



Legislation Text

File #: RES PH 23-67, **Version:** 1

Resolution authorizing and approving the conveyance of two, HRA-owned parcels of land located at 1180 and 1186 Prosperity Avenue; authorizing and recommending approval of financing of a \$1,500,000 HOME Loan; authorizing and recommending approval of financing of a \$2,070,000 ARPA Loan; an amendment to the Tax Increment Financing Plan for the Phalen Village Redevelopment Tax Increment Financing District and authorizing and approving the execution of a Purchase Agreement and Subrecipient and Loan Agreement for the Phalen Village Senior Housing Project; District 2, Ward 6

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") is a public body corporate and politic organized, existing, and operating under the laws of the State of Minnesota, Minn. Stat. Sec. 469.001, et seq. (the "Act"); and

WHEREAS, the HRA has the power to engage in development and redevelopment activities under the Act, and is authorized to create redevelopment projects as defined in the Act, and said activities include but are not limited to: (a) providing adequate, safe and sanitary dwellings, remedying housing shortages for low and moderate income residents, and providing housing for persons of all incomes through housing projects and development, (b) removing and preventing blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) performing duties according to the comprehensive plan, (e) disposing of land for private redevelopment, and (f) improving the tax base and the financial stability of the community; and

WHEREAS, the City issued a 30% AMI Deeply Affordable Housing Program - March/April 2022 Request for Proposals; and

WHEREAS, the Phalen Village Apartments Limited Partnership, a Minnesota limited partnership (the "Developer") submitted a proposal in response to the City's RFP to construct an approximately 76-unit multifamily rental housing development and functionally related facilities (the "Proposal") on HRA-owned properties located at 1180 and 1186 Prosperity Avenue, Saint Paul, Minnesota, legally described as:

Parcel 1:

1180 Prosperity Avenue (27-29-22-22-0006)

The North 151 feet of the South 217 feet of the following described tract:

That part of the Northwest Quarter of the Northwest Quarter of Section 27, Township 29, Range 22, Ramsey County, Minnesota described as follows: Commencing at a point on a line 33 feet South of the North line of the Northwest Quarter of said Section 27, being the South line of Maryland Street and 257.47 feet West of the Northeast corner of the Northwest Quarter of the Northwest Quarter of Section 27; thence South 00°08' East, 390 feet; thence West parallel with the North line of said Northwest Quarter, 293.89 feet to the Easterly line of Prosperity Avenue; thence Northeasterly along the Easterly line of Prosperity Avenue 321.28 feet; being a line at an angle of 124°24' to the right from the last described line; thence at an angle to the left 37°06', 125 feet, said last point being the intersection of the Easterly line of Prosperity Avenue and the Southerly line of Maryland Street thence East along the South line of Maryland Street, 117.25 feet to the point of beginning.

Excepting from the above described property the following:

That parcel of land in the North half of the Northwest Quarter, Section 27, Township 29, Range 22, described as follows: Beginning at the point of intersection of the Easterly line of Prosperity Avenue and the North line of Rose Avenue, as opened, by Council File No. 207351; thence Northeasterly a distance of 28.45 feet along the Easterly line of Prosperity Avenue; thence Southeasterly on a curve to the left having a central angle of 124 degrees, 24 minutes, and a radius of 15 feet a distance of 32.54 feet to the North line of Rose Avenue; thence Westerly on the North line of Rose Avenue a distance of 28.45 feet to the point of beginning.

(Abstract)

Parcel 2:

1186 Prosperity Avenue (27-29-22-22-0167)

That part of the Northwest Quarter of the Northwest Quarter of Section 27, Township 29, Range 22, Ramsey County, Minnesota, described as follows: Commencing at a point on a line 33 feet South of the North line of the Northwest Quarter of said Section 27, being the South line of Maryland Street, and 257.47 feet West of the Northeast corner of the Northwest Quarter of the Northwest Quarter of said Section 27; thence South 0 degrees 08 minutes East a distance of 390 feet; thence West parallel to the North line of said Northwest Quarter a distance of 293.89 feet to the Easterly line of Prosperity Avenue; thence Northeasterly along the Easterly line of Prosperity Avenue 321.28 feet; being a line at an angle of 124 degrees 24 minutes to the right from the last described line; thence at an angle to the left of 37 degrees 06 minutes a distance of 125 feet to a point being the intersection of the Easterly line of Prosperity Avenue and the South line of Maryland Street; thence East along the South line of Maryland Street 117.25 feet to the point of beginning, except the South 217 feet thereof, and excepting therefrom the following described parcel which has been conveyed to the City of St. Paul to open, widen and extend Prosperity Avenue, to-wit: Commencing at the point of intersection of the Easterly line of Prosperity Avenue and the Southerly line of Maryland Street; thence Southerly 20 feet along the said Easterly line of Prosperity Avenue to a point; thence Northeasterly on a straight line to a point on the said Southerly line of Maryland Street 20 feet East of the point of beginning; thence Westerly along said Southerly line of Maryland Street 20 feet to the point of beginning, all according to the United States Government Survey thereof, Ramsey County, Minnesota.

