

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

**REPORT TO THE COMMISSIONERS**

**DATE: JUNE 26, 2019**

**REGARDING: AUTHORIZATION TO ACQUIRE TAX FORFEITED PARCELS 870 FULLER AVENUE, 720 JENKS AVENUE AND 1297 WOODBRIDGE STREET TO CONVEY TO TWIN CITIES HABITAT FOR HUMANITY, INC. FOR NEW CONSTRUCTION CONSISTENT WITH THE TERMS OF RAMSEY COUNTY HRA RESOLUTION B2017-274 AND THE CITY OF ST. PAUL HRA RESOLUTION 14-867, DISTRICTS 5, 6 AND 8, WARDS 1, 5 AND 6**

## **Requested Board Action**

Authorization for the HRA to acquire and to convey to Twin Cities Habitat for Humanity, Inc. the following tax forfeited parcels for new construction consistent with the terms of Ramsey County HRA Resolution B2017-274 and the City of St. Paul HRA Resolution 14-867:

- 870 Fuller Avenue in Ward 1, Summit-University District 8.
- 720 Jenks Avenue, in Ward 6, Payne-Phalen District 5.
- 1297 Woodbridge St. in Ward 5, North End-South Como District 6.

## **Background**

Tax-forfeited land is property that has been turned over to the state due to unpaid property taxes. The tax-forfeited land program is intended to make this state-owned land productive, taxable property again. Ramsey County administers this process for the state, offering tax forfeit properties within the city of Saint Paul to the Saint Paul HRA for affordable housing redevelopment before the properties are offered for sale through auction. Under the terms of Ramsey County HRA Resolution B2017-274, properties acquired for affordable housing purposes can be purchased at 25% of the assessed value plus maintenance costs and recording fees. The Saint Paul HRA and Saint Paul developers have utilized this provision for several years to reactivate vacant homes and land and produce affordable housing in Saint Paul neighborhoods.

In September of 2018, the Ramsey County Tax Forfeit Land division provided HRA staff with the current list of tax forfeited properties available for acquisition for affordable housing development through Ramsey County under Minnesota Statutes 282.01 and 469.201 Subd.10. Twin Cities Habitat for Humanity, Inc. (Habitat) has identified three vacant parcels on the current tax forfeit list to acquire for affordable housing new construction under the terms outlined in Ramsey County HRA Resolution number B2017-274 and the City of St. Paul HRA Resolution 14-867.

Habitat will provide its own financing for the projects and complete the projects within the time period required by Ramsey County – two or three years, depending on the number of units. Habitat must sell the property to a low- to moderate-income qualified end buyer, with a household income at or below 115% of Area Median Income. Ownership of the property must remain affordable for 7 years, requiring that it will only be sold to persons qualifying for affordable housing for next seven years. The ownership, occupancy and income conditions and restrictions are passed on to subsequent owners during these seven years.

Habitat is a nonprofit organization founded in 1985 that specializes in constructing affordable housing. Habitat has acquired numerous tax forfeit property through the Ramsey County-Saint Paul pass through sale process and built homes for people who would have otherwise been unable to own a home.

The Saint Paul HRA will acquire the properties from Ramsey County under the terms of Ramsey County Resolution B2017-274 and the City of St. Paul HRA Resolution 14-867 and subsequently sell the properties to Habitat with the same requirements.

### **Budget Action**

The developer provides all of their own funding; therefore, there is no budget action.

### **Future Action**

NA

**Financing Structure**

Habitat will provide all of their own funds. Ramsey County discounts the market purchase price of the property by 75% for developers willing to maintain ownership with qualified affordable owners.

**PED Credit Committee Review**

NA

**Compliance**

As discounted properties acquired under Ramsey County policy, the City contract compliance requirements will apply.

**Green/Sustainable Development**

NA

**Environmental Impact Disclosure**

NA

**Historic Preservation**

NA, vacant land

**Public Purpose/Comprehensive Plan Conformance**

The properties being acquired for housing use support 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 (for Public Hearing)**

“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, June 15, 2019. 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 to Twin Cities Habitat for Humanity, Inc. for new construction consistent with the terms of Ramsey County HRA Resolution B2017-274 and the City of St. Paul HRA Resolution 14-867.

- Legal description: Lot 3, Block 3, Milton Addition; 870 Fuller Avenue in Ward 1, Summit –University District 8 Purchase price: \$4,500.00
- Legal description: Lot 5, Block 18, Arlington Hills Addition to St. Paul; 720 Jenks Avenue, in Ward 6, Payne- Phalen District 5. Purchase price: \$3,250.00
- Legal description: Lot 6, Block 1, Norton’s Addition; 1297 Woodbridge St. in Ward 5, North End- South Como District 6. Purchase price: \$3,750.00

**Recommendation:**

Staff recommends approval for the HRA to acquire and convey to Twin Cities Habitat for Humanity, Inc. for new construction the following tax forfeited parcels: 870 Fuller Avenue, 720 Jenks Avenue and 1297 Woodbridge Street.

**Sponsored by:**

Commissioner Dai Thao

Commissioner Amy Brendmoen

Commissioner Kassim Busuri

**Staff:**

Donna Corbo, 651-266-8542

**Attachments**

- **Ramsey County HRA Resolution B2017-274**
- **City of St. Paul HRA Resolution 14-867**
- **Maps**
- **District Profiles**