, and (c) such amendments or consents are acceptable in form and substance to the counsel retained by the HRA to review such amendments or consents. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Authorized Officers shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Authorized Officers, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the HRA or the City of Saint Paul authorized to act in their place and stead.