



Legislation Text

File #: RES 23-71, **Version:** 1

Authorization to designate JB Vang Partners, Inc., a Minnesota corporation as tentative developer of 694 and 680 Minnehaha Avenue East, Saint Paul, MN, 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, existing, and operating under the laws of the State of Minnesota pursuant to the provisions of Minnesota Statutes, Section 469.001, et seq. (the "Act"); and

WHEREAS, the HRA is empowered by law, including the Act, to adopt and enforce this Resolution in pursuit of its mandate to engage in appropriate housing, development, and redevelopment projects; to remove or prevent the spread of conditions of blight or deterioration; to bring substandard buildings and improvements into compliance with public standards; to dispose of HRA-owned land for private development; and to improve the tax base and the financial stability of the community; and

WHEREAS, HRA owns approximately 4.8 acres of land that is improved with eight vacant and deteriorated buildings, and certain parking areas, all located at 694 and 680 Minnehaha Avenue East (the "Property"); and

WHEREAS, the HRA issued a publicly announced Request for Proposals for the Purchase and Redevelopment of the Property (the "RFP") on October 18, 2021, with a submission deadline of April 29, 2022, all in compliance with the HRA's disposition policy; and

WHEREAS, by the deadline contained in the RFP, five proposals to purchase and redevelop the Property were submitted to the HRA; and

WHEREAS, after an extensive and formal review process of the five proposals, HRA staff recommends that the HRA Board of Commissioners accept the proposal submitted by JB Vang Partners, Inc., a Minnesota corporation ("JB Vang") to construct an approximately 259-unit affordable housing and mixed-use development on the Property (the "Project"); and

WHEREAS, of the five proposals that were timely submitted, the Project proposed by JB Vang best accomplishes the objectives and goals outlined in the RFP, the HRA Land Disposition Policy, and, furthermore, the Project best complies with the strategies set forth in the Citywide Comprehensive Plan /Redevelopment Plan now legally in effect in the City of Saint Paul, including particularly those related to ensuring the availability of affordable housing; and

WHEREAS, this Board finds the Project serves a public purpose by: 1) meeting the City's goal of production of affordable housing; 2) increasing the availability of goods and services; 3) creating public green space; 4) rehabilitating vacant structures; and 5) increasing the tax base capacity for the City; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, that JB Vang (or its affiliated entity that is owned and controlled by JB Vang), is designated as tentative developer for the Property (the "Tentative Developer") until June 30, 2025, on the terms and conditions set forth in this Resolution. Within ten (10) days of the passage of this Resolution, the Tentative Developer must execute and deliver to HRA staff the Acknowledgement of Compliance Documents (First Developer Letter), in a form acceptable to HRA staff (including a preliminary schedule), along with a non-refundable application fee of \$25,000. The HRA and Tentative Developer will

maintain open and regular communications to ensure significant progress is being made toward the tasks defined below.

BE IT FURTHER RESOLVED that the Tentative Developer must complete or cause to complete, at its own cost, certain activities with respect to the Project. A list of benchmark activities, and the dates such activities are to be commenced or completed by the Tentative Developer include the following:

Prior to June 30, 2023, the Tentative Developer will:

- ☐ Commence historic research and due diligence for a nomination to the National Register of Historic Places (“NRHP”).
- ☐ Engage surrounding community groups and key stakeholders regarding the Project and its site plan.
- ☐ Commence and diligently pursue site survey, geotechnical study, building and structural analysis, and environmental assessment(s).

Prior to December 31, 2023, the Tentative Developer will:

- ☐ Complete due diligence for a nomination to NRHP.
- ☐ Submit a detailed timeline and construction phasing plan for the Project, for approval by HRA staff.
- ☐ Submit a plan for the commercial marketplace component of the Project, including ownership structure, financing, and any relevant market studies.
- ☐ Complete schematic designs for the Project with input from affected community groups and stakeholders.
- ☐ Pursue funding for the Project, such as New Market Tax Credits, Metropolitan Council Grants, and Ramsey County Grants, as applicable.

Prior to June 30, 2024, the Tentative Developer will:

- ☐ Assemble and complete application(s) for nomination to NRHP, if applicable.
- ☐ Complete application to Minnesota Housing Finance Agency’s Multifamily Consolidated Request for Proposals.
- ☐ Identify commercial management partner(s).

Prior to December 31, 2024 the Tentative Developer will:

- ☐ Complete formal scope of work with architectural/engineering plans and specifications, incorporating Green/Sustainable Development guidelines, and including site plan, elevations, exterior treatments/materials, and interior schematics for approval by HRA staff.
- ☐ Complete site plan review process with the Department of Safety and Inspection.
- ☐ Receive all approvals for zoning for the Project.
- ☐ Finalize a detailed development budget and business plan for approval by HRA staff.
- ☐ Complete a finance plan for HRA and State of Minnesota bonding, in preparation for a potential January 2025 application for State Tax Exempt Bonds Housing Pool.

- ☐ Submit evidence of availability of construction financing for review by HRA staff for acceptability.

Prior to June 30, 2025 the Tentative Developer will:

- ☐ Obtain all property building permit approvals, licenses, and any other required City or State approvals for the Project.
- ☐ Negotiate final terms and conditions of a development agreement, which will include all compliance requirements, details of the bidding process, and a sworn construction cost statement from the selected contractor for the Project.

BE IT FURTHER RESOLVED that the terms and conditions of a development agreement between the HRA and the Tentative Developer shall include, among other items required by HRA staff or the City Attorney's Office, the following terms and restrictions:

1. All pre-development costs are the sole responsibility of the Tentative Developer.
2. The Tentative Developer must work with affected community groups.
3. The Property will be sold in its "as is" condition.
4. In connection with the foregoing actions, the HRA is authorized to grant the Tentative Developer access to the Property under a license agreement, approved by the City Attorney's Office, that allows the Tentative Developer to perform its due diligence, including environmental investigation, provided that entry onto the Property shall not interfere with any HRA or City of Saint Paul operations on or around the Property.

BE IT FURTHER RESOLVED that if the Tentative Developer does not timely commence or complete the specified tasks or otherwise abide by the terms of this Resolution, its status as Tentative Developer may be terminated by the Executive Director of the HRA without further action by this Board, or, alternatively, the Executive Director may grant an extension of the Tentative Developer status for a period up to six months upon a showing of significant progress of the tasks defined above by the Tentative Developer.