



Legislation Text

File #: RES PH 19-292, **Version:** 1

Resolution approving and authorizing the sale and conveyance of 716 Desoto Street and 686 Burr Street under the Inspiring Communities program, waiver of the 45-day written notice in the HRA Disposition Policy, authorization to enter into a development agreement, and authorization of expenditures for redevelopment, District 5, Ward 5

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 Minnesota Statutes, Section 469.002, Subdivision 14; and

WHEREAS, the HRA has duly adopted and there is now lawfully in effect in the City of Saint Paul, Minnesota, a City Consolidated Five-Year Plan; and

WHEREAS, on July 24, 2013, by Resolution 13-1097 the HRA Board accepted and approved the HRA Disposition Strategy Work Plan and Budget (“Plan”) to address the disposition of certain parcels of real property owned by the HRA; and

WHEREAS, on October 9, 2013, by Resolution 13-1592 the HRA Board accepted and approved key terms of the Plan’s Inspiring Communities Program (“Program”); and

WHEREAS, the legal descriptions of the properties described in this Resolution (collectively the “Parcels”) are as follows:

716 Desoto Street - Lot 20, Block, Subdivision and Addition to Irvine’s Addition to Outlots; and

686 Burr Street - Lot 12, Block 2, Subdivision of and Addition to Irvine’s Addition of Outlots; and

WHEREAS, HRA staff identified the Parcels as vacant single-family lots that have been purchased and/or maintained using CDBG funds and are therefore required to follow CDBG regulations; and

WHEREAS, said regulations require new construction to be carried out by a Community Based Development Organization (“CBDO”) and the only CBDO in the project area is Dayton’s Bluff Neighborhood Housing Services (“DBNHS”); and

WHEREAS, said regulations also require that a national objective be met as a result of the project; and

WHEREAS, the national objective that will be met through the construction of two new single family homes by

DBNHS is housing for households at or below 80% of area median income; and

WHEREAS, HRA Staff determined that an unsolicited proposal submitted to the HRA by DBNHS, to acquire, develop, and sell the Parcels for homeownership at or below 80% of Area Median Income (“Proposals”), is consistent with the objectives and goals of the Program and therefore recommends proceeding with a land sale and execution of a development agreement with DBNHS (the “Recommendation”); and

WHEREAS, in the interest of beginning these projects in the 2019 construction season, and given that no other developers are eligible to complete the projects, staff requests that the 45-day ENS notification requirement be waived; and

WHEREAS the Inspiring Communities’ CDBG allocation has a sufficient balance to fund DBNHS’s subsidy request that is described in the staff report accompanying this Resolution; and

WHEREAS, the Recommendation was considered by the HRA Board pursuant to due notice thereof that was published in the Saint Paul Pioneer Press on August 17, 2019 and after a public hearing that was held on August 28, 2019 at 2:00 pm, central daylight time, on the third floor of City Hall, 15 West Kellogg Boulevard, Saint Paul, Minnesota; and

WHEREAS, by this resolution the HRA finds a public purpose for the sale and conveyance of the Parcels.

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

1. The HRA Board hereby approves the Recommendation and authorizes the sale and conveyance of the Parcels to DBNHS on the terms and conditions described in the staff report and this Resolution.
2. The HRA Board hereby approves and authorizes the execution of a development agreement with DBNHS consistent with Program requirements, applicable HRA compliance requirements, and the approvals contained in this Resolution, with the approval as to form of the City Attorney’s Office and authorizes and directs the Chair/Commissioner, HRA Executive Director, and Director of the Office of Financial Services to execute the development agreement.
3. The HRA Board approves a gross subsidy of \$349,720, including \$24,800 in financing, and a cash subsidy of up to \$324,920 from the Plan budget.
4. The HRA Board hereby authorizes and directs staff to take all actions necessary to carry out the activities authorized by this Resolution, and the Executive Director is hereby authorized and directed to execute all other documents and instruments necessary to effectuate the activities to be undertaken by this Resolution except that the HRA Chair/Commissioner shall execute the deeds of conveyance of the Parcels to DBNHS.