



Legislation Text

File #: RES 11-501, **Version:** 2

Resolution Authorizing Entering into a Development Agreement, Obligating NSP Funds and Approving Sale and Conveyance of Land to BB Housing Associates, LLC for Properties Located within ISP/NSP Neighborhoods Identified as:

:

1. Parcel 402 Hope Street, Dayton's Bluff District 4
2. Parcel 947 East Minnehaha Avenue, Dayton's Bluff District 4
3. Parcel 500 Hopkins Street, Payne-Phalen District 5
4. Parcel 765 Edgerton Street, Payne-Phalen District 5
5. Parcel 599 Reaney Avenue, Payne Phalen District 5

AMENDED

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA), has duly adopted and there is now lawfully in effect in the City of Saint Paul, Minnesota, a City Wide Comprehensive/Redevelopment Plan (Plan) providing for the acquisition, clearance and resale of land for redevelopment which includes Dayton's Bluff District 4 and Payne-Phalen District 5 areas within the Plan and the City Consolidated Five-Year Plan; and

WHEREAS, on November 19, 2008 the City Council approved by Resolution 08-1270 the NSP plan and its submission to HUD for \$4.3 million in funding and on January 28, 2009 the City received a letter from HUD approving the NSP Plan and funding; and

WHEREAS, on January 28, 2009, the City Council approved by Resolution 09-103 the NSP plan and its submission to Minnesota Housing for \$6.3 million in funding and it was approved February 23, 2009; and

WHEREAS, on February 25, 2009 the HRA approved the Neighborhood Stabilization Program and Rebuilding Plan 2009-2013 under Invest Saint Paul Initiative and approved a budget amendment to carry out Programs/Plans which included the acquisition of properties in designated ISP/NSP areas; and

WHEREAS, on March 24, 2010, by Resolution 10-3/24-3 the HRA accepted and approved the budget for NSP 2 funds (\$18.0 million) to continue to carry out activities under the NSP Rebuilding Plan 2009-2013; and

WHEREAS, NSP funds came with extensive restrictions and an extremely short timeline to expend funds by February, 2013, and any unspent funds are returned to the Federal Government after said date, in addition to the tight timeline 25% of the \$28.0 million or \$7.3 million has to be spent on housing for families at or below 50% of area median income; and

WHEREAS, the Parcels at 402 Hope Street, 947 East Minnehaha Avenue, 500 Hopkins Street, 765 Edgerton Street and 599 Reaney Avenue were reviewed in combination with the District Council when being considered for strategic acquisition under ISP/NSP activities; and

WHEREAS, on December 23, 2010 HRA placed notice of a proposal from BB Housing Associates, LLC to develop five (5) rental properties, three (3) of the properties were purchased under NSP and two (2) properties were donated to the HRA by Lenders under ISP and in accordance with HRA's Disposition Policy the

information was sent out through the Early Notification System which allowed 45 day review process and submission of any other interested parties; and

WHEREAS, HRA received no other proposals concerning these properties and BB Housing Associates, LLC presented their proposals to the District organizations and received support to move forward with the proposed development; and

WHEREAS, said proposal, pursuant to due notice thereof was published in the Saint Paul Pioneer Press on February 26, 2011, and a public hearing on said proposals and proposed sales and provisions thereof, was held on Wednesday, March 9, 2011 at 2:00 p.m., Central Standard Time, third floor City Hall, 15 West Kellogg Boulevard, in the City of Saint Paul, Minnesota; and

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota as follows:

1. That BB Housing Associates, LLC, a Minnesota limited liability company will (1) proceed to finalize all specifications for rehabilitation continuing to work with neighborhood organizations, HPC and HRA Commissioners in finalizing Scopes of Work ; (2) complete the bidding requirements for contract work meeting all the compliance requirements; and (3) obtain the approval of HRA Commissioners to the final Scopes of Work; and (4) comply with all other NSP and City /HRA requirements prior to final closing on the Parcels all located within Invest Saint Paul/NSP Activity areas and hereby conform to the objectives and specific requirements of the Neighborhood Stabilization Program under the Invest Saint Paul Initiative and meet the intended reuse as identified in the City Wide Comprehensive Plan and Consolidated Plan, legally described as:

Parcel 402 Hope Street

Lot 20, Block 10, B Sinnens Subdivision of Blocks No. 10 and 22 of Lyman Dayton's Addition, Ramsey County, Minnesota.

