



# City of Saint Paul

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## Legislation Details (With Text)

**File #:** Min 13-29      **Version:** 1  
**Type:** Approval of Minutes      **Status:** Archived  
**In control:** Housing & Redevelopment Authority  
**Final action:** 7/24/2013

**Title:** Approval of the July 10, 2013 HRA minutes.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
7/24/2013	1	Housing & Redevelopment Authority	Adopted	Pass

Approval of the July 10, 2013 HRA minutes.

### ROLL CALL

Present: Commissioners Brendmoen, Lantry, Stark, Thune, Tolbert

Absent: \*Commissioner Bostrom

### SWEARING IN OF NATHANIEL A. KHALIQ

### CONSENT

1. Approval of the June 26, 2013 HRA meeting minutes.

Commissioner Lantry moved approval.

**VOTE:            Yeas - 6            Nays - 0**

2. Authorization to Participate in the Minnesota Housing Finance Agency (MHFA) Making Home Affordable Outreach and Intake Project (MHA) Funded by a Federal Award from NeighborWorks® and Acceptance of a Grant from MHFA for the Purpose of Mortgage Foreclosure Prevention Counseling.

Commissioner Lantry moved approval. Approved as set forth in resolution RES 13-1000.

**VOTE:            Yeas - 6            Nays - 0**

### PUBLIC HEARING

\*Commissioner Bostrom arrived.

3. Resolution Authorizing the Executive Director to Execute Various Documents in Connection with Sparc's Westland Commons HRA Loan, District 6, Ward 5

Ms. Cecile Bedor, Executive Director for the HRA, stated the HRA approved a \$600,000 loan to Sparc in 2005 to assist in the purchase of the Larson Greenhouse site located at 391/425 West Maryland Avenue.

At the same time, Greater Metropolitan Housing Corporation (GMHC) also executed a Mortgage, Loan Agreement and a Promissory Note for \$650,000 with Sparc for this project.

At the time of their purchase of the land, Sparc proposed to construct 36 townhomes on the site for owner-occupancy. Because of the downturn of the housing market, construction never occurred. PED has since amended the HRA loan three times to give Sparc additional time to develop the property.

In 2011, Sparc stopped paying the property taxes. The property taxes are delinquent from 2011 through the first half of 2013. In March, 2013, with the encouragement of PED staff, Sparc entered into a Confession of Judgment Agreement ("Agreement") with Ramsey County. Even though Sparc had the resources to do so, Sparc chose to not make the May, 2013 payment required under the Agreement. The current outstanding property tax delinquency is \$54,030.

Community Development Block Grant (CDBG) funds, along with HRA funds, were the source of the \$600,000 acquisition loan. Because of lack of progress with the redevelopment of the property, the property tax delinquency, and CDBG requirements to get something done or repay the funds to HUD, after speaking with Commissioner Brendmoen, and under the advice and counsel of the City Attorney's Office and, as your Executive Director, I proceeded with a "Deed in Lieu of Foreclosure" to gain control of the property and move to get developer interest in the site to get a development underway hopefully in the near future. We plan to issue a Request for Proposals for the site in an effort to meet CDBG obligations.

In exchange for signing the Deed in Lieu of Foreclosure, Sparc is requesting the HRA to execute a Covenant Not to Sue. The Covenant Not to Sue would restrict the HRA from pursuing Sparc for any further delinquencies regarding the HRA \$600,000 loan. The HRA and GMHC loans, however, will remain as liens on the property.

Chair Thune asked if GMHC (Greater Metropolitan Housing Corporation) was ok with this action. Ms. Bedor explained that the HRA and GMHC executed a parity agreement at the time the mortgages were originated. She noted that the action the board was taking today was simply to agree to not sue Sparc, and to give her (Ms. Bedor) authority to negotiate an agreement with GMHC related to the parity agreement.

Commissioner Brendmoen moved approval. Approved as set forth in resolution RES 13-1020

**VOTE:            Yeas - 7            Nays - 0**

4. Resolution authorizing sale and conveyance of property located at 431 Charles, located in Frogtown Planning District 7, to Urban Homeworks Inc.

Commissioner Khaliq moved to lay over this item until the next HRA meeting on July 24, 2013 at 2:00pm.

**VOTE:            Yeas - 7            Nays - 0**

5. Resolution authorizing sale and conveyance of properties located at 462 Edmund Avenue, located in Frogtown Planning District 7, to Urban Homeworks Inc.

Commissioner Khaliq moved to lay over this item until the next HRA meeting on July 24, 2013 at 2:00pm.

**VOTE:            Yeas - 7            Nays - 0**

## ADJOURNMENT

Commissioner Lantry moved adjournment. The HRA meeting was adjourned.

