



## Legislation Text

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**File #:** RES 23-695, **Version:** 1

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Resolution authorizing additional expenditures for the redevelopment of 800 Robert Street South, District 3, 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 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 owns a vacant lot at 800 Robert Street South, Saint Paul (the "Parcel"); and

**WHEREAS**, the legal description of the Parcel is as follows: Lot 2, Auditor's Subdivision of Lot 6, Bidwell's Addition to West St. Paul, Ramsey County, Minnesota; and

**WHEREAS**, on August 26, 2020, by Public Hearing Resolution PH 20-178, the HRA approved and authorized the sale and conveyance of the Parcel to Neighborhood Development Alliance ("NeDA"), authorized execution of a development agreement with NeDA to construct a new single-family house on the Parcel in compliance with Community Development Block Grant ("CDBG") regulations, authorized expenditures to subsidize the redevelopment in the amount of \$125,000 which included \$13,300 in land acquisition financing by an HRA forgivable loan, and a cash subsidy of \$112,500 in CDBG funds, also by forgivable loan, and authorized a waiver of the 45-day written notice in the HRA Disposition Policy; and

**WHEREAS**, On August 25, 2021, by Resolution 21-1225, the HRA authorized additional expenditures up to \$140,461 of CDBG, plus the land value to assist with this redevelopment project because there were unforeseen delays in the commencement of the project due to increased construction, material, and labor costs; and

**WHEREAS**, since Resolution 21-1225 was approved, NeDA no longer has access to a \$42,500 grant from the Minnesota Housing Finance Agency's (MHFA) Community Housing Impact Fund to subsidize the project. In addition to the lost source of development subsidy, they have encountered an unforeseen rise in construction costs, and NeDA has requested additional subsidy funds from the HRA in the amount of \$45,500; and

**WHEREAS**, HRA Staff determined that NeDA's commitment to acquire the Parcel, build a new single-family home and sell the newly-built home to a CDBG-eligible household for homeownership, is a positive public purpose; and

**WHEREAS**, HRA Staff determined that the additional funding requested by NeDA is reasonable and that the additional requested funds, along with previously approved funds, represent a positive public purpose; and

**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 and authorizes a new gross subsidy total of \$199,261 for the Parcel, which includes \$13,300 in land acquisition financing by an HRA forgivable loan, and a cash subsidy of \$185,961 in CDBG funds, also by forgivable loan.

2. The HRA Board acknowledges that the aforementioned new gross subsidy total is \$45,500 greater than the original gross subsidy total approved by Resolution 21-1225 on 8/25/21 which is due to the loss of a MHFA Impact Fund grant and increased construction and labor costs.

3. The HRA Board hereby authorizes and directs HRA staff to take all actions necessary to carry out the activities authorized by this Resolution and Resolution PH 20-178 and Resolution 21-1225, 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.

4. 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.