



Legislation Text

File #: RES 26-63, **Version:** 1

Resolution Approving and Authorizing Additional Expenditures for Redevelopment of 560 Brunson Street under the Housing and Redevelopment Authority's Inspiring Communities Program. District 5, 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 Minn Stat Section 469.002, Subd. 14; and

WHEREAS, on July 24, 2013, by Resolution 13-1097 the HRA Board accepted and approved the HRA Disposition Strategy Work Plan and Budget ("Plan") to address the disposition of certain parcels of real property owned by the HRA; and

WHEREAS, on October 9, 2013, by Resolution 13-1592 the HRA Board accepted and approved key terms of the Plan's Inspiring Communities Program ("Program"); key terms were revised and most recently accepted and approved on July 13, 2022 by Resolution 22-1072, which included a gross subsidy cap of \$200,000 per unit; and

WHEREAS, on August 11, 2022, HRA staff released a Request for Proposals ("RFP") to solicit proposals for redevelopment of HRA owned real property in accordance with Inspiring Communities criteria, and analyzed proposals received; RFP responses were presented to the HRA Board of Commissioners on December 14, 2022; and

WHEREAS, the proposal for the property located at 560 Brunson Street (the "Property") was received from Amani Construction & Development LLC (the "Developer"), the proposal was recommended for award along with a waiver of the per unit gross subsidy limit; and

WHEREAS, the HRA Board held a duly noticed public hearing on June 12, 2024 relating to the sale of the Property; and

WHEREAS, by resolution PH 24-144, on June 12, 2024, the HRA Board authorized the sale and conveyance of the Property to the Developer on the terms and conditions described in the staff report presented with that action; and

WHEREAS, also by resolution PH 24-144, on June 12, 2024, the HRA Board approved the execution of a development agreement with the Developer consistent with the approvals in that resolution and Program requirements and which will contain applicable compliance requirements. The Executive Director was authorized to negotiate a development agreement that is consistent with the intent of that Resolution and is

approved by the City Attorney's Office; and

WHEREAS, also by resolution PH 24-144, on June 12, 2024, the HRA Board approved and authorized cash subsidy expenditures in the amount of \$1,048,059, and land contribution valued at \$96,500, for the Property, totaling \$1,145,059 of gross subsidy; and

WHEREAS, Staff recommends authorization of an additional \$87,313 for development gap subsidy, bringing the gross subsidy up to \$1,232,372, which is \$308,903 per unit.

NOW THEREFORE BE IT RESOLVED that the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, hereby takes the following action:

1. The HRA Board hereby authorizes additional subsidy expenditures in the amount of \$87,313 for the Property.
2. The HRA Board hereby 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 and Resolution PH 24-144, including finalizing all documents and agreements necessary to effectuate the activities to be undertaken by these Resolutions, subject to approval by the City Attorney's Office.
3. The only signature that shall be required on any and all documents in connection with these Resolutions, 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.
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.