

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

REPORT TO THE COMMISSIONERS

DATE: APRIL 23, 2014

**REGARDING: APPROVAL OF THE SALE AND CONVEYANCE OF PARCEL 1003 HUDSON
ROAD, DAYTON'S BLUFF, DISTRICT 4, WARD 7.**

Requested Board Action

Approve the sale and conveyance of 1003 Hudson Road to August Ventures, LLC.

Background

The City of Saint Paul HRA has been implementing the work plan authorized by the HRA in 2007 (which was periodically amended in the succeeding years) for the Invest Saint Paul (ISP) Program and Neighborhood Stabilization Program (NSP). Authorizing HRA resolutions include:

Invest Saint Paul work program (07-08/08-3)

Neighborhood Stabilization Program 1 (09-02/25-6)

Neighborhood Stabilization Program 2 (10-3/24-3)

Neighborhood Stabilization Program 3 (11/721 and 11/623)

Through the above resolutions, the stage was set for an investment of \$17 million of ISP municipal bonds and \$32 million of NSP federal grants into Saint Paul's neighborhoods that were most impacted by the mortgage foreclosure crisis and the resulting dramatic increase in vacant properties. Funding received through the Neighborhood Stabilization Program had specific expenditure requirements, which the HRA has met for the first two rounds of NSP, and is projected to meet for the third round of NSP. During the course of the respective work programs, the HRA aggressively acquired blighted, vacant, and foreclosed property, provided support to community organizing initiatives, and redeveloped vacant commercial and residential buildings into neighborhood assets.

Activities begun under the ISP and NSP initiatives have been folded into the Inspiring Communities Program (Program), a single family housing program that involves the development, or redevelopment, of HRA-owned property. The Program stemmed from the HRA Land Disposition Strategy (LDS), which was designed to address 240 parcels in the HRA

inventory; the LDS was approved by the HRA on July 24, 2013 by Resolution number 13-1097. One category of the LDS is the disposition of Buildable Lots for Sale. In order to inform a strategy and process for the disposition of the 56 lots in this category, staff began with a pilot project. Four vacant lots were listed on the Multiple Listing Service on February 10, 2014 to gauge interest by developers and individual purchasers. The HRA sold one of the four, 1029 Margaret, to a neighbor for side yard. The sale of 975 Minnehaha and 1097 Ross to The Investor Group will be considered by the HRA on April 23rd as well.

1003 Hudson Road

The property located at 1003 Hudson Road was acquired on April 26, 2007 through Ramsey County's Tax Forfeiture system for \$1. Use of this property is restricted to business/commercial parking for an adjacent business or residential development. The lot is approximately 40' x 125'; the purchaser intends to develop a parking lot for the adjacent property, which is a mixture of commercial and residential uses.

Budget Action

No budget action is being requested. The City Council approved required NSP budget actions on November 19, 2008 (Resolution 08-1270), January 28, 2009 (Resolution 09-103) and February 6, 2013 (Resolution 13-32). The HRA approved required actions on February 25, 2009 (Resolution 09-02/25-6); February 13, 2013 (Resolution 13-198); and July 24, 2013 (Resolution 13-1097). All actions identified the eligible funding activities approved under 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 schedule a closing and convey the property.

Financing Structure

The property is being sold for \$7,000, which is based on an appraisal of a typical lot in Dayton's Bluff and a real estate broker opinion of value. A deed will be used to convey the property. This will be a cash purchase.

PED Credit Committee Review

Credit Committee review is not a requirement of the sale of property.

Compliance

There is no compliance associated with this sale.

Green/Sustainable Development

The sale of this property is not subject to the city's Sustainable Building Policy.

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance

This action supports two key strategies of the Housing Chapter of the City's Comprehensive Plan: 1) Build on Saint Paul's strengths in the evolving metropolitan housing market; and 2) Preserve and promote established neighborhoods.

The purchase and sale of this property supports the goal of the Inspiring Communities Program to strategically channel resources and build upon stabilization efforts in neighborhoods most impacted by vacancy and foreclosure in order to further the HRA's mission to "preserve, grow and sustain" neighborhoods.

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 Parcel of land located in District 4, Dayton's Bluff, 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, April 12, 2014. 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 District 4 Dayton's Bluff:

Property Description	Purchaser/Developer	Purchase Price
1003 Hudson Road	August Ventures, LLC	\$7,000.00

"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 Lantry

Staff: Sarah Zorn (651-266-6570)

Attachments:

- **Attachment A -- Resolution**
- **Attachment B-- Map/Address of Project**
- **Attachment C -- Census Facts**