



Legislation Text

File #: Min 12-36, **Version:** 1

Approval of the October 10, 2010 HRA meeting minutes.

ROLL CALL

Present: Commissioners Bostrom, Brendmoen, Lantry, Stark, Thune, Tolbert
Excused: Commissioner Carter

CONSENT

1. Approval of the September 26, 2012 HRA meeting minutes.

Commissioner Lantry moved approval.

VOTE: Yeas - 6 Nays - 0

2. Resolution Authorizing Designation of a Tentative Developer Status for Covenant Capital LLC for the Property at 699 East 7th Street, Ward 7, District 4

Commissioner Lantry moved approval. Approved as set forth in resolution RES 12-1907.

VOTE: Yeas - 6 Nays - 0

PUBLIC HEARING

3. Resolution Approving (i) The Establishment of the West Side Flats Tax Increment Financing District and the Adoption of a Tax Increment Financing Plan; (ii) A Development Agreement and TBRA, LCDA and DEED Subgrants with West Side Flats Apartments LLC; (iii) Acceptance of Land from the City of Saint Paul and Conveyance of Land to West Side Flats Urban Development LLC; (iv) Agreement with West Side Flats Urban Development LLC Regarding Land Note and Loan Agreement; (v) \$198,906 HRA Loan to West Side Flats Urban Development LLC; (vi) Phase II Development Agreement with WSF Phase III LLC; (viii) Related Budget Amendment; and (ix) Parcel 4 Agreement with Sherman Associates, Ward 2, District 3

Chair Thune asked if anyone would like to speak in opposition of the project. Hearing none, Commissioner Stark moved to lay this item over until the October 24, 2012 HRA meeting.

VOTE: Yeas - 6 Nays - 0

4. Resolution Approving the Sale of Land and Conveyance of Parcel 976 Minnehaha Avenue East under the ISP/NSP Program, Dayton's Bluff, Ward 7, District 4

Ms. Cecile Bedor, Executive Director for the HRA, stated that staff was seeking approval to sell this property to Domingo Avalos Manriquez. The vacant, foreclosed, 4-bedroom, 2-bathroom home was purchased on December 22, 2010 after the six month redemption period with NSP funds for \$98,500, a 6% discount off the appraised value. The house was built in 1996. Rehab costs were \$83,943; sale price is \$145,000. Total gap is \$47,380; with program income estimated at \$120,500.

Chair Thune announced the public hearing. There being no testimony Commissioner Lantry moved to close the public hearing and approve the resolution. Approved as set forth in resolution RES PH 12-

307

VOTE: Yeas - 6 Nays - 0

5. Resolution Approving the Sale of Land and Conveyance of Parcel 745 Bradley Street under the ISP/NSP Program, Payne-Phalen, Ward 5, District 5

Ms. Bedor stated that staff was seeking approval to sell this property to Perish Caldwell. The vacant, foreclosed 3-bedroom, 2-bathroom home was purchased on December 29, 2010 after the six month redemption period with NSP funds for \$118,80, a 1% discount off the appraised value. It was built in 2001. Rehab costs were \$71,709; sale price is \$145,000. Total gap is \$56,043, with program income estimated at120,500.

Chair Thune announced the public hearing. There being no testimony Commissioner Brendmoen moved to close the public hearing and approve the resolution. Approved as set forth in resolution RES PH 12-306

VOTE: Yeas - 6 Nays - 0

DISCUSSION

6. Reservation of Year 2013 Low Income Housing Tax Credits for Rolling Hills Apartments.

Ms. Bedor stated that in April 2012 the HRA Board approved amendments to the Minneapolis/Saint Paul Housing Finance Board's 2013 Low Income Housing Tax Credit Procedural Manual ("Manual") and the 2013 Qualified Allocation Plan ("QAP") to reflect the HRA Board's priorities for the 2013 Credit reservation. These amendments were approved by the Minneapolis/Saint Paul Housing Finance Board; and the HRA Board now has the authority to reserve up to \$996,669 of 2013 Credits to qualified Saint Paul developments that comply with the Manual and QAP.

A RFP was issued for the Credits and four applications were received: Hamline Station, Old Home Plaza, Prior crossing, and Rolling Hills Apartments. Staff scored the proposals based on the HRA-approved scoring criteria. Rolling Hills received the most points (180) and staff is recommending that the Board award all of the 2013 tax credits to Rolling Hills. Ms. Bedor noted that in recent conversations, the Board has affirmed preservation as a priority; funding this project will preserve 108 units of affordable housing, including six units of supportive housing for long-term homeless residents. This project will also provide support services for 50 refugee households as well as 16 households headed by women who have been victims of sexual exploitation. A community building with community gathering spaces and offices for apartment management staff, social service case workers, and other social service providers is included in this project.

Commissioner Tolbert stated that he had not received any information on the action proposed and made a motion to lay this item over for two weeks.

Ms. Bedor reminded the Board that they had a fairly robust discussion on the scoring criteria in April prior to taking action on the criteria, and that the proposals were scored according to this approved criteria.

Commissioner Tolbert asked why Rolling Hills received more points than Hamline station. Ms. Bedor and Mr. Joe Collins noted that there are several criteria including HRA financial interest in a project; a project is awarded 50 points if it meets this criteria. Rolling Hills met this criteria; Hamline Station did not.

Ms. Bedor explained that the Board is legally required to set the scoring criteria and the allocation plan. When the criteria and plan are established, the Minneapolis/Saint Paul Housing Finance Board approves the criteria, and the HRA need to follow the scoring as it was approved. Commissioner Tolbert withdrew his motion to lay this item over.

Commissioner Stark stated that he wished the implication of the action taken in July (providing a loan to repair the leaking roof) for Rolling Hills would have been clearer to the Board. Moving forward the Board should take a look at the criteria again because now there are a good number of projects being cued up, on the construction side, along Central Corridor. Preservation remains a priority, but it is also a priority to make sure, before the market heats up on the Corridor, that affordable units are established.

Commissioner Lantry stated that the reason why the criteria are set is to take the subjectivity out of a particular project.

Commissioner Brendmoen moved approval. Approved as set forth in resolution RES 12-1919

VOTE: Yeas - 6 Nays - 0

7. Resolution of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, Approving Issuance of Refunding Bonds Under the Minnesota Municipal Industrial Development Act, and Approving and Authorizing the Execution of Documents in Connection Therewith (HealthEast Care System Project), Citywide.

In July, 1998, the Washington County HRA issued \$49.135 million in revenue bonds to finance the HealthEast Woodwinds facility in Woodbury, Minnesota. The Borrower, HealthEast Care System, wants to refund these bonds to lower their interest rate and thus the debt service. They would like to use Briggs and Morgan as their Bond Counsel, however Washington County HRA's conduit bond policy does not allow the borrower to use Briggs & Morgan as bond counsel. The Saint Paul HRA does not have this restriction, and thus was asked to be the issuer for these conduit bonds.

The overall HealthEast Care System, which includes St. Joseph's Hospital in St. Paul, benefits from the completion of the refunding by reducing borrowing costs. The Washington County HRA consented to the Saint Paul HRA's issuance of the refunding bonds, a requirement of MN Statutes 469.155.

Again, this is a conduit action, and as such there is no liability whatsoever on the part of the City or HRA for repayment of these bonds.

Mike Nass, CFO of HealthEast is here with Paul Tietz, Bond Counsel with Briggs & Morgan.

Commissioner Lantry moved approval. Approved as set forth in resolution RES 12-1906

VOTE: Yeas - 6 Nays - 0

ADJOURNMENT

Commissioner Lantry moved adjournment. The HRA meeting was adjourned.