

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

REPORT TO THE COMMISSIONERS

DATE: JANUARY 28, 2015

REGARDING: RESOLUTION APPROVING AND AUTHORIZING THE SALE AND CONVEYANCE OF PROPERTY UNDER THE SAINT PAUL HOUSING AND REDEVELOPMENT AUTHORITY'S (HRA) DISPOSITION STRATEGY AND WORK PLAN IN SAINT PAUL DISTRICTS 4, 5, 6, 8, AND 9.

Requested Board Action

Approval of continued implementation of activity under the Saint Paul Housing and Redevelopment Authority's (HRA) Disposition Strategy and Work Plan, which was approved by the HRA Board on July 24, 2013 (Resolution 13-1097). The specific actions being requested of the HRA Board are approval of the following:

1. Sale and Conveyance of the Parcel 290 Bates Avenue, Dayton's Bluff, District 4, Ward 7; and
2. Sale and Conveyance of the Parcel 1065 Desoto Street, Payne Phalen, District 5, Ward 5; and
3. Sale and Conveyance of the Parcel 948 Duchess Street, Payne Phalen, District 5, Ward 6; and
4. Sale and Conveyance of the Parcels 828 Cook Avenue East, 857 Jenks Avenue, and 950 Jessamine Avenue East, Payne Phalen, District 5, Ward 6; and
5. Sale and Conveyance of the Parcel 84 Hatch Avenue, North End, District 6, Ward 5; and
6. Sale and Conveyance of the Parcel 970 Concordia Avenue, Summit-University, District 8, Ward 1.
7. Sale and Conveyance of the Parcel 283 Forbes Avenue, West Seventh, District 9, Ward 2.
8. Sale and Conveyance of the Eastern Half of the Parcel 310 Harrison Avenue, West Seventh, District 9, Ward 2.

Background

Planning and Economic Development (PED) staff analyzed all HRA-owned property to make informed recommendations regarding the retention and disposition of properties, and create a disposition strategy and budget to advance redevelopment plans for the sites analyzed. 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 as part of the Disposition Strategy and Work Plan (DSWP), which was approved by the HRA Board of Commissioners 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 both rehabilitated and 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, Frogtown, and West Seventh) or had obligations for redevelopment (vacant buildings, some tax forfeit properties, some federal properties). The remaining properties were either vacant 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.

Staff recommends sale of these vacant lots as it will achieve objectives of the Disposition Policy and Procedure for the Sale of Splinter Parcels for Residential Side Yard within Resolution 13-1592 (“Splinter Parcel Policy”) and the Disposition Policy and Procedure for the Sale of Vacant Lots for Market Value within Resolution 14-1331 (“Vacant Lot Sales Policy”). The properties listed within this report were deemed appropriate for sale under our Splinter Parcel Policy or Vacant Lot Sales Policy. As a condition to the sale, parcels sold as side yard must be combined with the owner’s existing tax parcel per the aforementioned Splinter Parcel Policy.

Wilder planning district demographic profiles are attached for Districts 4, 5, 6, 8 and 9, where the parcels proposed for conveyance are located (**Attachment J**).

290 Bates Avenue

Staff is seeking approval of the sale and conveyance of 290 Bates Avenue to Mike DeVilliers. The HRA acquired the lot from Ramsey County through tax forfeiture in 2008. The intended use, as specified by the application for tax-forfeited properties, is for residential parking and greenspace for the adjacent residence. The lot is zoned RT1 and located Southwest of the Buyer’s property at 292 Bates Avenue, as seen in **Attachment B**. The property dimensions are 40 by 120 square feet, totaling 4,800 square feet. Staff recommends selling the property under our Splinter Parcel Policy because it is not deemed appropriate for development due to uneven topography. Additionally, the property is already utilized by the Buyer as a driveway. Mike DeVilliers was determined to be in good standing as a property owner with no outstanding code violations or excessive police calls, and has submitted both the \$150 good-faith deposit and purchase agreement. Because sale of the parcel will reduce holding costs and increase the tax base, staff recommends selling the parcel at a nominal fee of \$500 plus administrative fees and holding costs according to the Splinter Parcel Policy.

1065 Desoto Street

Staff is seeking approval of the sale and conveyance of 1065 Desoto Street to Kenneth VenOsdel for \$11,817. The applicant will purchase the property as side yard for his existing property at 1071 Desoto Street with a condition that the tax parcels be combined. This proposal aligns with the priorities of the Vacant Lot Sales Policy. The HRA acquired the property as a donation in 2009, and removed the preexisting blighted structure in that same year. The property is approximately 38 by 129 feet totaling 4,902 square feet. The parcel is zoned R4 and located South of the Buyer's property at 1071 Desoto Street, as seen in **Attachment C**. Kenneth VenOsdel was determined to be in good standing as a property owner with no outstanding code violations or excessive police calls, and has submitted both the \$500 good-faith deposit and purchase agreement. The sale of this parcel will reduce holding costs and increase the tax base.

