

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

REPORT TO THE COMMISSIONERS

DATE: MAY 24, 2017

REGARDING: RESOLUTION APPROVING AND AUTHORIZING ACTION RELATED TO THE SAINT PAUL HOUSING AND REDEVELOPMENT AUTHORITY'S (HRA) DISPOSITION STRATEGY AND WORK PLAN: SALE AND CONVEYANCE OF THE PARCEL 663 LAWSON AVENUE EAST TO PPL HOMES, LLC, PAYNE-PHALEN, DISTRICT 5, WARD 6.

Requested Board Action

1. Approval of the sale and conveyance of 663 Lawson Avenue East to PPL Homes, LLC.
2. Authorization to expend up to \$47,000 for site improvements from the existing Inspiring Communities approved budget.

Background

Staff analyzed all HRA-owned property to make informed recommendations regarding the retention and disposition of properties, and created a disposition strategy and budget to advance redevelopment plans. Property that was considered as part of the disposition analysis was predominantly scattered site vacant lots (no more than four contiguous lots) and buildings that are no more than four units. This information was presented to the HRA Board, and the Disposition Strategy and Work Plan (DSWP) was approved on July 24, 2013 via Resolution 13-1097.

Progress has been made regarding the implementation of the DSWP under the Inspiring Communities Program, and the actions detailed in this report assist in maintaining this momentum. "Inspiring Communities" is currently used for the marketing campaign for homes to be rehabilitated or newly constructed, and consolidates property acquired under the NSP, ISP, and Community Development Block Grant (CDBG) programs, along with some HRA acquired property, under one strategy.

Previous Board action related to Inspiring Communities includes:

- Approval of the Disposition Strategy, Work Plan, and Budget (13-1097)
- Approval of Program Manuals, and Guidelines for Disposition of Splinter Parcels (13-1592)

- Approval of the Property Valuation Policy, Disposition Policy and Procedure for the Sale of Vacant Lots for Market Value (14-1331)

663 Lawson Avenue East

Staff is seeking approval of the sale and conveyance of 663 Lawson Avenue East to PPL Homes, LLC (PPL) for \$1.00. The property was acquired in December of 2010 for \$23,000 and the existing structure was demolished in 2012. The property is 40 by 125 feet and a total of 5,000 square feet; it is zoned RT1. (Map attached) PPL proposes to complete a tax parcel combination with the property at 667 Lawson Avenue East and will complete grading, rain gardens and rebuild the retaining walls along the front and west lot lines to manage water runoff from the alley along the north side of the property. PPL has been working with the Capital Regional Watershed District; the Department of Safety and Inspections, Public Works and Ramsey Conservation District in developing a plan to divert water from the home currently under construction on the parcel at 667 Lawson Avenue East to the proposed rain gardens on 663 Lawson Avenue. The parcel at 663 Lawson Avenue East was available for sale in two application rounds with no viable sales options and is currently creating a water issue at the adjacent property to the west of the lot. Staff recommends the sale of this vacant lot and providing a forgivable loan of up to \$47,000 (Capital Regional Watershed District may commit up to \$7,400 of grant funds to reduce the total costs) for site improvements, including grading, rebuilding of retaining walls and construction of rain gardens.

Budget Action

N/A

Future Action

Regarding the projects in this Resolution, no future action will be required. Once the HRA takes action approving the sale of the property and authorization of expenditures, staff will proceed to execute the appropriate documents and convey the property.

PED Credit Committee Review

Review by Credit Committee is not a requirement for the sale of property.

Compliance

Improvements to 663 Lawson are subject to all applicable compliance requirements associated with improvements to 667 Lawson.

Green/Sustainable Development

N/A

Environmental Impact Disclosure

A Tier 1 environmental impact study was conducted for the target area of NSP 1, 2, and 3, which encompasses the area of all Inspiring Communities program activities.

Historic Preservation

Improvements will comply with all applicable regulations.

Public Purpose/Comprehensive Plan Conformance

Strategy 2 of the Housing component of the Comprehensive Plan: Preserve and Promote Established Neighborhoods.

- 2.15. Engage the investor and lender communities to revitalize areas with high concentrations of vacant housing and foreclosures.

Statement of Chair (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 a certain Parcel of land located in Payne-Phalen, District 5 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, May 13, 2017. 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 property:

In Payne-Phalen, District 5:

<u>Property Description</u>	<u>Purchaser</u>	<u>Purchase Price</u>
663 Lawson Avenue East	PPL Homes, LLC	\$1.00

The above property is being sold by the HRA according to the Disposition Policy and Procedure for the Sale of Vacant Lots for Market Value within Resolution 14-1331.

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

Recommendation:

The Executive Director and staff recommend approval of this sale in accordance with the attached resolution.

Sponsored by: Commissioner Bostrom

Staff: Michelle Vojacek 651-266-6599

Attachments

- **Attachment – Map**
- **Attachment – District 5 Profile**