

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

REPORT TO THE COMMISSIONERS

DATE: DECEMBER 13, 2023

REGARDING: RESOLUTION APPROVING AND AUTHORIZING THE SALE AND CONVEYANCE OF A VACANT LOT UNDER THE DISPOSITION POLICY FOR THE SALE OF SPLINTER PARCELS FOR RESIDENTIAL SIDE YARD BY THE SAINT PAUL HOUSING AND REDEVELOPMENT AUTHORITY (HRA) FOR A PARCEL AT 126 WINNIPEG AVENUE IN NORTH END DISTRICT 6, WARD 1

Requested Board Action

Approval to convey the vacant HRA-owned splinter parcel at 126 Winnipeg Avenue to Area 651, LLC, who owns the adjacent residential property at 118 Winnipeg Avenue, for the purpose of combining 126 Winnipeg Avenue with its property to utilize it as a residential side-yard, all pursuant to the Disposition Policy and Procedures for the Sale of Splinter Parcels for Residential Side Yard by the Saint Paul Housing and Redevelopment Authority (the “Splinter Parcel Policy”) adopted by the HRA Board of Commissioners under RES 13-1592.

Background

In 2010 the HRA acquired the vacant lot at 126 Winnipeg Avenue, which measures approximately 119’ x 22’ (the “HRA Property”), by donation. The HRA Property is a 0.06 acre lot zoned H2 under the 1-4 Unit Housing Study adopted by the City Council on October 18, 2023, as Ord 23-43. It has street frontage to the north, public alley to the west, public alley to the south and residential property to the east. The HRA Property has remained vacant and within the current HRA-owned property portfolio since its acquisition, has never been listed for sale, and has no proposed development due to its size. Staff review of the HRA Property indicated that the HRA designated 126 Winnipeg Avenue as a Splinter Parcel within HRA RES 13-1592, along with other HRA properties, which allows for the sale of parcels that do not meet the minimum frontage requirement as required by the Zoning Code. The H2 zoning requires a minimum lot width of 25 feet. The HRA Property, at 22 feet in width, is considered unbuildable and was previously designated a splinter parcel therefore qualifying the HRA Property as a splinter parcel. Staff has

notified the District Council of the intent to sell the HRA Property under the Splinter Parcel Policy. The District Council did not raise and objections and supports the sale of the HRA Property. See the attached letter from North End Neighborhood Organization.

Area 651, LLC, (“Buyer”) the owner of the adjacent residential property at 118 Winnipeg Avenue (the “Adjacent Property”), approached the HRA in October 2023 when a large tree on the HRA Property fell onto and demolished the garage on the Adjacent Property. Following clean up of the fallen tree, the Buyer expressed interest in acquiring the parcel to use as residential side yard.

Extensive staff review and analysis of the Splinter Parcel Policy, the Adjacent Property, and the Buyer indicates that the Buyer is in good standing as a business registered with the Minnesota Secretary of State’s Office, in good standing with Ramsey County in terms of property taxes and special assessments levied on all of Buyer’s owned properties in Saint Paul, and there are no outstanding code violations on any of the Buyer’s owned properties in Saint Paul. None of the Buyer’s properties are being sold or in the process of foreclosure thereby qualifying the Buyer pursuant to the Splinter Parcel Policy. Additionally, in accordance with the Splinter Parcel Policy, a splinter parcel may be sold in its entirety to one adjacent property owner. Because the HRA Property is bordered by street right-of-way to the north, public alley to the west and south, and the Adjacent Property to the east, only the Buyer is qualified to acquire the HRA Property under the Splinter Parcel Policy which requires use of the splinter parcel as residential side yard. The Buyer has been advised that this property will be sold “As Is,” and must be used as a residential side yard.

The Splinter Parcel Policy does not require the HRA to make public notices or conduct public hearings in selling a splinter parcel. Nonetheless, the HRA published a notice of public hearing relating to the proposed conveyance of certain real property in the Saint Paul Pioneer Press on December 1, 2023, and will conduct a public hearing in connection with this proposed sale.

The purchase agreement requires that, as a condition to the sale, the HRA Property must be combined with the Buyer’s existing tax parcel and that the HRA Board must approve the sale. The Buyer intends to fence the Adjacent Property, along with the HRA Property once acquired, to make it more secure as part of lot beautification. The Buyer has been informed in writing that the HRA Property must be added to their tax parcel and that could result in an increase of property

taxes. This is consistent with the HRA's mission to reduce blight, offload unbuildable lots, reduce HRA maintenance costs, and would productively return the HRA Property to the Ramsey County property tax roll. Additionally, combination of the HRA Property with the Adjacent Property for use as a residential side yard will add square footage and more opportunity to 118 Winnipeg in the future consistent with the 1-4 Unit Housing Study.

Budget Action

N/A

Future Action

There will be no further Board action. Upon approval, HRA staff will proceed with the execution of the purchase agreement and the conveyance of the HRA Property.

Financing Structure

There is no financing. The HRA Property will be sold for the minimal value set forth under the Splinter Parcel Policy. The Buyer is obligated to pay \$675.00 (\$500.00 for acquisition plus \$175.00 for administrative fee) prior to closing on the sale of the HRA Property.

PED Credit Committee Review

Credit Committee review is not a requirement to sell property.

Compliance

There are no compliance requirements associated with this transaction.

Green/Sustainable Development

The Sustainable Building Policy does not apply to this transaction.

Environmental Impact Disclosure

An environmental assessment is not a requirement of this transaction.

Historic Preservation: N/A

Public Purpose/Comprehensive Plan Conformance

Conveyance of this Property is consistent with existing and future plans for the area. Goal 7 of the Housing Chapter within the 2040 Comp Plan highlights the importance of “Strong neighborhoods that support lifelong housing needs.” Goal 7; Policy H-50 states the desire to “balance the market demand for larger homes in strong market areas with the need to maintain a mix of single-family housing types that is sensitive to the surrounding neighborhood context.” Goal 7; Policy H-56 within the Housing Chapter highlights the desire to “Improve the stability and health of communities of concentrated disadvantage by implementing place-based investments, such as public infrastructure, improvements, and maintenance.” The improvements the Buyer of 126 Winnipeg plans to make will further reduce area blight and encourages a variety of housing options, reuse and/or conversion of existing homes and infill development in existing neighborhoods, lots, and backyards, without having to demolish existing viable housing which is consistent with the new H2 zoning (Ord 23-43). The addition of side-yard space may also contribute to providing neighborhood home ownership stability and a stronger community.

Statement of Chairman (for Public Hearing)

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 real estate located in North End, District 6 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 December 1, 2023. 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 North End, District 6:

<u>Property Description</u>	<u>Buyer</u>	<u>Purchase Price</u>
126 Winnipeg Avenue	Area 651, LLC	\$500.00, as per Policy.

The above property will be sold by the HRA by a quit claim deed in its AS-IS condition and in accordance with the Splinter Parcel Policy, RES 13-1592.

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 the sale in accordance with the attached resolution.

Sponsored by: Russel Balenger

Staff: Jenn Dull, 651-266-8498

Attachments

- **Map**
- **D6 North End Neighborhood Profile**
- **District 6 (NENO) Support Letter**