



Legislation Text

File #: RES 24-1435, **Version:** 1

Authorizing the transfer of \$4,900,000 in American Rescue Plan Act funds from the 30% AMI Deeply Affordable Housing account for an affordable housing project loan and approving the execution of subrecipient and other loan agreements for the CB Ford Site II housing project located at 2260 Bohland Avenue (District 15, Ward 3).

WHEREAS, on March 11, 2021, the American Rescue Plan Act (“ARPA”) was signed into law by the President of the United States and established the Coronavirus State and Local Fiscal Recovery Fund (“SLFRF”), intended to provide support to local governments in responding to the impact of COVID-19; and

WHEREAS, the City’s SLFRF funds are to be used “to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts” 42 U.S.C. §§ 802(c)(1) and 803 (c)(1) and, pursuant to 31 C.F.R. § 35.6, the SLFRF are to be used on eligible expenses which benefit populations that have been impacted by the public health emergency or its negative economic impacts; and

WHEREAS, under RES 21-1794 and RES 22-1868, the City allocated approximately \$37.5 Million of its ARPA SLFRF funds to its department of Planning and Economic Development for the provision of deeply affordable housing as a response to the negative economic impacts suffered from the COVID-19 public health emergency; and

WHEREAS, CB Ford Site II Limited Partnership, a Minnesota limited partnership (or another Common Bond entity controlled by or affiliated with it) (the “Developer”) submitted a proposal in response to the City’s Request for Proposals for its 30% AMI Deeply Affordable Housing Program - March/April 2022, to construct on property located at 2260 Bohland Avenue, Saint Paul (the “Property”) a 4-story multifamily building with 60 affordable senior residential dwelling units and related facilities (the “Project”) with the Developer obligated to maintain 40 years of affordability as follows: 45 units at 30% AMI, and 15 units at 50% AMI (“Affordability Terms”); and

WHEREAS, the proposal was reviewed as part of the formal solicitation and review process and as a result of the review it was determined that the Project is eligible for SLFRF funding; and

WHEREAS, the Housing and Redevelopment Authority for Saint Paul (the “HRA”) has recommended accepting the proposal for construction of the Project, and has recommended the issuance of a \$4,900,000 deferred loan to the Developer from the City’s SLFRF funds allocated to its 30% AMI Deeply Affordable Housing account for construction of the Project, with a term of 40 years and an interest rate of 0% and including the Affordability Terms (“SLFRF Loan”); and

WHEREAS, the City hereby finds that the Project and SLFRF Loan are in the best interest of the residents of the City and will benefit the health, safety, morals and welfare of the residents of the City; and

WHEREAS, the City further finds that: (1) the population impacted by the Project constitute low- and moderate-income households as defined in 31 C.F.R. § 35.3 and are therefore preemptively impacted by the public health emergency or its negative economic impacts pursuant to 31 C.F.R. § 35.6(b)(2); (2) the Project is proportionate in response to the public health emergency or its negative economic impacts on the impacted population as required by 31 C.F.R. § 35.6(b)(3); (3) the Project will improve access to stable, affordable housing for the impacted population and that the Project is a cost-effective and proportional response to the impacted population’s needs; and (4) the use of SLFRF proposed by the Project are eligible as specifically

identified in 31 C.F.R. 35.6(b)(3)(ii)(A)(5) which identifies as an eligible expense: “Development, repair, and operation of affordable housing and services or programs to increase long-term housing security”; and

WHEREAS, pursuant to Section 10.07.4 of the City Charter, the Mayor recommends the transfer of unencumbered ARPA 30% AMI Deeply Affordable Housing appropriations as outlined in the attached financial analysis, which is consistent with the City’s plan to shift ARPA funds to project-specific accounts for spending; now therefore, be it

RESOLVED that the City Council of the City of Saint Paul does hereby:

1. Approve and incorporate the foregoing Recitals as if fully set forth.
2. Authorize the transfer of \$4,900,000 from the ARPA 30% AMI Deeply Affordable Housing holding account to a project-specific account for the Project as outlined in the attached financial analysis.
3. Approve the issuance of the SLFRF Loan to Developer for the Project as set forth in the Recitals and attached analysis / report.
4. The execution of a development, subrecipient and loan agreement between City and Developer setting forth the terms of the SLFRF Loan including the Affordability Terms.
5. Approves and authorizes City staff to take all actions necessary to carry out the activities authorized by this Resolution, including finalizing all documents and agreements, subject to approval by the City Attorney’s Office.
6. Authorizes the proper City official(s) to execute any and all documents in connection with this Resolution, subject to approval by the City Attorney’s Office.
7. 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 City.