Parcel 947 East Minnehaha Avenue

Lots 13 and 14, Block 21, Terry's Addition to the City of St. Paul, except that part of Lot 13 deeded to the City of St. Paul for Forest Street in Book 219 of Deeds, Page 244, according to the recorded plat thereof, and situate in Ramsey County, Minnesota.

Parcel 500 Hopkins Street

Lot 4, Block 5, Brunsons Addition, according to the recorded plat thereof, and situated in Ramsey County, Minnesota.

Parcel 765 Edgerton Street

Lot 8, Block 16, Stinson's Addition to the City of St. Paul, according to the recorded plat thereof, and situate in Ramsey County, Minnesota.

Parcel 599 Reaney Avenue

Lots 18 and 19, Block 2, Borup and Payne's Addition to St. Paul, Ramsey County, Minnesota.

further identified as the "Parcels".

2. That the method of disposition of said Parcels is in accordance with the Neighborhood Stabilization Program and Rebuilding Plan 2009-2013 under the Invest Saint Paul Initiative, City Wide Redevelopment Plan and Consolidated Plan and is the appropriate method of making said Parcels available for redevelopment.

3. That the sum of One Hundred Twenty-four Thousand Five Hundred Forty-eight Dollars (\$124,528.00) for the Parcels represents the purchase price and is satisfactory in accordance with Sec. 469.032 and the Neighborhood Stabilization Program requirements and use and restrictions are in conformance with the City Wide Redevelopment Plan and Consolidated Plan.
4. That HRA hereby obligates \$1,150,000.00 of NSP funds for the redevelopment of the Parcels to provide affordable housing at or below 50% of the area median income and hereby conform to the objectives and specific requirements of the Neighborhood Stabilization Program and meet the intended reuse of the Parcels under the Program.
5. That BB Housing Associates, LLC has the apparent qualifications and financial resources to acquire said Parcels in accordance with the Neighborhood Stabilization Program and Rebuilding Plan 2009-2013 under the Invest Saint Paul Initiative.
6. That the proposed disposal transaction by and between HRA and BB Housing Associates, LLC is satisfactory in form and complies with the requirements of state and federal law for all Parcels.
7. That \$1,274,528.00 of Neighborhood Stabilization funds that has been expended/obligated for acquisition, rehabilitation and operating reserve and will be used to complete the development of Parcels as approved by HRA and will be secured with a Mortgage and Note against the properties according to the terms and conditions outlined in the HRA Board Report accompanying this Resolution.
8. That the execution and delivery of said Development, Loan and Grant Agreement between BB Housing Associates, LLC and HRA for Parcels is hereby authorized by the Board of Commissioners to be executed on its behalf by the Chairperson or his/her designated Commissioner, the Executive Director of the HRA or Acting Executive Director, and the Director, Office of Financial Services of the City of Saint Paul.
9. Subject the approval of the final Scopes of Work as outlined above, the execution and delivery of Deeds of Conveyance of Parcels is in accordance with said Development Agreement and will include occupancy and use of the properties only as four (4) duplexes and one (1) triplex within the deed restriction, and is hereby authorized by the Board of Commissioners, to be executed on its behalf by the Chairperson or his or her designated Commissioner of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota.
10. That upon satisfactory completion of the improvements, and other obligations, in accordance with the terms of said Development Agreement, the execution and delivery of the Certificate of Completion to BB Housing Associates, LLC is hereby authorized by the Board of Commissioner to be executed on behalf by the Chairperson or his or her designated Commissioner of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota subject to all the remaining conditions/restrictions required with the use of NSP funds.
11. That the Executive Director of the HRA is hereby authorized to negotiate and agree to any amendments, deletions or revisions to the Development Agreement which do not substantially change the rights or obligations of the HRA or Developer under the Development Agreement and further continues to comply with all NSP requirements and take such further action necessary to implement this Resolution.