

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

REPORT TO THE COMMISSIONERS

DATE: July 23, 2014

REGARDING:

AUTHORIZATION TO ACQUIRE TAX FORFEITED PROPERTIES AT 667 LAFOND AVENUE AND 632 EDMUND AVENUE IN WARD 1, THOMAS DALE DISTRICT 7, 675 AURORA AVENUE IN WARD 1, SUMMIT-UNIVERSITY DISTRICT 8, 77 CONGRESS STREET WEST IN WARD 2, WEST SIDE DISTRICT 3, 674 RIVOLI STREET AND 978 DESOTO STREET IN WARD 5, PAYNE PHALEN DISTRICT 5, 1863 MONTANA AVENUE EAST IN WARD 6, GREATER EAST SIDE DISTRICT 2, 1000 JESSAMINE AVENUE EAST IN WARD 6, PAYNE PHALEN DISTRICT 5, 1644 REANEY AVENUE IN WARD 7, SUNRAY-BATTLECREEK-HIGHWOOD DISTRICT 1 AND 983 MINNEHAHA AVENUE EAST, 1111 MCLEAN AVENUE AND 1372 MCLEAN AVENUE IN WARD 7, DAYTON'S BLUFF DISTRICT 4

Requested Board Action

Authorization to acquire the following tax forfeited parcels:

- **667 Lafond Avenue** and **632 Edmund Avenue** in Ward 1, Thomas Dale District 7
- **675 Aurora Avenue** in Ward 1, Summit-University District 8
- **77 Congress Street W.** in Ward 2, West Side District 3
- **674 Rivoli Street** and **978 Desoto Street** in Ward 5, Payne Phalen District 5
- **1863 Montana Ave. E.** in Ward 6, Greater East Side District 2
- **1000 Jessamine Ave. E.** in Ward 6, Payne Phalen District 5
- **1644 Reaney Avenue** in Ward 7, Sunray-Battlecreek-Highwood District 1
- **983 Minnehaha Ave. E., 1111 McLean Avenue** and **1372 McLean Avenue**, in Ward 7, Dayton's Bluff District 4

Background

In 2013, 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. Also, Ramsey County approved a new policy for selling non-classified tax forfeited land to a governmental subdivision of the state for less than its market value ("Ramsey County Policy"), if the property is used for affordable housing,

as shown on **Attachment B**. 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”), as shown on **Attachment C** which defines an HRA policy for acquisition and conveyance of tax forfeited property that complements the Ramsey County Policy. Using the TFHSP guidelines as well as staff recommendations in the selection process, 29 tax forfeited parcels for both housing and commercial development consideration were identified by non-profit partners and PED staff and were placed on hold pursuant to Resolution RES 14-305 adopted on February 19, 2014. Placing properties on hold provides staff and our partners, six months to fully investigate the properties and develop acquisition recommendations. The housing properties included in this request for acquisition were selected as a result of that investigation and, in addition, on applications received. In addition to the eleven properties selected under the TFHSP guidelines, tax forfeit parcel 77 Congress Street West is being acquired to provide parking and amenities to service development of the HRA owned parcel at 72 Congress Street West. **Attachment D** is a summary of developers, intended uses and timelines for development. Upon approval for conveyance to HRA by the Ramsey County Board, HRA staff will submit a resolution for final approval to convey to the developers. Maps showing locations of the separate properties are shown on **Attachment E**. This hold period will expire on August 19, 2014.

Budget Action

With regard to acquisition for housing development, staff has received applications, contracts and deposits for eleven properties identified for affordable housing development under the HRA’s TFHSP by non-profit partners. Ten of the eleven qualify for Ramsey County’s discount. If final approval by the Ramsey County Board is granted, ten discounted properties will be sold to HRA for 25% of market value (plus maintenance costs and recording fees) and one at full price. 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 are as follows:

- 667 Lafond Avenue discounted purchase price is \$3,263.80
- 632 Edmund Avenue discounted purchase price is \$3,329.80
- 675 Aurora Avenue discounted purchase price is \$16,809.63

- 674 Rivoli Street did not qualify for a discount – purchase price plus fees is \$6,257.00.
- 978 Desoto Street discounted purchase price is \$2,952.10.
- 1863 Montana Avenue E. discounted purchase price is \$4,497.25.
- 1000 Jessamine Avenue E. discounted purchase price is \$3,245.30.
- 1644 Reaney Avenue discounted purchase price is \$4,115.50.
- 983 Minnehaha Ave. E. discounted purchase price is \$3,210.45.
- 1111 McLean Avenue discounted purchase price is \$7,774.75.
- 1372 McLean Avenue discounted purchase price is \$10,724.30.

In addition to the above housing properties staff is also requesting acquisition of 77 Congress Street West. Purchase price plus costs in the amount of \$19,795.20 for 77 Congress Street W. will be paid out of the ISP Parking Fund. Since this property is not directly a site for housing development, it does not qualify for a discount. See **Attachment F** for breakdown of costs by property.

Future Action

If conveyances to HRA are approved by the Ramsey County Board, there will be public hearings for the HRA Board to approve the sales of the properties.

Financing Structure

N/A

PED Credit Committee Review

N/A

Compliance

With regard to the discounted properties acquired under Ramsey County policy described on **Attachment B**, the HRA will pass through 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 availability of quality and affordable housing across the City.

Recommendation:

The Executive Director recommends approval of the attached Resolution approving the acquisition of 12 tax forfeited properties.

Sponsored by: Commissioner Amy Brendmoen

Staff: Cynthia Carlson Heins, Project Services, 651-266-6608

Sarah Zorn, Project Manager, 651 266-6570

Attachments

- **Attachment A - Resolution**
- **Attachment B – Ramsey County Policy**
- **Attachment C – HRA Tax Forfeit Property Hold Policy and Sales Procedure**
- **Attachment D – Summary Background of the Tax Forfeit Properties**
- **Attachment E - Maps of Properties**
- **Attachment F- Ramsey County Breakdown of Costs by property**
- **Attachment G - Public Purpose Form**
- **Attachment H- Census Facts**