

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

REPORT TO THE COMMISSIONERS

DATE: February 25, 2015

REGARDING: AUTHORIZATION TO CONVEY 667 LAFOND AVENUE AND 632 EDMUND AVENUE IN THOMAS DALE DISTRICT 7, WARD 1 TO TWIN CITIES HABITAT FOR HUMANITY, INC.; AND AUTHORIZATION TO CONVEY 978 DESOTO STREET IN PAYNE PHALEN DISTRICT 5, WARD 5; 1000 JESSAMINE AVENUE EAST, IN PAYNE PHALEN DISTRICT 5, WARD 6; 1111 MCLEAN AVENUE AND 1372 MCLEAN AVENUE IN DAYTON'S BLUFF DISTRICT 4, WARD 7 TO DAYTON'S BLUFF NEIGHBORHOOD HOUSING SERVICES.

Requested Board Action

The specific action being requested of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") Board is as follows:

- Authorization to convey Tax Forfeited Properties at 667 Lafond Avenue and 632 Edmund Avenue to Twin Cities Habitat for Humanity, Inc. ("Habitat")
- Authorization to convey vacant Tax Forfeited Properties at 978 Desoto Street, 1000 Jessamine Avenue East, 1111 McLean Avenue and 1372 McLean Avenue to Dayton's Bluff Neighborhood Housing Services ("DBNHS").

Background

In 2013, the Ramsey County Board implemented new policy to allow sale to a governmental subdivision of the state or a state agency for less than its market value as long as the property will be used to correct blight or to facilitate the development of affordable housing. In May of 2014 by Resolution 14-867, the HRA Board approved the Tax Forfeit Property Hold Policy and Sales Procedure ("TFHSP") which created an HRA policy for acquisition and conveyance of tax forfeited property to developers of affordable housing which complimented the Ramsey county policy. Under TFHSP, HRA staff received applications for each property described herein from Habitat and DBNHS which included details of the intended development. Ramsey County then reviewed and determined that the applications met the criteria of their policy and the prices of the properties were discounted. Ramsey County allows for a 50% discount to for-profit developers and 75% discount to a non-profit developer of the market value. The properties under this resolution have met the requirements for the non-profit discount. Habitat and DBNHS have

submitted all funds needed. In July of 2014, pursuant to HRA Resolution 14-1251, the Board approved acquisition of 667 Lafond Avenue, 632 Edmund Avenue, 978 Desoto Street, 1000 Jessamine Avenue East, 1111 McLean Avenue and 1372 McLean Avenue.

Habitat submitted applications to acquire the vacant tax forfeited lot at 667 Lafond Avenue for the new construction of a 4 bedroom single family home and to acquire the vacant tax forfeited lot at 632 Edmund Avenue for the new construction of a 3 bedroom single family home. The plans are in place for a spring 2015 construction start. The Ramsey County Board has approved conveyance to the HRA.

DBNHS submitted applications to acquire the vacant tax forfeited lots at 978 Desoto Street, 1000 Jessamine Avenue East, 1111 McLean Avenue and 1372 McLean Avenue, all to be developed as single family one or two story homes. The conveyance of these four properties to the HRA is subject to approval by the Ramsey County Board.

Budget Action

No Budget Action needed. Habitat and DBNHS have submitted the full purchase price and required fees. Upon delivery of the deed from the State to HRA, staff will arrange a closing. Habitat and DBNHS have covered all costs and fees of the transaction.

Future Action

No future action is needed.

Financing Structure

N/A

PED Credit Committee Review

N/A

Compliance

Construction development on the site would take place within 18 months from the date HRA acquires title. Habitat and DBNHS have agreed to only sell the constructed home to a qualified homebuyer (which is defined as a buyer agreeing to homestead the property and whose household income does not exceed 115% of area median income as adjusted for family size). Any resale of the property during the first seven years must be to a qualified homebuyer. A Declaration of Conditions and Restrictions will be placed of record to assure compliance in the event of any resale of the properties.

Green/Sustainable Development

N/A

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose

This action supports all three strategies of the Housing Chapter of the City's Comprehensive Plan: 1) build on Saint Paul's strengths in the evolving metropolitan housing market; 2) preserve and promote established neighborhoods; and 3) ensure the availability of quality and affordable housing across the City.

Statement of Chairman

"Being duly authorized by the Board of Commissioners to conduct this Public Hearing, the hearing is now open. This is a Public Hearing called for the purpose of conveyance of certain Parcels of land located in the Wards and Districts listed below by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA).

Notice of time, place, and purpose of this hearing was published in the Saint Paul Pioneer Press on Saturday, February 14, 2015. The Affidavit of Publication of the Notice of Public Hearing will be made a part of these proceedings.

The HRA proposes to convey the following properties described below:

Properties for Conveyance

667 Lafond Avenue – District 7, Ward 1 (Syndicate No. 3 Addition, Lot 19, Block 1) Purchaser: Twin Cities Habitat for Humanity, Inc. The original price for this was \$8,000 discounted to \$3,263.80 with fees included.

632 Edmund Avenue – District 7, Ward 1 (Syndicate No. 2 Addition, Lot 4, Block 1) Purchaser: Twin Cities Habitat for Humanity, Inc. The original price for this was \$8,000 discounted to \$3,329.80 with fees included.

978 Desoto Street – District 5, Ward 5 (Fairview Addition, Lot 10, Block 13) Purchaser: Dayton’s Bluff Neighborhood Housing Services. The original price for this was \$6,000 discounted to \$2,952.10 with fees included.

1000 Jessamine Avenue E. – District 5, Ward 6 (Eastville Heights, Lot 15, Block 13) Purchaser: Dayton’s Bluff Neighborhood Housing Services. The original price for this was \$8,000 discounted to \$3,245.30 with fees included.

1111 McLean Avenue – District 4, Ward 7 (Drake’s Rearrangement of Blks. 2,8,9, 10 & 11 of Blk. 11, all being Part of McLean’s Reservation to Saint Paul, Lots 29 & 30, Block 8) Purchaser: Dayton’s Bluff Neighborhood Housing Services. The original price for this was \$25,000 discounted to \$7,774.75 with fees included.

1372 McLean Avenue – District 4, Ward 7 (Auditor’s Subdivision No. 62 St. Paul, Minn., the West 12.04 feet of Lot 8 and all of Lots 9,10 and 11, Block 29) Purchaser: Dayton’s Bluff Neighborhood Housing Services. The original price for this was \$38,000 discounted to \$10,724.30 with fees included.

Is there anyone who wishes to be heard on these sales? If not, Chair will declare this Public Hearing adjourned.”

Recommendation:

Staff recommends approval to convey 667 Lafond Avenue and 632 Edmund Avenue to Twin Cities Habitat for Humanity, Inc. and recommends approval to convey 978 Desoto Street, 1000 Jessamine Avenue E., 111 McLean Avenue and 1372 McLean Avenue to Dayton's Bluff Neighborhood Housing Services.

Sponsored by: Commissioner Dai Thao

Staff: Cynthia Carlson Heins (266-6608)

Attachments

- **Attachment A -- Resolution**
- **Attachment B -- Maps**
- **Attachment C – Public Purpose**
- **Attachment D – Comprehensive Plan Applicability**
- **Attachment E--- Census Facts**