City of Saint Paul

Legislation Details (With Text)

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Title:	Resolution approving the guidelines and funding for the Downpayment Assistance Program			
Sponsors:	Kassim Busuri, Mitra Jalali, Rebecca Noecker, Jane L. Prince, Dai Thao, Chris Tolbert			
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Attachments:	1. Board Report, 2. Financial Analysis, 3. Program Guidelines, 4. Original Eligibility Area Map, 5. Proposed Eligibility Area Map, 6. Combined Map: Original Eligibility Area & Proposed Eligibility Area			

Date	Ver.	Action By	Action	Result
11/13/2019	1	Housing & Redevelopment Authority	Adopted	Pass

Resolution approving the guidelines and funding for the Downpayment Assistance Program

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 Minnesota Statute Section 469.002, Subd. 14; and

WHEREAS, pursuant to Minnesota Statute Section 469.012, subd. 13, the HRA has the power to develop and administer a downpayment assistance loan and grant program with respect to property located within the City of Saint Paul on terms and conditions the HRA determines; and

WHEREAS, before carrying out such a downpayment assistance loan and grant program, the HRA must find that the program is necessary in the areas in which it is made available in furtherance of an HRA policy to promote economic integration or to encourage owner occupancy of single-family residences; and

WHEREAS, the Saint Paul City Council, through Resolution 18-1204, called for a Downpayment Assistance Program in the 2019 budget to benefit Saint Paul residents who wish to become homeowners and to provide additional support for first-time home buyers; and

WHEREAS, the Saint Paul City Council, through Resolution 18-2072, adopted 2019 budgets as proposed by the Mayor; and

WHEREAS, the HRA, through Resolution 18-2079, adopted the final 2019 HRA budget; and

WHEREAS, the Saint Paul City Council, through Resolution 18-2080, adopted the 2019 final HRA budget; and

WHEREAS, the City of Saint Paul's Department of Planning and Economic Development budget, as adopted by the Saint Paul City Council, allocated $10,000,000 over a period of three years and $2,000,000 annually beginning in 2019 to the Housing Trust Fund to create new affordable housing, preserve existing affordable housing, and protect the quality of affordable housing in Saint Paul; and

WHEREAS, the University of Minnesota's Center for Urban and Regional Affairs found that market pressure increases in traditionally affordable Saint Paul neighborhoods outpaced citywide changes, leaving residents in those communities vulnerable to unstainable housing costs and displacement; and

WHEREAS, the Metropolitan Council has found that the Twin Cities Metro area demonstrates some of the largest racial and ethnic disparities in the country in terms of poverty, homeownership, employment, and level of education; and

WHEREAS, HRA staff recognizes the burden of financial instability falls disproportionately upon communities of color; and

WHEREAS, HRA staff identified downpayment assistance as a means to increase affordability and resources available to low-income residents in neighborhoods facing gentrification pressures that will build financial stability amidst ongoing neighborhood investment; and

WHEREAS, a downpayment assistance program will expand homeownership opportunities in traditionally affordable neighborhoods and promote economic integration; and

WHEREAS, HRA staff has developed Downpayment Assistance Guidelines to establish baseline considerations and guidance for implementation of the Downpayment Assistance Program;

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.	The HRA Board of Commissioners finds that a Downpayment Assistance Program is necessary within the targeted geographic areas set forth in the Downpayment Assistance Program Guidelines presented by HRA staff.

2.	The HRA Board of Commissioners finds that the Downpayment Assistance Program as set forth in the Downpayment Assistance Program Guidelines presented by HRA staff will promote economic integration and encourage owner occupancy of single-family residences within the targeted geographic areas therein.

3.	The HRA Board of Commissioners hereby approves the Down Payment Assistance Program Guidelines as presented by HRA staff.

4.	The HRA Board of Commissioners approves the allocation of $1,500,000.00 from the Housing Trust Fund for the expenses as described in the staff report

5.	The HRA Board of Commissioners approves amendment of the HRA Development Capital Projects Fund budget, as shown in the attached City of Saint Paul Financial Analysis.

6.	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, and to amend the Guidelines as necessary, so long as the amendments are consistent with the intent of this Resolution.