948 Duchess Street

Staff is seeking approval of the sale and conveyance of 948 Duchess Street to Cal Xiong for \$17,271. The applicant will purchase the property as side yard for his existing property at 952 Duchess Street with a condition that the tax parcels be combined. This proposal aligns with the priorities of the Vacant Lot Sales Policy. The HRA acquired the lot from Ramsey County through tax forfeiture in 2006. The property is approximately 50 by 161 feet totaling 8,050 square feet. The parcel is zoned RT1 and located South of the Buyer's property at 952 Duchess Street, as seen in **Attachment D**. Cal Xiong was determined to be in good standing as a property owner with no outstanding code violations or excessive police calls, and has submitted both the \$500 good-faith deposit and purchase agreement. The sale of this parcel will reduce holding costs and increase the tax base.

828 Cook Avenue East, 857 Jenks Avenue, and 950 Jessamine Avenue East

Staff is seeking approval of the sale and conveyance of 828 Cook Avenue East (\$10,000), 857 Jenks Avenue (\$9,090), and 950 Jessamine Avenue East (\$10,000) to James Falvey Homes, Inc. for \$29,090, collectively (**Attachment E**). On each lot, the Applicant will construct a 2-story, 1,400 square foot home with 3 bedrooms, 3 baths, and a 2 stall garage. This proposal aligns with the priorities of the Vacant Lot Sales Policy. 828 Cook Avenue East is approximately 40 by 125 feet totaling 5,000 square feet, and is zoned T2. The HRA acquired the lot from Ramsey County

through tax forfeiture in 2008. 857 Jenks Avenue is approximately 40 by 113 feet totaling 4,520 square feet, and is zoned RT1. The HRA acquired the lot from Ramsey County through tax forfeiture in 2000. 950 Jessamine Avenue East is approximately 40 by 122 feet totaling 4,880 square feet, and is zoned RT1. The HRA acquired the property as a part of a pool sale agreement for \$20,000 in 2010, and removed the preexisting blighted structure in 2014. James Falvey, Inc. submitted the \$500 good-faith deposits and purchase agreements for each property. The sale of these parcels will reduce holding costs and increase the tax base.

84 Hatch Avenue

Staff is seeking approval of the sale and conveyance of 84 Hatch Avenue to Shannon Eckman for \$12,729 (**Attachment F**). The Applicant will utilize the lot as a community garden in the North End with potential for renting out garden spaces to community members. This proposal aligns with the priorities of the Vacant Lot Sales Policy. The HRA acquired this parcel in 2011 for \$13,066 and removed the preexisting blighted structure in the same year. The property is approximately 51 by 120 feet totaling 6,120 square feet, and is zoned RT1. Shannon Eckman was determined to be in good standing as a property owner with no outstanding code violations or excessive police calls, and has submitted both the \$500 good-faith deposit and purchase agreement. The sale of this parcel will reduce holding costs and increase the tax base.

970 Concordia Avenue

Staff is seeking approval of the sale and conveyance of 970 Concordia Avenue to Allen Nye for \$9,000. The applicant will purchase the property as side yard for his existing property at 964 Concordia Avenue with a condition that the tax parcels be combined. This proposal aligns with the priorities of the Vacant Lot Sales Policy. The HRA acquired the lot from Ramsey County through tax forfeiture in 2011. The property is approximately 37 by 136 feet totaling 5,032 square feet. The parcel is zoned RT1 and located East of the Buyer's property at 964 Concordia Avenue, as seen in **Attachment G**. Allen Nye was determined to be in good standing as a property owner with no outstanding code violations or excessive police calls, and has submitted both the \$500 good-faith deposit and purchase agreement. The sale of this parcel will reduce holding costs and increase the tax base.

283 Forbes Avenue

Staff is seeking approval of the sale and conveyance of 283 Forbes Avenue to Holly Arnst and Aaron Adkins. The HRA acquired this parcel in 2008 for \$52,000 and removed a blighted structure in the same year. The lot is zoned RT1 and located East of the Buyer's property at 287 Forbes Avenue, as seen in **Attachment H**. Staff recommends selling the property under our Splinter Parcel Policy because combining 283 Forbes Avenue with 287 Forbes Avenue will create a lot size more consistent with the surrounding area. Holly Arnst and Aaron Adkins were determined to be in good standing as property owners with no outstanding code violations or excessive police calls, and have submitted both the \$150 good-faith deposit and purchase agreement. Because sale of the parcel will reduce holding costs and increase the tax base, staff recommends selling the parcel at a nominal fee of \$500 plus administrative fees and holding costs according to the Policy.

