



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: July 19, 2021
Item No.: 5.a

Department Approval

Executive Director Approval

Jamie Gundlach

Paula Trujillo

Item Description: Consider Resolutions authorizing entering into a Contract for Private Redevelopment and approving the Subordination of the Contract for Private Redevelopment for Roseville Housing Group II, LLC (Edison Apartments Phase II)

BACKGROUND

On May 13, 2019 the Roseville Economic Development Authority (REDA) authorized providing Sewer Access Charges (SAC) of \$2,000 per unit not to exceed \$118,000 for financial assistance for the development of 59 affordable housing units, known as Edison Apartments phase II (Attachment A). Additionally, the REDA serves as the pass through agent for environmental grants received from the Metropolitan Council’s Tax Base Revitalization Account (TBRA) in the amount of \$633,000 and from the Department Employment and Economic Development’s (DEED) Contamination Clean-Up grant in the amount of \$325,000. The TBRA funds will be provided as a deferred loan. The Contract for Private Redevelopment memorializes the commitment of the City’s SAC credits and the two environmental grants (Attachment B) towards the development of the proposed 59 units of affordable apartments. In addition, the REDA is being asked to authorize a Master Subordination Agreement for the Contract for Private Redevelopment and the TBRA deferred loan (Attachment D).

Martha Ingram from Kennedy Graven has worked with the developer, and developer’s agents, regarding these agreements and will address any questions the REDA may have as it relates to these actions and documents. This type of financing for affordable housing developments is very complicated, so there is language within the resolutions that provides for minor revisions to these documents, after EDA authorization, but at the discretion of the REDA attorney so long as those revisions do not alter the substance of the transaction or offer substantive changes to the overall project or commitments of the REDA.

STAFF RECOMMENDATION

By two separate actions, staff recommends adoption of the following two resolutions:

1. Approve Contract for Private Redevelopment with Roseville Housing Group II, LLC (Attachment C).
2. Approve Subordinations of Contract for Private Redevelopment between the REDA, and Roseville Housing Group II, LLC for the benefit of Wells Fargo Bank, National Association (Attachment F).

REQUESTED REDA ACTION

Motion to adopt the following resolutions:

1. Approve Contract for Private Redevelopment with Roseville Housing Group II, LLC.
2. Approve Subordinations of Contract for Private Redevelopment between the REDA, and Roseville

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Housing Group II, LLC for the benefit of Wells Fargo Bank, National Association.

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35 Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager, 651-792-7086

Attachments A: Resolution #41 – financial support for SAC
 B: Contract for Private Redevelopment
 C: Resolution authorizing the Contract for Private Redevelopment
 D: Master Subordination Agreement
 E: TBRA loan documents
 F: Resolution authorizing Master Subordination Agreement