Legislation Details (With Text)

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Title:	Authorization to borrow funds from the Minnesota Housing Finance Agency and Ramsey County for improvements to the Midway Residence; authorization to execute necessary agreements with the Minnesota Housing Finance Agency and Ramsey County; and authorization to amend the project budget, District 12, Ward 4		
Sponsors:	Mitra Jalali		
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Date	Ver.	Action By	Action	Result
9/28/2022	1	Housing & Redevelopment Authority	Adopted	Pass

Authorization to borrow funds from the Minnesota Housing Finance Agency and Ramsey County for improvements to the Midway Residence; authorization to execute necessary agreements with the Minnesota Housing Finance Agency and Ramsey County; and authorization to amend the project budget, District 12, Ward 4

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "Authority") 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 Authority has the power to engage in development or redevelopment activities under Minnesota law and the Authority 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 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

WHEREAS, by Resolution 04-11/10-10 the Authority's Board of Commissioners approved the purchase and acquisition of 902 Hersey Street (the “Project Site”); and

WHEREAS, the legal description of the Project Site is as follows: Those parts of Lots 7 through 17, Block 1, Lots 6 through 12, Block 2, and Lot A, all in Minnesota Transfer Addition, described as follows: Beginning at the Southwest corner of Lot 12, said Block 2; thence on an assumed bearing of West at a right angle to the West line of said Block 2, a distance of 60.00 feet to the East line of said Block 1; thence on a bearing of North along said East line of Block 1, a distance of 35.00 feet to a line extended Westerly at a right angle to said West line of Block 2 from a point on said West line of Block 2, distant 35.00 feet North of said Southwest corner of Lot 12, Block 2; thence on a bearing of West along said line extended Westerly at a right angle to the West line of Block 2, a distance of 204.50 feet to the West line of said Block 1; thence on a bearing of North along said West line of Block 1, a distance of 268.56 feet, more or less, to the South line of Capp Road Addition; thence East along said South line of Capp Road Addition, 269.11 feet, more or less, to the East line

of the West 4.61 feet of said Block 2; thence on a bearing of South parallel with the West line of said Block 2, a distance of 268.56 feet, more or less, to a line extended Easterly at a right angle to said West line of Block 2 from a point on said West line of Block 2, distant 35.00 feet Northerly of said Southwest corner of Lot 12, Block 2; thence on a bearing of West along said line extended Easterly at a right angle to the West line of Block 2, a distance of 4.61 feet to said West line of Block 2; thence on a bearing of South along said West line of Block 2, a distance of 35.00 feet to the point of beginning. Ramsey County, Minnesota; and

WHEREAS, the Authority acquired the Project Site to lease it to Catholic Charities for the construction of a permanent supportive housing project consisting of 120 single room occupancy units, for individuals with disabilities and/or experiencing chronic substance addiction and long-term homelessness (the “Midway Residence”); and

WHEREAS, by Resolution 05-08/24-2 the Authority’s Board of Commissioners authorized and approved the construction of the Midway Residence and the execution of a Lease and Operating Agreement with Catholic Charities (the “Lease”); and

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

WHEREAS, by RES PH 21-269 the Authority’s Board of Commissioners authorized and approved $500,000 of Rental Rehab funding for the Midway Residence, the solicitation of bids for necessary capital improvements, execution of a contract with a general contractor, and related project budget amendments; and

WHEREAS, Authority staff recommend $105,383 of previously budgeted STAR funds be expended on Midway Residence costs, in addition to the $500,000 of Rental Rehab funds already budgeted; and

WHEREAS, the Ramsey Board of Commissioners approved and authorized, through two separate appropriations, a total of $2,280,774 in general obligation bonds for the Midway Residence; and

WHEREAS, the Minnesota Housing Finance Agency Board (the “Agency”) selected the Midway Residence to receive up to $1,784,000 for the Midway Residence, to be disbursed upon execution of certain agency loan documents, including but not limited to, Mortgage Note; Combination Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Financing Statement; Declaration of Covenants; Conditions and Restrictions (Affordability); Declaration of Covenants, Conditions and Restrictions (Subsidy); Regulatory Agreement; Construction Loan Agreement; Assignment of Architect’s Contract; Assignment of Construction Contract; Supplement to General Conditions of the Agreement Between Owner and Contractor; Master Subordination Agreement and Estoppel Certificate; and Master Disbursement Agreement; and

WHEREAS, the Agency and Ramsey County funds will be received in the form of deferred loans with 30 year terms with zero percent (0%) interest rates; and

WHEREAS, the Agency requires the Authority to adopt a resolution providing, in principle, authorization to borrow $1,784,000 from the Agency and authorization to execute any and all loan documents related to the Agency loan (Including but not limited to: Mortgage Note; Combination Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Financing Statement; Declaration of Covenants; Conditions and Restrictions (Affordability); Declaration of Covenants, Conditions and Restrictions (Subsidy); Regulatory Agreement; Construction Loan Agreement; Assignment of Architect’s Contract; Assignment of Construction Contract; Supplement to General Conditions of the Agreement Between Owner and Contractor; Master Subordination Agreement and Estoppel Certificate; and Master Disbursement Agreement).

NOW THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, as follows:

1. The Authority is hereby authorized to borrow $1,784,000 from Minnesota Housing Finance Agency and hereby approves all loan documents related to the Agency loan, including but not limited to, Mortgage Note; Combination Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Financing Statement; Declaration of Covenants; Conditions and Restrictions

(Affordability); Declaration of Covenants, Conditions and Restrictions (Subsidy); Regulatory Agreement; Construction Loan Agreement; Assignment of Architect's Contract; Assignment of Construction Contract; Supplement to General Conditions of the Agreement Between Owner and Contractor; Master Subordination Agreement and Estoppel Certificate; and Master Disbursement Agreement (the "Agency Documents").

2. Chris Tolbert (the Authority's Chair or Commissioner), Nicolle Goodman (the Authority's Executive Director), and John McCarthy (the Director of the Office of Financial Services for the City) (collectively the "Authorized Officers") are hereby authorized to execute the Agency Documents.

3. The Minnesota Housing Finance Agency is hereby authorized to rely on the continuing force and effect of this Resolution until receipt by the Commissioner of the Minnesota Housing Finance Agency at its principal office of written notice from the Authority of any amendments or alterations.

4. The Authority is hereby authorized to borrow a total of $2,280,774 from Ramsey County and the Authorized Officers are hereby authorized to execute any and all loan documents related to the Ramsey County loan.

5. The Authority is hereby authorized to amend the Midway Residence budget in accordance with this Resolution, and in the particulars articulated in the Financial Analysis attached to this Resolution.

6. The Authority Officers, staff, and legal counsel for the Authority are further authorized to take any actions necessary to implement this Resolution and RES PH 21-269

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