(Abstract)

(the "Properties"); and

WHEREAS, this Proposal and related sale of the Properties, pursuant to due notice thereof, was published in the Saint Paul Pioneer Press and a public hearing on this Proposal and related sale of the Properties was held on Wednesday, March 22, 2023 at 2:00 pm, on the third floor of City Hall, 15 West Kellogg Boulevard, Saint Paul, Minnesota; and

WHEREAS, the Developer has agreed to purchase the Properties for the purchase price of \$650,000; and

WHEREAS, the Developer has requested financing of \$2,070,000 in ARPA funding and \$1,500,000 in HOME funding, which will be used to complete improvements to the Properties and staff has identified the sources and terms for this financing in the accompanying staff report ("Improvement Financing"); and

WHEREAS, by this Resolution, the HRA finds a public purpose for the sale and conveyance of the Properties to the Developer and the issuance of the Improvement Financing all pursuant to the Developer's Proposal because it will increase the tax base in the City, stimulate the development of decent, safe, and sanitary housing, and serve as an impetus for further redevelopment;

WHEREAS, the HRA has heretofore established the Saint Paul Neighborhood Project Area, as amended (the

“Project Area”) and has adopted a redevelopment plan therefor (the “Redevelopment Plan”) pursuant to Minnesota Statutes, Sections 469.001 to 469.047, as amended (the “HRA Act”); and

WHEREAS, the HRA has previously created the Phalen Village Redevelopment Tax Increment Financing District (the “TIF District”) located within the Project Area and adopted a tax increment financing plan for the TIF District (as previously amended, and as further amended hereby, the “TIF Plan”); and

WHEREAS, the HRA has determined that it is necessary to further amend the TIF Plan to remove the following property (collectively, the “Parcel”) from the TIF District in order to combine this parcel to an adjacent non-TIF parcel:

Parcel 1:

1180 Prosperity Avenue (27-29-22-22-0006)

The North 151 feet of the South 217 feet of the following described tract:

That part of the Northwest Quarter of the Northwest Quarter of Section 27, Township 29, Range 22, Ramsey County, Minnesota described as follows: Commencing at a point on a line 33 feet South of the North line of the Northwest Quarter of said Section 27, being the South line of Maryland Street and 257.47 feet West of the Northeast corner of the Northwest Quarter of the Northwest Quarter of Section 27; thence South 00°08' East, 390 feet; thence West parallel with the North line of said Northwest Quarter, 293.89 feet to the Easterly line of Prosperity Avenue; thence Northeasterly along the Easterly line of Prosperity Avenue 321.28 feet; being a line at an angle of 124°24' to the right from the last described line; thence at an angle to the left 37°06', 125 feet, said last point being the intersection of the Easterly line of Prosperity Avenue and the Southerly line of Maryland Street thence East along the South line of Maryland Street, 117.25 feet to the point of beginning.

Excepting from the above described property the following:

That parcel of land in the North half of the Northwest Quarter, Section 27, Township 29, Range 22, described as follows: Beginning at the point of intersection of the Easterly line of Prosperity Avenue and the North line of Rose Avenue, as opened, by Council File No. 207351; thence Northeasterly a distance of 28.45 feet along the Easterly line of Prosperity Avenue; thence Southeasterly on a curve to the left having a central angle of 124 degrees, 24 minutes, and a radius of 15 feet a distance of 32.54 feet to the North line of Rose Avenue; thence Westerly on the North line of Rose Avenue a distance of 28.45 feet to the point of beginning.

(Abstract)

The existing parcel will be combined with adjoining non-TIF parcel to create one new tax parcel.

WHEREAS, the HRA has investigated the facts and has caused to be prepared an Amendment to Tax Increment Financing Plan for the Phalen Village Redevelopment Tax Increment Financing District (the “TIF Plan Amendment”); and

WHEREAS, the total current net tax capacity of the Parcel is at least equal to the net tax capacity of the Parcel in the TIF District's original net tax capacity, and therefore the TIF Plan Amendment may be accomplished without notice or hearing pursuant to Section 469.175, Subdivision 4(e)(2)(A) of the TIF Act; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “Board”), as follows:

1. The Board approves and authorizes the conveyance of the Properties to the Developer pursuant to the Developer's Proposal because it is in the public interest and furthers the objectives of the

City's general plan of economic development, and because the Proposal will increase the tax base in the City, stimulate the development of decent, safe, and sanitary housing, and serve as an impetus for further redevelopment.

2. The Board approves and recommends authorization of the Improvement Financing and the execution of all necessary agreements for the Improvement Financing.

3. The Board approves the TIF Plan Amendment. The TIF District and the TIF Plan are hereby amended to remove the Parcel and the TIF Plan Amendment is hereby approved. The TIF Plan Amendment shall be placed on file in the office of the Executive Director of the HRA. The staff of the HRA is hereby directed to file a copy of the TIF Plan Amendment with the County Auditor of Ramsey County, the Commissioner of Revenue and the Office of the State Auditor.

4. The Board approves and authorizes the execution of the Purchase Agreement and Subrecipient and Loan Agreement.

5. 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.

6. The Board approves and authorizes staff, under the direction of the Executive Director, to take all actions necessary to carry out the activities authorized by this Resolution, including finalizing all documents and agreements necessary to effectuate the activities to be undertaken by this Resolution, subject to approval by the City Attorney's Office.

7. The Board resolves that the only signature that shall be required on any and all documents in connection with this Resolution, subject to approval by the City Attorney's Office, is that of the Executive Director who is hereby approved and authorized to execute all said documents and instruments, which shall be sufficient to bind the HRA to any legal obligations therein.

8. The Board Resolves that this Resolution does not constitute a binding legal agreement; rather, the action taken herein shall not be effective until said documents are executed by the appropriate official(s) of the HRA.