

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

REPORT TO THE COMMISSIONERS

DATE: June 8, 2016

REGARDING:

- 1. AUTHORIZATION TO ACQUIRE 3 TAX FORFEITED PROPERTIES IN WARD 6, PAYNE PHALEN DISTRICT 5 AND WARD 7, DAYTON'S BLUFF DISTRICT 4 AND TO CONVEY SAME TO DAYTON'S BLUFF NEIGHBORHOOD HOUSING SERVICES.**
- 2. AUTHORIZATION TO ACQUIRE 2 TAX FORFEITED PROPERTIES BOTH IN WARD 1, SUMMIT-UNIVERSITY DISTRICT 8 AND AUTHORIZATION TO CONVEY SAME TO TWIN CITIES HABITAT FOR HUMANITY, INC.**
- 3. AUTHORIZATION TO ACQUIRE 2 TAX FORFEITED PROPERTIES IN WARD 1, THOMAS DALE DISTRICT 7 AND WARD 1, SUMMIT-UNIVERSITY DISTRICT 8 AND AUTHORIZATION TO CONVEY SAME TO GREATER FROGTOWN COMMUNITY DEVELOPMENT CORPORATION.**
- 4. AUTHORIZATION TO ACQUIRE 7 TAX FORFEITED PROPERTIES IN WARD 6, PAYNE PHALEN DISTRICT 5 AND AUTHORIZATION TO CONVEY SAME TO EAST SIDE NEIGHBORHOOD DEVELOPMENT COMPANY, INC.**

Requested Board Action

Authorization for HRA to acquire the following tax forfeited parcels and convey as follows:

- **807 Magnolia Avenue East** in Ward 6, Payne Phalen District 5 to Dayton's Bluff Neighborhood Housing Services.
- **921 Wells Street** in Ward 6, Payne Phalen District 5 to Dayton's Bluff Neighborhood Housing Services.
- **705 7th Street East** in Ward 7, Dayton's Bluff District 4 to Dayton's Bluff Neighborhood Housing Services
- **779 Central Avenue West** in Ward 1, Summit-University District 8 to Twin Cities Habitat for Humanity, Inc.
- **930 Fuller Avenue** in Ward 1, Summit-University District 8 to Twin Cities Habitat for Humanity, Inc.
- **826 Charles Avenue** in Ward 1, Thomas Dale District 7 to Greater Frogtown Community Development Corporation.

- **979 Iglehart Avenue** in Ward 1, Summit-University District 8 to Greater Frogtown Community Development Corporation.
- **906 Jessamine Avenue East** in Ward 6, Payne Phalen District 5 to East Side Neighborhood Development Company, Inc.
- **957 Rose Avenue East** in Ward 6, Payne Phalen District 5 to East Side Neighborhood Development Company, Inc.
- **736 Case Avenue** in Ward 6, Payne Phalen District 5 to East Side Neighborhood Development Company, Inc.
- **671 Cook Avenue East** in Ward 6, Payne Phalen District 5 to East Side Neighborhood Development Company, Inc.
- **654 Jessamine Avenue East** in Ward 6, Payne Phalen District 5 to East Side Neighborhood Development Company, Inc.
- **1025 Lawson Avenue** in Ward 6, Payne Phalen District 5 to East Side Neighborhood Development Company, Inc.
- **600 Wells Street** in Ward 6, Payne Phalen District 5 to East Side Neighborhood Development Company, Inc.

Background

In November of 2015, the Ramsey County Tax Forfeit Department provided PED staff with the annual list of current tax forfeited properties available for acquisition through Ramsey County under Minnesota Statutes 282.01 and 469.201 Subd.10. In 2013, Ramsey County had approved a new policy for selling non-classified tax forfeited land to a governmental subdivision of the state for less than its market value if the property is used for affordable housing (Ramsey County Policy), as shown on the **Ramsey County Policy** attachment. In conjunction with the new Ramsey County Policy, on May 14, 2014, the HRA Board by RES 14-867 approved the Tax Forfeit Property Hold Policy and Sales Procedure (TFHSP), which defines an HRA policy for acquisition and conveyance of tax forfeited property that complements the Ramsey County Policy, which is shown on the **HRA Tax Forfeit Property Hold Policy and Sales Procedure** attachment. Using the TFHSP guidelines as well as staff recommendations in the selection process, 34 tax forfeited parcels for housing development consideration were identified by developer/partners and PED staff and were placed on hold from the November, 2015 list. The

fourteen housing properties included in this request for acquisition and sale were selected as a result of due diligence investigation during the six month hold period which will expire on June 21, 2016. We received the final developer applications for the properties to be approved for sale.

HRA Board approval for acquisition of the fourteen housing properties is contingent upon simultaneous approval for sale to these developers and upon these developers submitting the funds for payment of the purchase price and fees along with the signed agreements to develop the sites as required in the Ramsey County Policy and the TFHSP. Ramsey County staff has reviewed and qualified in advance the applications and the discounted prices are based on this review. If HRA Board approves the resolution and all other contingencies are met, conveyance will also be contingent on Ramsey County Board approval. If either Board does not approve any or all of the properties, the funds held for that property or properties are returned to the developer/partner. Maps showing locations of the separate properties are shown on the **Maps of Properties** attachment.

