

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

**REPORT TO THE COMMISSIONERS**

**DATE: May 13, 2015**

**REGARDING:**

- 1. AUTHORIZATION TO ACQUIRE TAX FORFEITED PROPERTIES AT 1268 DESOTO STREET IN WARD 5, PAYNE PHALEN DISTRICT 5, 658 HAWTHORNE AVENUE EAST IN WARD 6, PAYNE PHALEN DISTRICT 5, 2216 REANEY AVENUE IN WARD 7, GREATER EAST SIDE DISTRICT 2 AND 1102 GERANIUM AVENUE EAST IN WARD 6, PAYNE PHALEN DISTRICT 5 AND AUTHORIZATION TO CONVEY SAME TO DAYTON'S BLUFF NEIGHBORHOOD HOUSING SERVICES.**
- 2. AUTHORIZATION TO ACQUIRE TAX FORFEITED PROPERTIES AT 715 COOK AVENUE EAST, 717 GERANIUM AVENUE EAST AND 831 JESSAMINE AVENUE EAST, ALL IN WARD 6, PAYNE PHALEN DISTRICT 5 AND AUTHORIZATION TO CONVEY SAME TO TWIN CITIES HABITAT FOR HUMANITY, INC.**
- 3. AUTHORIZATION TO ACQUIRE A TAX FORFEITED PROPERTY AT 774 MINNEHAHA AVENUE WEST IN WARD 1, THOMAS DALE DISTRICT 7 AND AUTHORIZATION TO CONVEY SAME TO GREATER FROGTOWN COMMUNITY DEVELOPMENT CORPORATION.**

**Requested Board Action**

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

- **1268 Desoto Street** in Ward 5, Payne Phalen District 5 to Dayton's Bluff Neighborhood Housing Services.
- **1102 Geranium Avenue East** in Ward 6, Payne Phalen District 5 to Dayton's Bluff Neighborhood Housing Services.
- **658 Hawthorne Avenue East** in Ward 6, Payne Phalen District 5 to Dayton's Bluff Neighborhood Housing Services
- **2216 Reaney Avenue** in Ward 7, Greater East Side District 2 to Dayton's Bluff Neighborhood Housing Services
- **715 Cook Avenue East** in Ward 6, Payne Payne Phalen District 5 to Twin Cities Habitat for Humanity, Inc.

- **717 Geranium Avenue East** in Ward 6, Payne Phalen District 5 to Twin Cities Habitat for Humanity, Inc.
- **831 Jessamine Avenue East** in Ward 6, Payne Phalen District 5 to Twin Cities Habitat for Humanity, Inc.
- **774 Minnehaha Avenue West** in Ward 1, Thomas Dale District 7 to Greater Frogtown Community Development Corporation

## **Background**

In December of 2014, 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. Earlier 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 **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), which defines an HRA policy for acquisition and conveyance of tax forfeited property that complements the Ramsey County Policy, which is shown on **Attachment C**. Using the TFHSP guidelines as well as staff recommendations in the selection process, 18 tax forfeited parcels for both housing and commercial development consideration were identified by developer/partners and PED staff and were placed on hold from the December, 2014 list. The eight 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 8, 2015. The final developer applications received for the properties to be approved for sale are shown in **Attachment D** including the uses and timelines for development.

HRA board approval for acquisition of the eight housing properties is contingent upon simultaneous approval for sale to these developers for this use as the funds for payment are submitted by the developers with the 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

resolutions, final approval for conveyance will still be contingent on Ramsey County Board approval. If either Board does not approve any or all of the properties, the funds held for the property or properties are returned to the developer/partner. Maps showing locations of the separate properties are shown on **Attachment E**.

### **Budget Action**

With regard to acquisition for housing development, staff has received applications, contracts and deposits for the eight properties identified for affordable housing development under the HRA's TFHSP by non-profit partners and all qualify for Ramsey County's discount. If final approval by the Ramsey County Board is granted, eight discounted properties will be sold to HRA, each for 25% of its 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:

- 1268 Desoto Street discounted purchase price is \$3,455.84.
- 1102 Geranium Avenue East discounted purchase price is \$10,730.42.
- 658 Hawthorne Avenue East discounted purchase price is \$3,310.21.
- 2216 Reaney Avenue discounted purchase price is \$6,282.80.
- 715 Cook Avenue E. discounted purchase price is \$3,194.96.
- 717 Geranium Avenue E. discounted purchase price is \$3,078.48.
- 831 Jessamine Avenue E. discounted purchase price is \$3,263.55
- 774 Minnehaha Avenue W. discounted purchase price is \$13,128.63

See **Attachment F** for 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 **Attachment B**, 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 2, 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 properties described below:

### **Properties for Conveyance**

- **1268 Desoto Street** in District 5, Ward 5, (Stone & Morton's 2<sup>nd</sup> Addition to the City of St. Paul, Lot 23, Block 3) Purchaser: Dayton's Bluff Neighborhood Housing Services.
- **1102 Geranium Avenue East** in District 5, Ward 6, (Cloverdale, St. Paul, Minn., the West ½ of Lot 4 and all of Lot 5, Block 6) Purchaser: Dayton's Bluff Neighborhood Housing Services.
- **658 Hawthorne Avenue East** in District 5, Ward 6, (Stone & Morton's Addition to the City of St. Paul, Lot 10, Block 4) Purchaser: Dayton's Bluff Neighborhood Housing Services
- **2216 Reaney Avenue** in District 2, Ward 7, (Watts Park, St. Paul, Minn., Lots 12 & 13, Block 8) Purchaser: Dayton's Bluff Neighborhood Housing Services
- **715 Cook Avenue East** in District 5, Ward 6, (Arlington Hills Addition to St. Paul, Lot 13, Block 3) Purchaser: Twin Cities Habitat for Humanity, Inc.
- **717 Geranium Avenue East** in District 5, Ward 6, (Oak Ville Park, Lot 14, Block 16) Purchaser: Twin Cities Habitat for Humanity, Inc.
- **831 Jessamine Avenue East** in District 5, Ward 6, (Eastville Heights, Lot 19, Block 9) Purchaser: Twin Cities Habitat for Humanity, Inc.
- **774 Minnehaha Avenue West** in District 7, Ward 1, (Syndicate No. 4 Addition, Lot 9, Block 3) Purchaser: Greater Frogtown Community Development Corporation

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 774 Minnehaha Avenue West to Greater Frogtown Community Development Corporation; and recommends approval to convey 715 Cook Avenue East, 717 Geranium Avenue East, and 831 Jessamine Avenue East to Twin Cities Habitat for Humanity, Inc.; and recommends approval to convey 1268 Desoto Street, 658 Hawthorne Avenue East, 1102 Geranium Avenue East, and 2216 Reaney Avenue to Dayton's Bluff Neighborhood Housing Services.

**Sponsored by:** Commissioner Bostrom

**Staff:** Cynthia Carlson Heins, Project Services, 266-6608  
Sarah Zorn, Project Manager, 266-6570

**Attachments**

- **Attachment B – Ramsey County Policy**
- **Attachment C – HRA Tax Forfeit Property Hold Policy and Sales Procedure**
- **Attachment D – Developer applications for 8 discounted Tax Forfeit Properties**
- **Attachment E - Maps of Properties**
- **Attachment F- Ramsey County Breakdown of Costs by property**
- **Attachment G – District Profiles**