

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

REPORT TO THE COMMISSIONERS

DATE: SEPTEMBER 28, 2011

REGARDING: AUTHORIZATION TO ACQUIRE TAX FORFEITED PROPERTIES

Requested Board Action

Authorization to acquire the following tax forfeited parcels all located within designated ISP/NSP areas:

- 694 E. 4th Street, 683 North Street, 901 Conway Street, and 655 Reaney Avenue in Daytons Bluff District 4;
- 963 Burr Street, 614 Wells Street, 501 Whitall Street, 667 Sims Avenue, 754 Case Avenue and 1187 Payne Avenue in Payne Phalen District 5;
- 123 Atwater in North End District 6
- 617 Virginia Street and 547 Charles Avenue in Thomas Dale District 7
- 766 Fuller Avenue in Summit-University District 8

Background

In early 2011, the Ramsey County Tax Forfeit Department provided PED staff with the annual list of current tax forfeited properties available for acquisition from Ramsey County under Minnesota Statutes 282.01 and 469.201 Subd.10. Several tax forfeited parcels were identified and placed on hold by the City of St. Paul Resolution 11-709 on April 18, 2011. Placing properties on hold provides staff with six months to fully investigate the properties and develop acquisition recommendations. This hold period will expire on October 15, 2011. Information regarding the 14 properties requested for acquisition and their intended uses are described more fully on **Attachment B**; maps showing locations of the separate properties are shown on **Attachment C**.

Budget Action

Ten properties (includes 4 vacant houses and 6 vacant lots) have been identified for acquisition using NSP funding. The funding has already been set-aside for these types of activities. The

total NSP funding is \$135,545.87 plus some additional closing fees.

Four additional vacant properties were identified as follows: (1) 3 properties (1187 Payne Avenue, 123 Atwater Street and 683 North Street) are within ISP neighborhood commercial corridors to address parking. The \$18,095.84 plus closing cost fees for these 3 properties will be funded through ISP Parking Improvement and Implementation fund; (2) 1 property (614 Wells Street) for site assembly to the Whittall Townhome site identified for acquisition using ISP funding in the amount of \$3,112.10 under District 5 Strategic Acquisition. Further break down of the acquisition costs and fees identified by the County see Exhibit Attachment D.

Future Action

1. Future consideration of development of the properties.
2. Public hearing for sale of the properties.

Financing Structure

N/A

PED Credit Committee Review

The Credit Committee reviewed the list of tax parcel acquisitions at the meeting on September 26, 2011.

Compliance

The future development of these properties will have to comply with the following requirements depending on the final reuse:

1. Affirmation Action/Equal Employment Opportunity
2. Vendor Outreach
3. Section 3
4. Limited English Proficiency
5. NSP Affordability Covenants
6. Fair Housing Opportunities

Green/Sustainable Development

The properties that have residential structures to be rehabilitated will comply with the Saint Paul/HRA Sustainability Initiative. The properties that will be financed using NSP funds will also need to meet the following NSP requirements.

1. HUD Healthy Home Requirements (no lead paint) house built before 1978
2. State requirement for asbestos removal where applicable.
3. All local and State building codes together with HRA's NSP guiding principles adopted February 24, 2009: "provide healthy, affordable and quality housing, improving the housing stock above minimum standards by addressing lead, mold, radon, energy efficiency and curb appeal elements".
4. Energy STAR Home Performance Program or Energy STAR Qualified New Homes Program (required under NSP 2)

Environmental Impact Disclosure

For properties being purchased using the NSP program, the Tier 1 environmental review determined that all activities were either exempt or categorically excluded.

Historic Preservation

For each individual property that has a structure and is being purchased with NSP funds the acquisition is subject to a Tier 2 environmental review, which included consultation with the State Historic Preservation Office.

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.

The properties being acquired for commercial use meets public purpose under economic and community development:

- City of St. Paul Comprehensive Plan – Economic Development Strategy

- St. Paul Consolidated Five Year Plan- EO 3.1 Sustainability of Economic Development

The properties are all located in ISP/NSP designated areas and support the goals of the ISP/NSP Program and Plan to strategically channel resources into neighborhoods being challenged by recent economic and social downturns and persistent disinvestment including: 1) creating working partnerships among private developers, CDCs, District Councils and neighborhood residents; 2) bring together resources, time, talent and funding in neighborhoods poised to prosper after a prolonged period of disinvestment; 3) reduce the number of vacant houses; 4) rehabilitate or address housing units to strengthen the housing stock; 5) improve stability and quality of life in neighborhoods; 6) build on strengths in St. Paul's neighborhoods.

Recommendation:

The Executive Director recommends approval of the attached Resolution approving the acquisition of 14 tax forfeited properties described in **Attachment B**.

Sponsored by: Commissioner Kathy Lantry

Staff: Sheri Pemberton Hoiby, Project Manager 651-6615
Cynthia Carlson Heins, Project Services, 651-266-6608

Attachments

- **Attachment A - Resolution**
 - **Attachment A – Budget Amendment**
 - **Attachment B – Ramsey County Breakdown of Costs**
- **Attachment B - Background Attachment**
- **Attachment C- Maps**
- **Attachment D - Public Purpose Form**
- **Attachment E- Census Facts**