



Legislation Text

File #: RES PH 21-123, **Version:** 1

Resolution approving and authorizing the sale and conveyance of 626 Reaney Avenue and 621 and 629 Minnehaha Avenue East to Dayton's Bluff Neighborhood Housing Services; approving and authorizing the Housing and Redevelopment Authority to participate in the Minnesota Housing Finance Agency Community Homeownership Impact Fund and to establish a \$434,500 grant budget for redevelopment; approving and authorizing an amendment to the Housing Trust Fund budget to include \$500,000 for the Inspiring Communities program; approving and authorizing tentative developer status to Dayton's Bluff Neighborhood Housing Services for 616 and 622 Reaney Avenue; approving and authorizing expenditures of up to \$934,500 for redevelopment, District 5, Ward 6

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.; and

WHEREAS, the HRA has the power to engage in development or redevelopment activities under Minnesota Law; 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 development, and (e) improving the tax base and the financial stability of the community, 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, subd. 14; and

WHEREAS, the Saint Paul City Council, through Resolution 18-1204, called for significant new funding for an affordable Housing Trust Fund to assist in the creation of additional units of affordable housing and to renovate and preserve naturally occurring affordable housing; and

WHEREAS, the Saint Paul City Council, through Resolution 18-2080, adopted the 2019 final HRA budget; and

WHEREAS, in 2019, \$10 million dollars was allocated over a period of three years and \$2 million was allocated annually for the Housing Trust Fund to create new affordable housing, preserve existing affordable housing, and protect the quality of affordable housing in Saint Paul; and

WHEREAS, in June 2020, the HRA applied to the Minnesota Housing Finance Agency's Community Homeownership Impact Fund program (MHFA Impact Fund) for \$434,500 and to the Metropolitan Council's Local Housing Incentives Account (LHIA) for \$40,000 to help finance the creation of affordable homeownership options inclusive of accessory dwelling units for low- and moderate-income homebuyers. The HRA received \$434,500 from the MHFA Impact Fund, and the City of Saint Paul received \$40,000 of state funds from the LHIA; and

WHEREAS, the HRA presently owns properties located at 621 and 629 Minnehaha Avenue East, and at 616 622 and 626 Reaney Avenue, each of which has been contemplated under the Inspiring Communities Disposition Work Plan and Budget since 2013; and

WHEREAS, the HRA received a proposal from Dayton's Bluff Neighborhood Housing Services ("DBNHS") for the acquisition, rehabilitation, and resale of 626 Reaney Avenue; and

WHEREAS, the HRA received proposals from DBNHS for the acquisition and redevelopment of 621 and 629 Minnehaha Avenue East; and

WHEREAS, the HRA received proposals from DBNHS to prepare sites for located at 616, 622, and 626 Reaney Avenue for future redevelopment; and

WHEREAS, on December 10, 2020, HRA staff distributed and published written notice of the Proposals and received no comments or competing proposals; and

WHEREAS, HRA staff analyzed the Proposals and recommends approving of DBNHS as the Developer of 621 and 629 Minnehaha Avenue East, and of 626 Reaney Avenue, and Developer for purposes of site work of 616 and 626 Reaney Avenue; amending the Housing Trust Fund budget to include \$500,000 for the Inspiring Communities program; awarding \$284,500 from the Impact Fund and up to \$485,000.00 from federal funds, Inspiring Communities program funds, or a combination of both to DBNHS for the acquisition and redevelopment of 621 and 629 Minnehaha Avenue East, and 626 Reaney Avenue, and site preparation for 616 and 622 Reaney Avenue for future redevelopment; using up to \$150,000 from the MHFA Impact Fund award and \$15,000 from the Inspiring Communities program for homebuyer assistance to qualified households purchasing 621 and 629 Minnehaha Avenue East and 626 Reaney Avenue; and

WHEREAS, future budget action by the City may be needed to authorize expenditure of federal funds for redevelopment; and

WHEREAS, the Proposals were published in the Saint Paul Legal Ledger and a public hearing on these proposals was held on Wednesday, May 12, 2021; and

WHEREAS, there is a public purpose in selling and conveying the properties at 621 and 629 Minnehaha Avenue East and 626 Reaney Avenue to DBNHS for redevelopment;

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 is authorized to participate in the MHFA Impact Fund Program and accept an award of \$434,500 to finance affordable homeownership opportunities inclusive of accessory dwelling units;
2. The HRA Board supports, approves, and authorizes a gross subsidy of \$934,500 to finance DBNHS's acquisition, redevelopment, and resale of 621 and 629 Minnehaha Avenue East, and 626 Reaney Avenue, and preparation by DBNHS of 616 and 622 Reaney Avenue for future redevelopment. Such gross subsidy includes up to \$434,500 in MHFA Impact Fund dollars and up to \$500,000.00 in other funds. Such other funds will be comprised in the greatest feasible amount from more-restrictive federal funds as they become available and subject to City Council budget action, with the remainder from Inspiring Communities program funds;
3. The project budgets are hereby established for the MHFA Impact Fund grants and amended for the Housing Trust Fund as detailed in the attached Financial Analysis.
4. The HRA authorizes and directs the HRA Executive Director and staff to take all actions necessary to implement this resolution, and the proper officials of the HRA are authorized to execute development agreements, grant agreements, loan agreements and other required documents on behalf of the HRA to effectuate the actions in this resolution, provided that such agreement and documents are acceptable in form and substance to the Saint Paul City Attorney.

BE IT FURTHER RESOLVED that Dayton's Bluff Neighborhood Housing Services is designated as Tentative Developer for the properties 616 and 622 Reaney Avenue until December 31, 2022 on the terms and conditions set forth in the Board Report.