



## Legislation Text

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**File #:** RES 18-1238, **Version:** 1

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Resolution approving subordination and assignment of HRA loans for Comunidades Latinas Unidas en Servicio (CLUES) at 797 East Seventh Street, District 4, Ward 7

**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 Minn Stat Section 469.002, Subd. 14; and

**WHEREAS**, CLUES ("Developer"), applied for and received the following from the HRA: 1) A \$170,000 deferred loan, 2) a \$261,000 forgivable loan, and 3) a \$417,000 deferred loan (collectively, the "Notes"). Said HRA approval was granted on December 23, 2004; and

**WHEREAS**, the Developer has requested that the HRA subordinate the \$567,697 remaining due on the Notes to a new loan from Raza Development Fund, Inc. and assign the Notes to CLUES Real Estate Holding Company; and

**WHEREAS**, staff recommends to the HRA Board subordinate the Notes and assign the Notes for the reasons described in the staff report submitted to the HRA Board with this Resolution; and

**WHEREAS**, by this Resolution the HRA approves the subordination of the Notes and their assignment for the Project.

**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 hereby approves and authorizes the subordination of the Notes to a new loan from Raza Development Fund, Inc., and authorizes the assignment of the Notes to CLUES Real Estate Holding Company.
2. 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.
3. The HRA's Executive Director is authorized to negotiate and execute any documents and instruments in connection with this Resolution including without limitation the subordination of the Notes and loan assignment.