



Legislation Text

File #: RES 18-1229, **Version:** 1

Resolution approving and authorizing partial debt forgiveness for 4RM+ULA, LLP, District 13, Ward 4

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, 4RM+ULA, LLP ("Developer"), applied for and received the following from the HRA: 1) A \$40,000 predevelopment loan, and 2) a 25% construction loan guaranty (collectively, the "Notes"). Said HRA approval was granted on October 27, 2004; and

WHEREAS, the Developer has requested the HRA forgive \$125,000 of principal and all interest and late fees (approximately \$109,197) associated with the Notes in exchange for a \$40,000 lump-sum payment ("Payment"); and

WHEREAS, staff recommends to the HRA Board partial forgiveness of the Notes and termination of related loan documents 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 partial forgiveness of the Notes and removal of the names of the Developer and its owners from the HRA adverse lending list, and finds a public purpose for the actions taken in connection with 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. Subject to receipt of the Payment, the HRA Board of Commissioners hereby approves and authorizes the forgiveness of the Notes and all accrued interest and late fees thereon, the satisfaction of the mortgage securing the repayment of the Note, and termination of any related loan documents.
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 forgiveness of the Notes and all accrued interest and late fees and satisfaction of mortgages and releases of guaranties.