



Legislation Text

File #: RES 17-856, **Version:** 1

Approving the assignment, assumption, modification, and subordination of the City's Metropolitan Council Loan in connection with the Project for Pride in Living/Ain Dah Yung Center Project.

WHEREAS, the City of Saint Paul, Minnesota ("City") has duly adopted and there is now in effect a City-Wide Comprehensive Plan/Redevelopment Plan for the acquisition, rehabilitation and resale of properties;

WHEREAS, the City recognizes the problems created by deteriorated and blighting buildings, inappropriate land use and vacant/under utilized land in the City's neighborhoods, and also recognizes the need to take the initiative to address these issues by providing housing opportunities in a wide range of economic diversity and add to the City's affordable housing inventory; and

WHEREAS, on April 25, 2012, City of Saint Paul received \$979,100.00 from Metropolitan Council to assist Model Cities of St Paul, Inc. ("Model Cities") in the development of the Central Exchange project at 771-785 University Avenue; and

WHEREAS, on January 4, 2013, The City of Saint Paul entered into a Subgrantee Agreement with Model Cities in the amount of \$979,100, and Model Cities used \$424,008.25 of the allotted funds as a loan to acquire and remove a commercial building located on the site (the "Metropolitan Council Loan"); and

WHEREAS, Model Cities applied for funding to help in the construction of the Central Exchange project, but did not receive the funds necessary to continue the project, and indicated that they are willing to sell this property to another developer; and

WHEREAS, Project for Pride in Living/Ain Dah Yung Center ("Project for Pride in Living") is interested in developing the site, has offered to purchase the property, and entered into a purchase agreement to do so in April 2017.

WHEREAS, the Project for Pride in Living project will consists of approximately forty-two (42) units of affordable rental housing units for homeless youth with an emphasis on Native Americans (the "Project"); and

WHEREAS, Project for Pride in Living has submitted a proposal for an Assignment, Assumption, Modification and Subordination of the Metropolitan Council Loan; and

WHEREAS, Project for Pride in Living has requested that the Metropolitan Council Loan payments be deferred for 32 years; and

WHEREAS, the Credit Committee of the Department of Planning and Economic Development ("Credit Committee") met on May 31, 2017, and recommended approval of the Assignment, Assumption, Modification and Subordination of the Metropolitan Council Loan from Model Cities to Project for Pride;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Saint Paul, Minnesota, that based upon this Resolution:

1. The City Council approves the Assignment, Assumption, Subordination and Modification of the \$424,008.25 Metropolitan Council Loan with the Project for Pride in Living/Ain Dah Yung Center for the Project

on the terms set forth in this Resolution.

2. The Planning and Economic Development Director, staff and legal counsel for the City are further directed and authorized to take all actions necessary to implement this Resolution, and the Planning and Economic Development Director is authorized to execute any necessary documents and instruments in connection therewith.