



Legislation Text

File #: RES 15-1986, **Version:** 1

Resolution Authorizing Grant of Value Gap Assistance in the Amount of up to \$120,023.59 to Urban Homeworks, Inc. Frogtown Planning District 7, Ward 1.

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA), has duly adopted and there is now lawfully in effect in the City of Saint Paul, Minnesota, a City Wide Comprehensive/Redevelopment Plan (Plan) providing for the acquisition, clearance and resale of land for redevelopment which includes Frogtown District 7 area within the Plan and the City Consolidated Five-Year Plan; and

WHEREAS, on November 19, 2008 the City Council approved by Resolution 08-1270 the NSP plan and its submission to HUD for \$4.3 million in funding and on January 28, 2009 the City received a letter from HUD approving the NSP Plan and funding; and

WHEREAS, on January 28, 2009, the City Council approved by Resolution 09-103 the NSP plan and its submission to Minnesota Housing for \$6.3 million in funding and it was approved February 23, 2009; and

WHEREAS, on February 25, 2009 the HRA approved the Neighborhood Stabilization Program and Rebuilding Plan 2009-2013 under Invest Saint Paul Initiative and approved a budget amendment to carry out Programs/Plans which included the acquisition of properties in designated ISP/NSP areas; and

WHEREAS, on March 24, 2010, by Resolution 10-3/24-3 the HRA accepted and approved the budget for NSP 2 funds (\$18.0 million) to continue to carry out activities under the NSP Rebuilding Plan 2009-2013; and

WHEREAS, on February 23, 2011, by Resolution 11-387 and on April 20, 2011, by Resolution 11-623 the City Council accepted and approved budget for NSP 3 funds (\$3.1 million) to continue to carry out activities under the NSP Rebuilding Plan 2009-2013; and

WHEREAS, on November 28, 2012, the HRA approved by Resolution 12-2129 the Affordable Housing Trust Fund Allocation Plan, which included authorization to fund a development gap financing program at the Twin Cities Community Land Bank (TCCLB) and established certain procedures for the sale of property in conjunction with TCCLB's program; and

WHEREAS, on July 24, 2013, by Resolution 13-1097 the HRA approved the HRA Land Disposition Strategy to address HRA-owned parcels through development and redevelopment; and

WHEREAS, the HRA has purchased, demolished, and prepared for redevelopment certain properties consistent with the aforementioned plans, including property located at 431 Charles Avenue, 422 Charles Avenue and 543 Edmund, all in Frogtown Planning District 7 "the Property"; and

WHEREAS, in February 2013, the HRA received a proposal from Urban Homeworks Inc., to purchase and redevelop the HRA-owned property located at 431 Charles Avenue in the Frogtown Planning District 7; and

WHEREAS, upon receipt of the aforementioned proposal, the HRA published notice via the Early Notification System, in accordance with the HRA policy described by Resolution 09-09/23-1, and this notice resulted in no inquiries or counter-proposals; and

WHEREAS, said proposal, pursuant to due notice thereof, was published in the Saint Paul Pioneer Press on Saturday 15 June, 2013, and a public hearing on said proposal and proposed sale and provisions thereof, was held on Wednesday 26 June, 2013 at 2:00 p.m., Central Standard Time, third floor City Hall, 15 West Kellogg Boulevard, in the City of Saint Paul, Minnesota; and

WHEREAS, in October 2013, HRA staff released an RFP to solicit proposals for redevelopment of HRA owned real property in accordance with Inspiring Communities criteria; and

WHEREAS, in November 2013, HRA staff received proposals from Urban Homeworks, Inc. to purchase and redevelop the HRA-owned property located at 422 Charles and 543 Edmund Avenue in the Frogtown Planning District 7; and

WHEREAS, HRA and HREEO staff have worked cooperatively to support a partnership between Urban Homeworks, Inc. and Goodwill/Easter Seals Minnesota to expand the Goodwill Construction Training Program while furthering the goals of the Inspiring Communities program; and

WHEREAS, PED and HREEO agreed to financially support the aforementioned partnership by funding redevelopment gap and staff time respectively; and

WHEREAS, Urban Homeworks, Inc. has been awarded a variety of subsidy dollars with which to complete these three new construction projects; and

WHEREAS, by this resolution, the HRA finds a public purpose for the formalization of the aforementioned partnership and for granting the subsidy request contained herein.

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

1. That the agreement between PED and Urban Homeworks, Inc. for a total of \$200,000 in development gap subsidy, of which \$79,976.41 has already been allocated and approved for the construction of a new single family dwelling at 431 Charles Avenue, is hereby acknowledged.
 2. That the HRA authorizes the additional value gap assistance in the amount of \$20,023.59 for the construction of a new single family dwelling at 431 Charles Avenue.
 3. That the HRA authorizes the allocation of value gap subsidy to Urban Homeworks, Inc. in the amount of \$100,000 for the construction of new single family dwellings at 422 Charles Avenue and 543 Edmund Avenue.
 4. That the authorization of value gap under this resolution constitutes the balance of value gap funds pledged to Urban Homeworks, Inc.
 5. That the existing development agreements between the HRA and Urban Homeworks, Inc. shall be amended to address the use of funds authorized by this resolution.
 6. That any unused funds shall be returned to the Disposition Strategy Budget from whence they came.
- That the Executive Director of the HRA is hereby authorized to negotiate and agree to any amendments, deletions or revisions to the Development Agreement which do not substantially change the rights or obligations of the HRA or Urban Homeworks Inc. under the Development Agreement, and further continue to comply with all NSP requirements; and is hereby authorized to take such further action necessary to implement this Resolution.