



Legislation Details (With Text)

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Title: Resolution approving amended guidelines and additional funding for the Downpayment Assistance Program

Sponsors: Chris Tolbert

Indexes:

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Attachments: 1. Board Report, 2. Financial Analysis, 3. Redlined 2019 Downpayment Assistance Guidelines, 4. Clean 2023 Downpayment Assistance Guidelines as proposed

Date	Ver.	Action By	Action	Result
1/11/2023	1	Housing & Redevelopment Authority	Adopted As Amended	Pass

Resolution approving amended guidelines and additional 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, 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

WHEREAS, the Saint Paul City Council, through Resolution 22-1832, adopted 2023 budgets as proposed by the Mayor; and

WHEREAS, the HRA, through Resolution 22-1820, adopted the final 2023 HRA budget; and

WHEREAS, the Saint Paul City Council, through Resolution 22-1822, adopted the 2023 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 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 the City 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, the HRA, through Resolution 19-1970, adopted Downpayment Assistance Guidelines to establish baseline considerations and guidance for implementation of the Downpayment Assistance Program; and

WHEREAS, HRA staff have conducted research and analysis of similar programs across the region and determined that changes to the Downpayment Assistance Guidelines are needed to better achieve the program goals of expanding homeownership opportunities to people with lower incomes, act as a wealth building tool, address the homeownership gap, and mitigate displacement pressures; and

WHEREAS, the Yorth group, in a report prepared for Reconnect Rondo, found that over 700 homes were lost to the construction of Interstate 94 in the 1950s; and

WHEREAS, descendants of property owners who had property taken for the construction of Interstate 94 did not benefit from the generational wealth and economic mobility that is a key benefit of homeownership; and

WHEREAS, additional downpayment assistance for direct descendants of property owners who had property taken for the construction of Interstate 94 has been identified as a way to mitigate that lost generational wealth and economic mobility.

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 geographic areas set forth in the amended 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 achieve the program goals of expanding homeownership opportunities to people with lower incomes, act as a wealth building tool, address the homeownership gap, and mitigate displacement pressures.

3. 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 also meet the program goal of replacing some of the wealth lost to descendants of property owners that lost property in the construction of Interstate 94.

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

5. ~~The HRA Board of Commissioners approves the allocation of \$2,000,000.00 from the Housing Trust Fund for the expenses as described in the staff report~~

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.