Eastern Half of 310 Harrison Avenue

Staff is seeking approval of the sale and conveyance of the eastern half of 310 Harrison Avenue to Jessica Lowe. The HRA acquired this parcel in 2009 for \$19,000 and removed the preexisting blighted structure in 2011. The lot is zoned R4 and is located east of the Buyer's property at 306 Harrison Avenue, as seen in **Attachment I**. Selling half of the lot will create two lots with equal frontage on Harrison Ave, which is consistent with frontage in the immediate area. The Buyer will acquire the eastern half of the property and the HRA will combine the remaining western half with 314 Harrison Avenue for Inspiring Communities development. Jessica Lowe was determined to be in good standing as a property owner with no outstanding code violations or excessive police calls, and has submitted both the \$150 good-faith deposit and purchase agreement. Staff recommends selling the parcel at a nominal fee of \$500 plus administrative fees and holding costs according to the Policy.

Budget Action

No budget action is required for these actions.

Future Action

There is no future action related to the conveyance of these parcels.

Financing Structure

There is no financing structure for the conveyance of these parcels.

PED Credit Committee Review

Credit committee review is not a requirement of these actions.

Compliance

There are no compliance requirements for the conveyance of these parcels.

Green/Sustainable Development

The Sustainable Development Policy does not apply to the requested actions.

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

See *Public Purpose Form*, attached as **Attachment K**. **Attachment L** includes a list of comprehensive and neighborhood plan documents that the proposed actions fulfill.

The Disposition Strategy has been presented to the planning councils most affected by the disposition strategy - the District 5 CPED and Railroad Island committees, District 4 Board, and District 7 Board - and received their support.

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 certain Parcels of land located in Dayton's Bluff, District 4; Payne-Phalen, District 5; North End,

District 6; Summit-University, District 8; and West Seventh, District 9 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, January 17, 2015. 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:

<u>Property Description</u>	<u>Purchaser</u>	<u>Purchase Price</u>
290 Bates Avenue	Mike DeVilliers	\$500.00

In Payne Phalen, District 5:

<u>Property Description</u>	<u>Purchaser</u>	<u>Purchase Price</u>
1065 Desoto Street	Kenneth VenOsdel	\$11,817.00
948 Duchess Street	Cal Xiong	\$17,271.00
828 Cook Avenue East	James Falvey Homes, Inc.	\$10,000.00
857 Jenks Avenue	James Falvey Homes, Inc.	\$9,090.00
950 Jessamine Avenue East	James Falvey Homes, Inc.	\$10,000.00

In North End, District 6:

<u>Property Description</u>	<u>Purchaser</u>	<u>Purchase Price</u>
84 Hatch Avenue	Shannon Eckman	\$12,729.00

In Summit-University, District 8:

<u>Property Description</u>	<u>Purchaser</u>	<u>Purchase Price</u>
970 Concordia Avenue	Allen Nye	\$9,000.00

In West Seventh, District 9:

<u>Property Description</u>	<u>Purchaser</u>	<u>Purchase Price</u>
283 Forbes Avenue	Holly Arnst and Aaron Adkins	\$500.00
Eastern ½ of 310 Harrison Avenue	Jessica Lowe	\$500.00

The above property is being sold by the HRA according to the Disposition Policy and Procedure for the Sale of Splinter Parcels for Residential Side Yard within Resolution 13-1592; and 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 these sales in accordance with the attached resolution.

Sponsored by: Commissioner Brendmoen

Staff: Sarah Zorn, 651-266-6570; Ashley Foell, 651-266-6553

Attachments:

- **Attachment A – Resolution**
- **Attachment B – Map of 290 Bates Avenue**
- **Attachment C – Map of 1065 Desoto Street**
- **Attachment D – Map of 948 Duchess Street**
- **Attachment E – Map of 828 Cook Ave E, 857 Jenks Ave, and 950 Jessamine Ave E**
- **Attachment F – Map of 84 Hatch Avenue**
- **Attachment G – Map of 970 Concordia Avenue**
- **Attachment H – Map of 283 Forbes Avenue**
- **Attachment I – Map of 310 Harrison Avenue**
- **Attachment J – District Council Census Facts**
- **Attachment K – *Public Purpose Form***
- **Attachment L – Comprehensive Plan Applicability**