Budget Action

With regard to acquisition for housing development, staff has received applications, contracts and deposits for the fourteen properties identified for affordable housing development under the HRA's TFHSP by non-profit partners and all except 705 East 7th Street qualify for Ramsey County's discount. If final approval by the Ramsey County Board is granted, thirteen discounted properties will be sold to HRA, each for 25% of its market value (plus maintenance costs and recording fees). 705 East 7th Street will be sold to HRA for its full market value (plus maintenance costs and recording fees). The deposits collected from the non-profit developers are held in the HRA General Fund for Developer Deposits from which payment to Ramsey County will be made. The prices established by Ramsey County including Ramsey County's fees are as follows:

- 807 Magnolia Avenue East discounted purchase price is \$2,678.97.
- 921 Wells Street discounted purchase price is \$2,582.00.
- 705 7th Street East, the full purchase price is \$74,800.00.
- 779 Central Avenue West discounted purchase price is \$4,980.10.
- 930 Fuller Avenue discounted purchase price is \$4,942.03.

- 826 Charles Avenue discounted purchase price is \$31,751.06.
- 979 Iglehart Avenue discounted purchase price is \$23,099.70
- 906 Jessamine Avenue East discounted purchase price is \$13,862.55
- 957 Rose Avenue East discounted purchase price is \$15,736.78
- 736 Case Avenue discounted purchase price is \$2,691.66
- 671 Cook Avenue East discounted purchase price is \$3,040.20
- 654 Jessamine Avenue East discounted purchase price is \$2,951.37
- 1025 Lawson Avenue discounted purchase price is \$3,014.82
- 600 Wells Street discounted purchase price is \$1,884.45

See the **Ramsey County Breakdown of Costs** attachment for a breakdown of costs by property.

Future Action

N/A

Financing Structure

N/A

PED Credit Committee Review

N/A

Compliance

With regard to the discounted properties acquired under Ramsey County policy described on the **Ramsey County Policy** attachment, the HRA will pass through to developer/partner the compliance requirements.

Green/Sustainable Development

N/A

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

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 available 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, May 28, 2016. 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

- **807 Magnolia Avenue East** in District 5, Ward 6, (Oak Ville Park, Lot 16, Block 24)
Purchaser: Dayton's Bluff Neighborhood Housing Services.
- **921 Wells Street** in District 5, Ward 6, (Charles Weide's Rearrangement of Block 6 of Nelson's Addition to the City of St. Paul, Lots 34 & 35, Block 6) Purchaser: Dayton's Bluff Neighborhood Housing Services.
- **705 East 7th Street** in District 4, Ward 7, (Subdivision of Block 5, Lyman and Dayton's Addition, Lots 1 & 2, Block 5) Purchaser: Dayton's Bluff Neighborhood Housing Services

- **779 Central Avenue West** in District 8, Ward 1, (Butterfield Syndicate Addition No. 1, Lot 12, Block 8) Purchaser: Twin Cities Habitat for Humanity, Inc.
- **930 Fuller Avenue** in District 8, Ward 1, (Milton Addition, Block 5, to the City of St. Paul, Ramsey Co., Minn., Lot 3, Block 5) Purchaser: Twin Cities Habitat for Humanity, Inc.
- **826 Charles Avenue** in District 7, Ward 1, (Chute Brothers Division No. 15 Addition to the City of St. Paul, Minn., Lot 7) Purchaser: Greater Frogtown Community Development Corporation.
- **979 Iglehart Avenue** in District 8, Ward 1, (L.K. Stone's Addition, Lot 16) Purchaser: Greater Frogtown Community Development Corporation.
- **906 Jessamine Avenue East** in District 5, Ward 6, (Eastville Heights, Lot 8, Block 15) Purchaser: East Side Neighborhood Development Company, Inc.
- **957 Rose Avenue East** in District 5, Ward 6, (Eastville Heights, Lot 21, Block 3) Purchaser: East Side Neighborhood Development Company, Inc.
- **736 Case Avenue** in District 5, Ward 6 (Arlington Hills Addition to St. Paul, Lot 1, Block 23) Purchaser: East Side Neighborhood Development Company, Inc.
- **671 Cook Avenue East** in District 5, Ward 6, (Arlington Hills Addition to St. Paul, Lot 24, Block 4) Purchaser: East Side Neighborhood Development Company, Inc.
- **654 Jessamine Avenue East** in District 5, Ward 6 (Evans Addition to the City of St. Paul, Lot 11, Block 4) Purchaser: East Side Neighborhood Development Company, Inc.
- **1025 Lawson Avenue** in District 5, Ward 6 (Douglas Addition to Saint Paul, Lot 22, Block 2) Purchaser: East Side Neighborhood Development Company, Inc.
- **600 Wells Street** in District 5, Ward 6 (Stinson's Subdivision of Block 36 of Arlington Hills Addition to St. Paul, Lot 10, Block 36) Purchaser: East Side Neighborhood Development Company, Inc.

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 826 Charles Avenue and 979 Iglehart Avenue to Greater Frogtown Community Development Corporation; and recommends approval to convey 779 Central Avenue West and 930 Fuller Avenue to Twin Cities Habitat for Humanity, Inc.; and recommends approval to convey 807 Magnolia Avenue East, 921 Wells Street and 705 E. 7th Street to Dayton’s Bluff Neighborhood Housing Services; and recommends approval to convey 906 Jessamine Avenue East, 957 Rose Avenue East, 736 Case Avenue, 671 Cook Avenue East, 654 Jessamine Avenue East, 1025 Lawson Avenue and 600 Wells Street to East Side Neighborhood Development Company, Inc.

Sponsored by: Commissioner Bostrom

Staff: Cynthia Carlson Heins, Project Services, 266-6608
Ashley Foell, Project Manager, 266-6553

Attachments

- **Attachment – Ramsey County Policy**
- **Attachment – HRA Tax Forfeit Property Hold Policy and Sales Procedure**
- **Attachment – Maps of Properties**
- **Attachment – Ramsey County Breakdown of Costs**