



Legislation Details (With Text)

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Title: Resolution Approving and Authorizing the Removal of Contingencies and Execution of a Development Agreement for: (A) Sale and Conveyance of 940 Selby Avenue, 0 Selby Avenue, 0 Victoria Street, and 838 Selby Avenue, Saint Paul, MN to Rondo Community Land Trust and Community Housing Development Corporation, and (B) Commitment of HOME funds, CDBG funds and Net Land Sales Proceeds, Budget Amendment, District 8, Ward 1

Sponsors: Dai Thao

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Attachments: 1. Board Report, 2. Map, 3. Housing Affordability, 4. Sources and Uses, 5. Financial Analysis, 6. Proposed Financing Terms, 7. Public Purpose, 8. District 8 Profile

Date	Ver.	Action By	Action	Result
11/8/2017	1	Housing & Redevelopment Authority	Adopted As Amended	Pass

Resolution Approving and Authorizing the Removal of Contingencies and Execution of a Development Agreement for: (A) Sale and Conveyance of 940 Selby Avenue, 0 Selby Avenue, 0 Victoria Street, and 838 Selby Avenue, Saint Paul, MN to Rondo Community Land Trust and Community Housing Development Corporation, and (B) Commitment of HOME funds, CDBG funds and Net Land Sales Proceeds, Budget Amendment, District 8, Ward 1

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 and the HRA 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 which can also be undertaken in targeted neighborhoods; and is authorized to create redevelopment projects as defined in Minn Stat Section 469.002, Subd. 14; and

WHEREAS, the HRA owns the following properties: 940 Selby Avenue, 0 Selby Avenue, 0 Victoria Street, and 838 Selby Avenue, (previously referred to as 838, 840, and 940 Selby Avenue), in Saint Paul, Minnesota (collectively the "Properties"); and

WHEREAS, on May 13, 2015 by Resolution No. 15-868, the HRA Board of Commissioners designated Rondo Community Land Trust and Community Housing Development Corporation (collectively the "Tentative Developer") as tentative developer for the development of the Properties; and

WHEREAS, notice of the contingent sale and conveyance of the Properties to the Tentative Developer was published in the Saint Paul Pioneer Press, and a public hearing on the proposed sale was held on Wednesday,

June 22, 2016, at 2:00 pm, on the third floor of City Hall, 15 West Kellogg Boulevard, Saint Paul, Minnesota; and

WHEREAS, on June 22, 2016, by Resolution No. 16-205, the HRA conditionally approved the sale and conveyance of the Properties to the Tentative Developer, and the award to the Tentative Developer of up to \$300,000.00 of HOME funds, up to \$500,000.00 of CDBG funds, and up to \$450,000.00 of net land sales proceeds from the sale of the Properties ("Original HRA Financing"), all contingent upon the Tentative Developer securing financing from additional funding sources ("Additional Financing"), in an amount sufficient to fund the capital costs to construct the Project no later than December 31, 2017; and

WHEREAS, HRA staff has reviewed the final numbers and recommends adjusting the Original HRA Financing as follows: up to \$300,000.00 of HOME, up to \$525,000.00 of CDBG and \$425,000.00 of net land sales proceeds ("Adjusted HRA Financing"); and

WHEREAS, since May 13, 2015 the Tentative Developer has actively furthered the pre-development of a project consisting of 34 units of affordable housing targeting seniors, and approximately 9,300 square feet of affordable commercial space (the "Project"), including securing Met Council funds of \$597,000.00, Capitol River Watershed District funds of \$95,000.00, and Neighborhood STAR funds of \$200,000.00, as well \$417,608 in equity from foundations; and

WHEREAS, on October 12, 2016, by Resolution 16-1770, and on September 13, 2017, by Resolution 17-1454, the HRA reserved Low Income Housing Tax Credits for the Project; and

WHEREAS, this action is to be contingent upon the HRA not receiving significant objection to the proposed change in use of the Project Site during the community comment period, which is scheduled to be open from November 10 through December 11, 2017, and in the event that a significant objection is raised to the proposed change in the use of the Project Site, staff will work with the affected community to consider revisions to the Project which could then be brought back before the HRA Board for future consideration; and

WHEREAS, now that the Tentative Developer has secured the necessary Additional Financing, HRA staff has conducted a gap analysis to determine the appropriate level of HRA Financing, and is returning to the Board with a recommendation of the amount of the actual HRA Financing and approval of a development agreement; and is further submitting a budget for approval; and

WHEREAS, by this resolution the HRA finds a public purpose for the actions taken by the HRA Board in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota that:

1. Subject to the community process described above, the HRA Board of Commissioners hereby approves and authorizes the removal of contingencies and execution of a Development Agreement for the sale and conveyance of the Properties to the Tentative Developer or assigns and approval of the HRA Financing.
2. Subject to the community process described above, the HRA Board of Commissioners hereby approves the Adjusted HRA Financing and the budget attached hereto.
3. The HRA Executive Director, staff and legal counsel for the HRA are further directed and authorized to take all actions necessary to implement this Resolution. The HRA's Executive Director is authorized to execute any documents and instruments in connection with this Resolution.