

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

**REPORT TO THE COMMISSIONERS**

**DATE: JULY 13, 2016**

**REGARDING: RESOLUTION APPROVING AND AUTHORIZING ACTION RELATED TO THE SAINT PAUL HOUSING AND REDEVELOPMENT AUTHORITY'S (HRA) DISPOSITION STRATEGY AND WORK PLAN: 1) SALE AND CONVEYANCE OF THE PARCEL 1847 IVY AVENUE EAST TO UCHE CONSTRUCTION, LLC, PAYNE PHALEN, DISTRICT 2, WARD 6.**

**Requested Board Action**

Public hearing and approval of the sale and conveyance of 1847 Ivy Avenue East to Uche Construction, LLC for the construction of a single family home.

**Background**

Staff analyzed all HRA-owned property to make informed recommendations regarding the retention and disposition of properties, and created a disposition strategy and budget to advance redevelopment plans. Property that was considered as part of the disposition analysis was predominantly scattered site vacant lots (no more than four contiguous lots) and buildings that are no more than four units. This information was presented to the HRA Board, and the Disposition Strategy and Work Plan (DSWP) was approved on July 24, 2013 via Resolution 13-1097.

Progress has been made regarding the implementation of the DSWP under the Inspiring Communities Program, and the actions detailed in this report assist in maintaining this momentum. "Inspiring Communities" is currently used for the marketing campaign for homes to be rehabilitated or newly constructed, and consolidates property acquired under the NSP, ISP, and Community Development Block Grant (CDBG) programs, along with some HRA acquired property, under one strategy.

Previous Board action related to Inspiring Communities includes:

- Approval of the Disposition Strategy, Work Plan, and Budget (13-1097)

- Approval of Program Manuals, and Guidelines for Disposition of Splinter Parcels (13-1592)
- Acceptance of \$840,000 from MHFA and \$200,000 from the Metropolitan Council through the 2013 CHIF RFP (14-295)
- Approval of the Property Valuation Policy, Disposition Policy and Procedure for the Sale of Vacant Lots for Market Value, and application to Minnesota Housing's Community Housing Impact Fund for \$960,000 (14-1331)

The July 24, 2013 Board action established four disposition categories: two that allocated future subsidy and two that were sales strategies. Properties eligible for subsidy were either located in cluster areas (Dayton's Bluff, Railroad Island (Payne-Phalen), Payne-Maryland (Payne-Phalen), Frogtown, and West Seventh) or had obligations for redevelopment (vacant buildings, some tax forfeit properties, some federal properties). The remaining properties were either buildable lots to be sold for market value, or splinter parcels to be sold for a nominal price. The intention of the Work Plan was to allocate properties eligible for subsidy through a competitive RFP process as funding sources became available.

### **1847 Ivy Avenue East**

Staff is seeking approval of the sale and conveyance of 1847 Ivy Avenue East to Uche Construction, LLC for \$8,000. Market rate was determined by appraising a sample property in the neighborhood and calculating price on a dollar per square foot basis, in accordance with the Property Valuation Policy authorized by Resolution 14-1331. After the property was available for sale in three application rounds, the price was discounted 20 percent to \$8,000 to encourage sale, in accordance with the Disposition Policy and Procedure for the Sale of Vacant Lots for Market Value also authorized by Resolution 14-1331. The property was acquired in September 2009 for \$29,740 and the existing structure was demolished. The property is 40 by 126 feet and a total of 5,040 square feet; it is zoned R4. Please see the attached **Map** of the property. Uche Construction, LLC proposes to build a 2,000 square foot, 4 bedroom, 2 bath single family home with a 2 car garage. The unit will be completed in less than 18 months, will be owner occupied, and the LLC is in good standing with the Minnesota Secretary of State. Staff recommends the sale of this vacant lot because it will reduce holding costs and increase the Saint Paul tax base. The \$500 good-faith deposit and purchase agreement have been submitted.

**Budget Action:** N/A

**Future Action:** N/A

**Financing Structure:** N/A

**PED Credit Committee Review:** N/A

**Compliance:** N/A

**Green/Sustainable Development:** N/A

### **Environmental Impact Disclosure**

A Tier 1 environmental impact study was conducted for the target area of NSP 1, 2, and 3, which encompasses the area of all Inspiring Communities program activities.

### **Historic Preservation**

A 106 review is conducted at the time of acquisition for all HRA properties.

### **Public Purpose/Comprehensive Plan Conformance**

Specifically, this board action supports:

Strategy 2 of the Housing component of the Comprehensive Plan: Preserve and Promote Established Neighborhoods.

2.15. Engage the investor and lender communities to revitalize areas with high concentrations of vacant housing and foreclosures.

### **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 a certain

Parcel of land located in Greater East Side, District 2 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, July 2, 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 property:

In Greater East Side, District 2:

<b><u>Property Description</u></b>	<b><u>Purchaser</u></b>	<b><u>Purchase Price</u></b>
1847 Ivy Avenue East	Uche Construction, LLC	\$8,000.00

The above property is being sold by the HRA according to the Disposition Policy and Procedure for the Sale of Vacant Lots for Market Value within Resolution 14-1331.

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 and staff recommend approval of this sale in accordance with the attached resolution.

**Sponsored by:** Commissioner Bostrom

**Staff:** Ashley Foell, 266-6553

**Attachments:**

- **Attachment – Map**
- **Attachment – District 2 Profile**
- **Attachment – Public Purpose**