

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

REPORT TO THE COMMISSIONERS

DATE: APRIL 10, 2019

REGARDING: RESOLUTION APPROVING AND AUTHORIZING THE SALE AND CONVEYANCE OF PROPERTIES AT 1155 BEECH STREET (DISTRICT 4, WARD 7) AND 857 JENKS AVENUE (DISTRICT 5, WARD 6), AUTHORIZATION TO ENTER INTO DEVELOPMENT AGREEMENTS, AND AUTHORIZATION OF EXPENDITURES FOR REDEVELOPMENT

Requested Board Action:

- Approval of the sale and conveyance of 1155 Beech Street and 857 Jenks Avenue owned by the Housing and Redevelopment Authority of the City of Saint Paul (the “HRA”).
- Authorization to enter into a development agreement with Twin Cities Habitat for Humanity for redevelopment.
- Authorization of expenditures as identified in this report for said properties.

Background

HRA took title to 1155 Beech Street in 2010 using funds from the Neighborhood Stabilization Program for the acquisition; the vacant, foreclosed structure on the lot was demolished in 2011.

The HRA took title to 857 Jenks Avenue in 2000; it was a tax-forfeited property deeded to the HRA by the State of Minnesota. Prior to 2014, the vacant property could not be redeveloped and sold to an end buyer because a Federal Tax Lien against the property dated back to 1996 remained in place. This issue was reconciled in 2014.

In November of 2018, Habitat for Humanity presented a proposal to HRA staff to purchase, develop, and sell both properties to families with household incomes at 60% of area median income or below, respectively. Their plan has been analyzed by HRA Staff and deemed feasible and reasonable. Habitat proposes to purchase the properties for a combined total of \$25,500, and has requested a total of \$215,263.21 in development gap financing for the two development projects.

Because this was an unsolicited proposal that did not come to the HRA through a RFP process, the HRA's Disposition Policy required public notification and solicitation of competing proposals. Per the Disposition Policy, notices were published through the City's Early Notification System. For a period of 45 days, HRA staff received no additional interest in the property.

Budget Action

No budget action is required. The project will be funded via the Inspiring Communities Disposition Work Plan and Budget (the "DWPB"). This project will be funded with Local Housing Incentive Account ("LHIA") funds from the Metropolitan Council that were allocated to the Inspiring Communities program.

Future Action

No future action will be required. Once the HRA takes action approving the sale of the property, staff will proceed to execute the development agreement and convey the property.

Financing Structure

Financing will be as indicated in the Inspiring Communities Ownership Program Manual. Development gap assistance will be structured as a deferred loan, secured with a note and mortgage at 0% interest. Upon completion of the rehabilitation and occupancy, the loan will be forgiven.

PED Credit Committee Review

The Credit Committee reviewed the Inspiring Communities Homeownership Program Manual on September 23, 2013. The terms and conditions contained therein were recommended for approval by the Credit Committee at that time.

Compliance

Development will comply with all applicable requirements, which may include the following:

1. Affirmative Action/Equal Employment Opportunity
2. Vendor Outreach
3. Section 3

4. Limited English Proficiency
5. Inspiring Communities Affordability Covenants
6. Fair Housing Opportunities
7. Two Bid Policy
8. Saint Paul Sustainable Development Policy

Green/Sustainable Development

The project will follow the Inspiring Communities program criteria, and will meet the Home Performance for ENERGY STAR standards.

Environmental Impact Disclosure

Per HUD funding requirements, a Categorical Exclusion statutory checklist was completed. The project was determined to be exempt, because it does not require any mitigation compliance with any listed statutes or authorities.

Historic Preservation

The site is not within a locally or federally designated historic district. The State Historic Preservation Office has concluded that the project will not negatively impact any potential or existing historic resources.

Public Purpose/Comprehensive Plan Conformance

Please see the attached **Public Purpose** Form. The attached **Comprehensive Plan** includes a list of Comprehensive and Neighborhood Plan documents that the proposed actions fulfill.

Statement of Chair

“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 Parcels of land located in the Dayton’s Bluff Planning District 4 and Payne-Phalen Planning 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, March 30, 2019. 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 Dayton's Bluff District 4:

Property Description

1155 Beech Street

Purchaser/Developer

Twin Cities Habitat for Humanity

Purchase Price

\$13,600.00

The HRA proposes to convey the following property in Payne-Phalen District 5:

Property Description

857 Jenks Street

Purchaser/Developer

Twin Cities Habitat for Humanity

Purchase Price

\$11,900.00

The above property will be conveyed for the purpose of redevelopment of affordable ownership housing.

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 recommends approval of the sale, entrance into development agreement and the authorization of expenditures in accordance with the attached resolution.

Sponsored by: Commissioner Prince and Commissioner Busuri

Staff: Dionne Alkamooneh (651-266-6707)

Attachments:

- **Comprehensive Plan Conformance**
- **Public Purpose**
- **Map**
- **District 4 Profile**
- **District 5 Profile**