



Legislation Text

File #: RES 20-1160, **Version:** 1

Resolution approving the re-subordination of an HRA Deferred Loan associated with the Crane Ordway project due to refinancing of first mortgages, District 17, Ward 2

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 Chapter 469 of the Minnesota Statutes, Housing and Redevelopment Act ("Act") and by authority of said Act engages in activities relating to: a) housing projects and development; b) removal and prevention of the spread of conditions of blight or deteriorations; c) bringing substandard buildings and improvements into compliance with public standards; d) disposition of land for private development; 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

WHEREAS, in 2005, the Crane Ordway building, an historic former warehouse building located in Lowertown at 281 East 5th Street, was purchased by Crane Ordway Limited Partnership an affiliate of Aeon ("Owners") and converted to 70 units of affordable rental housing (the "Project");

WHEREAS, the current HRA loan for Crane Ordway includes a \$1,742,000 deferred HOME loan with a 1% interest rate and a 30-year term; and

WHEREAS, Bridgewater Bank will be providing a new, first-priority mortgage loan on Crane Ordway in the amount of \$500,000. The loan will have an interest rate of approximately 4.50% and a 10-year term; and

WHEREAS, the Owners of Crane Ordway are requesting re-subordination for the HRA deferred loan associated with the Crane Ordway Project, with no other changes to the term or lien position of the loan; and

WHEREAS, on August 11, 2020, the PED Credit Committee reviewed and approved the re-subordination of the HRA loan for the Crane Ordway Project.

NOW, THEREFORE BE IT RESOLVED, that the HRA Board of Commissioners takes the following action:

1. Authorizes and approves the re-subordination of the HRA loan for Crane Ordway Limited Partnership;
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.