Legislation Details (With Text)

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Title:	Resolution Approving and Authorizing the Execution of a Tax Increment Financing Loan Agreement for the Larpenteur Villa Project, Ward 5, District 6		
Sponsors:	Amy Brendmoen		
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Date	Ver.	Action By	Action	Result
10/11/2017	1	Housing & Redevelopment Authority	Adopted	Pass

Resolution Approving and Authorizing the Execution of a Tax Increment Financing Loan Agreement for the Larpenteur Villa Project, Ward 5, District 6

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; 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 in targeted neighborhoods; and is authorized to create redevelopment projects as defined in Minnesota Statutes section 469.002, subdivision 14; and

WHEREAS, Larpenteur Villa, LLC. (the "Buyer") intends to purchase 82 units of naturally occurring affordable rental housing in a facility called Larpenteur Villa (the "Project"), located at 180 Larpenteur Avenue West; and

WHEREAS, the Buyer has been unable to identify a feasible financing plan with necessary sources of funds for the successful development of the Project and the Buyer has requested the HRA provide $40,000 of tax increment assistance to the Buyer to finance certain acquisition costs of the Project; and

WHEREAS, the Buyer has agreed to maintain at least 40% of the units to be affordable to households at or below 60% Area Median Income (AMI) for at least 15 years through a restrictive covenant, in return for such assistance; and

WHEREAS, the HRA has heretofore established, the Emerald Park 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

WHEREAS, the HRA has determined that $40,000 of tax increment funds from the TIF District is available to provide a loan (the "TIF Loan") to finance a portion of the cost of the Project and has caused to be prepared a TIF Loan Agreement (the "TIF Loan Agreement") between the HRA and the Buyer setting forth the terms and conditions under which the HRA will provide the TIF Loan to the Buyer, copy of which is on file with the Executive Director of the HRA; and

WHEREAS, by this resolution the Board of Commissioners of the HRA finds a public purpose for providing the requested financing for the Project on the terms described in the attached board report,

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the HRA that:

1. The loan of up to $40,000 in TIF Funds, on the terms described in the attached board report, is hereby approved, and the Executive Director is authorized to negotiate a conforming loan agreement, mortgage, promissory note, declaration, and any related documents, as deemed necessary by the City Attorney.

2. The Executive Director, staff and legal counsel are authorized and directed to take any action required to implement this resolution.