



Legislation Text

File #: RES 15-1699, **Version:** 1

Resolution regarding Lonnie Adkins Court Apartments Project, approving assumption, modification and modification to an existing loan; approving a waiver of the HRA Maximum Developer Fee Guidelines; and approving a partial waiver of the Saint Paul Sustainable Building Policy, Summit-University 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.; 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, St. Paul Leased Housing Associates VII, LLLP (the "Borrower"), intends to purchase and rehabilitate the Lonnie Adkins Courts Apartments (the "Property"), located at 383 Saint Anthony Avenue, and preserve and extend the life of existing affordable rental housing units (acquisition, rehabilitation and long-term operation, collectively the "Project"); and

WHEREAS, the HRA holds a Promissory Note from the existing owner of the Property, collateral being the Property, current principal in the amount of \$420,991 (the "Existing Loan"); and

WHEREAS, the Borrower has requested financial assistance from the HRA for the Project, in the form of HRA's consent to their assumption of the Existing Loan, HRA's consent to re-subordination of the Existing Loan, and modifications to the terms of the Existing Loan as described in the accompanying Report to the Commissioners (assumption, subordination and modifications, collectively the "Financial Assistance"); and

WHEREAS, by this resolution the HRA Board determines that there is proper public purpose to provide the Financial Assistance; and

WHEREAS, the Borrower has requested that the HRA issue revenue bonds and lend the proceeds to the Borrower ("the Bond Sale") to assist in the financing of the Project, with authorization of the Bond Sale being considered by the HRA via another Resolution on this same day; and

WHEREAS, the Bond Sale requires Project compliance with the Saint Paul Sustainable Building Policy (the "Policy"), but the Policy will only apply to the 800 square-foot new construction clubhouse portion of the project; and

WHEREAS, it is the opinion of HRA staff and Center for Sustainable Building Research personnel that applying the entire Policy to the clubhouse will disproportionately increase costs and administrative burden; and

WHEREAS, HRA staff recommends granting a partial waiver to the Policy by waiving the requirement to follow a sustainable building rating system; and

WHEREAS, the Bond Sale and the Financial Assistance requires Project compliance with the HRA Maximum Developer Fee Guidelines (the "Guidelines"), and the Borrower has requested a waiver to the Guidelines in order for their developer to be paid a fee in excess of the allowed maximum amount; and

WHEREAS, HRA staff recommends granting a waiver to the Guidelines due to the public purpose of the

project, and considering that the proposed developer fee complies with Minnesota Housing Finance Agency's developer fee policy.

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 hereby approves the Financial Assistance, as described in the accompanying Report to the Commissioners, and authorizes and directs the Executive Director to negotiate, prepare and execute all documents necessary to effectuate the Financial Assistance, on the condition that on or before February 1, 2016:

a. all Financial Assistance documents are executed; and
b. the Borrower secures all necessary financing for the Project, and establish a schedule for the project, construction of which must begin within 12 months of execution of the Financial Assistance documents; and
2. The HRA Board hereby grants the Borrower a partial waiver to the Saint Paul Sustainable Building Policy, and requires that the new construction clubhouse portion of the Project comply only with the Saint Paul Overlay portion of the Policy; and

3. The HRA Board hereby grants the Borrower a waiver to the HRA Maximum Developer Fee Guidelines and allows for a maximum developer fee for the Project in the amount cited in the accompanying Report to the Commissioners; and

4. The HRA Executive Director and HRA staff are hereby authorized and directed to take such further action as necessary to implement this Resolution.