



Legislation Text

File #: RES 24-753, **Version:** 1

Resolution recommending authorization and approval of the financing of a \$270,000 Community Development Block Grant (CDBG) loan and entrance into a Loan Agreement for the American House project at 352 Wacouta Street, District 17, Ward 2

WHEREAS, the American House project is owned by 352 Wacouta Street, LLC, of which Beacon Interfaith Housing Collaborative ("Beacon" or "Developer") is the sole owner;

WHEREAS, the building is comprised of 69 single room occupancy units and is home to very low income individuals, many of whom have experienced homelessness;

WHEREAS, on January 12, 2022 by Resolution 22-50, the HRA approved the extension of three existing loans and a new CDBG loan in the amount of \$750,000 for the rehabilitation of the building;

WHEREAS, the Developer closed on financing for the rehabilitation on April 29, 2022;

WHEREAS, renovations included reconfiguring the first floor and lower level to accommodate programming and community space needs, office space for service providers, adding a foyer and front desk for security staff, expansion of the camera and controlled access system to better monitor activity within the building, replacement of the roof and flooring, and improvements to the HVAC system;

WHEREAS, during the course of rehabilitation, significant exterior brick deterioration was discovered, which wasn't part of the initial scope;

WHEREAS, the Developer has requested financial assistance in the amount of \$270,000 from the City to carry out the exterior renovation;

WHEREAS, to facilitate the exterior renovation, the City of Saint Paul Housing and Redevelopment Authority (HRA) recommends providing Beacon with \$270,000 in deferred financing for 30 years with no interest to be conterminous with existing project financing;

WHEREAS, by this Resolution, the HRA finds a public purpose in the issuance of rehabilitation financing because the Developer's proposal will address safety and maintenance of a valuable affordable housing resource;

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 approval and authorization of the rehabilitation financing and entrance into a Loan Agreement.
2. Upon approval by the City Council, the Board hereby authorizes the execution of all necessary agreements and documents associated with the actions contained in the report.
3. 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.