

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS

DATE: JANUARY 21, 2025

REGARDING: AUTHORIZING THE EXECUTIVE DIRECTOR OF THE HOUSING AND REDEVELOPMENT AUTHORITY TO CONSENT AND EXECUTE ANY REQUIRED ENVIRONMENTAL COVENTANTS AND EASEMENTS AT EXISITNG PROJECTS FOR WHICH HRA IS A LENDER, CITYWIDE

Requested Board Action

Authorization for the Executive Director of the HRA to take all actions necessary to implement the accompanying Resolution, including the execution of required environmental covenant and easement documents and instruments on behalf of the HRA.

Background

An Environmental Covenant and Easement (ECE) is a legal requirement regulated by the Uniform Environmental Covenants Act (UECA), found in Minnesota Statutes Chapter 114E, and mandated by the Minnesota Pollution Control Agency (MPCA) when land use limitations, activity restrictions, or affirmative obligations are necessary to protect public health and the environment. These covenants prevent exposure to legacy contamination by restricting certain property uses, such as prohibiting residential or childcare facilities, or by preventing activities like soil excavation and groundwater extraction. In many cases, these easements also require the ongoing maintenance of protective measures, such as engineered soil caps or vapor mitigation systems. The recorded ECEs run with the land and bind those parties with a future interest in the property.

Projects within the HRA's portfolio are often subject to these MPCA regulations. Because environmental assessments and regulatory determinations may occur late in the development cycle, the MPCA often identifies the need for an ECE after a project has already been approved for funding or has moved into the construction and leasing phases. As a result, the HRA is frequently notified of these requirements well after the Board has already approved the project.

As a lender, the HRA is required to sign and authorize these environmental covenants to ensure the underlying property remains in compliance with state law. Given that these restrictions are

non-negotiable regulatory mandates imposed on projects the HRA has already committed to support, staff recommends that individual board review for each specific ECE is not necessary. To streamline administrative processes and ensure timely compliance with MPCA mandates, the HRA seeks to delegate the authority to execute these environmental covenants and easements directly to the Executive Director, subject to approval by the City Attorney's Office.

Budget Action

N/A

Future Action

N/A

Financing Structure

N/A

PED Credit Committee Review

N/A

Compliance

N/A

Green/Sustainable Development

N/A

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance:

This item is reflective of the 2040 Comprehensive Plan's goals of maintaining decent, safe and healthy housing for all Saint Paul residents and stable rental housing.

Sponsored by: Commissioner Saura Jost

Staff: Angela Riffe, 651-266-8524

Attachments

N/A