Legislation Details (With Text)

File #:	RES PH 21-269 **Version:** 1		
Type:	Resolution-Public Hearing	**Status:**	Passed
		In control:	Housing & Redevelopment Authority
		Final action:	9/22/2021
Title:	Resolution authorizing and approving (1) $500,000 in HUD Rental Rehabilitation Program Income funds for capital improvements to 902 Hersey Street; (2) execution of loan agreements with the Minnesota Housing Finance Agency and Ramsey County; (3) solicitation of bids for a general contractor and execution of a general contractor agreement for capital improvements; (4) execution of a lease agreement with Catholic Charities, and (5) amending the budget, District 12, Ward 4		
Sponsors:	Mitra Jalali		
Indexes:			
Code sections:			
Attachments:	1. Board Report, 2. Financial Analysis, 3. Map, 4. Sources and Uses, 5. SAP Neighborhood Profile		

Date	Ver.	Action By	Action	Result
9/22/2021	1	Housing & Redevelopment Authority	Adopted	Pass

Resolution authorizing and approving (1) $500,000 in HUD Rental Rehabilitation Program Income funds for capital improvements to 902 Hersey Street; (2) execution of loan agreements with the Minnesota Housing Finance Agency and Ramsey County; (3) solicitation of bids for a general contractor and execution of a general contractor agreement for capital improvements; (4) execution of a lease agreement with Catholic Charities, and (5) amending the budget, District 12, Ward 4

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 Statutes, Section 469.002, Subdivision 14; and

WHEREAS, by Resolution 04-11/10-10, the HRA's Board of Commissioners approved the purchase and acquisition of 902 Hershey Street (the “Midway Residence”); and

WHEREAS, the HRA intended to lease the Midway Residence to Catholic Charities whereby Catholic Charities would operate the residence for 120 single men with disabilities and/or chronic substance addiction and long-term homelessness (“Midway Residence Project”); and

WHEREAS, by Resolution 05-08/24-2 the HRA authorized and approved, among other things, the construction of the Midway Residence and the execution of a lease agreement between the HRA and Catholic Charities)

WHEREAS, capital improvements are required to ensure the Midway Residence complies with code, is safe and inhabitable, and can accommodate older residents; and

WHEREAS, the long-term lease between the HRA and Catholic Charities has expired and a new, 10-year lease must be executed; and

WHEREAS, the MHFA authorized $1,784,000.00 in funding for the Midway Residence and Ramsey County authorized $1,750,000.00 in funding for the Midway Residence;

WHEREAS, the MHFA and Ramsey County funds will be disbursed to the HRA for payment of the capital improvement expenses to be undertaken by Catholic Charities, conditioned upon final underwriting and execution of loan agreements; and

WHEREAS, the necessary financing for the capital improvements to the Midway Residence is set forth in the attached budget; and

WHEREAS, the authorized loan amounts may be increased by the MHFA and Ramsey County to the extent the construction bids come in over budget and said loans will be deferred with terms of thirty (30) years at zero percent (0%) interest rate; and

WHEREAS, there is a critical shortage of housing available in Saint Paul for individuals at 30% of area median income or less, thus, the public purpose being served by the and the Midway Residence serves a public purpose by providing long-term, housing units to formerly homeless persons with sixty units serving persons with chronic substance addiction and sixty units serving individuals with disabilities, all of which are individuals with incomes at 30% of area median income or less.

NOW THEREFORE, IT IS HEREBY RESOLVED THAT THE HRA BOARD OF COMMISSIONERS takes the following actions:

1. Approves and authorizes the allocation of $500,000 of HUD Rental Rehabilitation Program Income funds is authorized to be budgeted and used for capital improvements to the Midway Residence;

2. Approves and authorizes the acceptance of funds in the amount of $1,784,000 from the MHFA and $1,750,000 from Ramsey County;

3. Approves and authorizes HRA staff to solicit general contractor bids for completion of the capital improvements and to execute an agreement with the general contractor to complete the capital improvements;

4. Approves and authorizes the execution of a new, 10-year lease with Catholic Charities;

5. Approves and authorizes the budget amendments as set forth in this Resolution; and

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.