

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

REPORT TO THE COMMISSIONERS

DATE: NOVEMBER 12, 2015

REGARDING: RESOLUTION APPROVING AND AUTHORIZING THE SALE AND CONVEYANCE OF PROPERTY UNDER THE SAINT PAUL HOUSING AND REDEVELOPMENT AUTHORITY'S (HRA) DISPOSITION STRATEGY AND WORK PLAN IN PAYNE PHALEN, DISTRICT 5, WARD 5.

Requested Board Action

Approval of continued implementation of activity under the Saint Paul Housing and Redevelopment Authority's (HRA) Disposition Strategy and Work Plan, which was approved by the HRA Board on July 24, 2013 (Resolution 13-1097). The specific actions being requested of the HRA Board are approval of the following:

1. Sale and Conveyance of the Eastern half of the Parcel 655 Desoto Street to Dionicio Vega Puente, Jr. and Jacqueline Ann Puente, Payne-Phalen, District 5, Ward 5
2. Sale and Conveyance of Western half of the Parcel 655 Desoto Street and all of the Parcel 0/668 Otsego Street to Michael Pennig, Payne-Phalen, District 5, Ward 5

Background

Planning and Economic Development (PED) staff analyzed all HRA-owned property to make informed recommendations regarding the retention and disposition of properties, and create 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, and the Disposition Strategy and Work Plan (DSWP) was approved by, the HRA Board of Commissioners 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

both rehabilitated and 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)
- Acceptance of \$840,000 from MHFA and \$200,000 from the Metropolitan Council through the 2013 CHIF RFP (14-295)
- Approval of the Property Valuation Policy, Disposition Policy and Procedure for the Sale of Vacant Lots for Market Value, and application to Minnesota Housing's Community Housing Impact Fund for \$960,000 (14-1331)

The July 24, 2013 Board action established four disposition categories: two that allocated future subsidy and two that were sales strategies. Properties eligible for subsidy were either located in cluster areas (Dayton's Bluff, Railroad Island (Payne-Phalen), Payne-Maryland (Payne-Phalen), Frogtown, and West Seventh) or had obligations for redevelopment (vacant buildings, some tax forfeit properties, some federal properties). The remaining properties were either buildable lots to be sold for market value, or splinter parcels to be sold for a nominal price. The intention of the Work Plan was to allocate properties eligible for subsidy through a competitive RFP process as funding sources became available.

The properties listed within this report were deemed appropriate for sale as side yards to an adjacent property owner. Staff recommends sale of these splinter parcels as it will achieve all objectives of the Disposition Policy and Procedure for the Sale of Splinter Parcels (Splinter Parcel Policy). As a condition to the sale, the parcel must be combined with the owner's existing tax parcel per the aforementioned Policy and Resolution.

The planning district demographic profile is attached for Districts 5 (**Attachment C**).

655 Desoto Street

Staff is seeking approval of the sale and conveyance of the Eastern Half of 655 Desoto Street to Dionicio Vega Puente, Jr. and Jacqueline Ann Puente, and the Western Half of 655 Desoto Street to Michael Pennig. The HRA acquired the property in September 2000 through tax forfeit from Ramsey County. The property is categorized as a splinter parcel because it is heavily wooded, and likely contains a buried foundation. The parcel is approximately 40 feet by 124 feet and 4,960 square feet. It is zoned RT1, two-family residential, and located South of both buyers' property, as seen in **Attachment B**. All property owners were determined to be in good standing with no outstanding code violations or excessive police calls, and have submitted the good-faith deposits. Because sale of the parcel will reduce holding costs and increase the Saint Paul tax base, staff recommends selling the parcel at a nominal fee of \$500, or \$250 each, plus administrative fees and closing costs according to the Splinter Parcel Policy. Sale of this parcel is subject to completion of purchase agreements.

0/668 Otsego Street

Staff is seeking approval of the sale and conveyance of 0/668 Otsego Street to Michael Pennig. The HRA acquired the property in 1993 through tax forfeit from Ramsey County. The parcel is considered a splinter as it is only 30 feet by 60 feet and 1,800 square feet. It is zoned RT1, two-family residential, and located North of the Buyer's property, as seen in **Attachment B**. The only feasible and practical use of the lot is as side yard to 658/660 Otsego Street. Because sale of this parcel will reduce holding costs and increase the Saint Paul tax base, staff recommends including this parcel with the sale of the Western Half of 655 Desoto. Sale to Michael Pennig is subject to completion of the purchase agreement.

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

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

A 106 review is conducted at the time of acquisition for all HRA properties.

Public Purpose/Comprehensive Plan Conformance

See *Public Purpose Form*, attached as **Attachment D**. **Attachment E** includes a list of comprehensive and neighborhood plan documents that the proposed actions fulfill.

The Disposition Strategy has been presented to the planning councils most affected by the disposition strategy - the District 5 CPED and Railroad Island committees, District 4 Board, and District 7 Board - and received their support.

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 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, October 31, 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 property:

In Payne-Phalen, District 5:

<u>Property Description</u>	<u>Purchaser</u>	<u>Purchase Price</u>
Eastern ½ of 655 Desoto Street	Dionicio and Jacqueline Puente	\$250.00
Western ½ of 655 Desoto Street	Michael Pennig	\$250.00

And

0/668 Otsego Street

The above property is being sold by the HRA according to the Disposition Policy and Procedure for the Sale of Splinter Parcels for Residential Side Yard within Resolution 13-1592.

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 these sales in accordance with the attached resolution.

Sponsored by: Commissioner Brendmoen

Staff: Ashley Foell, 651-266-6553

Attachments:

- **Attachment B – Map of 655 Desoto Street and 0/668 Otsego Street**
- **Attachment C – District 5 Profile**
- **Attachment D – Public Purpose**
- **Attachment E – Comprehensive Plan Applicability**