

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

REPORT TO THE COMMISSIONERS

DATE: February 25, 2015

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 PARCEL 981 EUCLID STREET, DAYTON'S BLUFF, DISTRICT 4, WARD 7; AND 2) SALE AND CONVEYANCE OF PARCEL 1045 FREMONT AVENUE, DAYTON'S BLUFF, DISTRICT 4, WARD 7.

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 981 Euclid Street, Dayton's Bluff, District 4, Ward 7; and
2. Sale and Conveyance of the Parcel 1045 Fremont Avenue, Dayton's Bluff, District 4, Ward 7.

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)
- Acceptance of \$560,000 from MHFA, and \$160,000 from the Metropolitan Council through the 2014 CHIF RFP (15-212)

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, where the parcels proposed for conveyance are located (**Attachment D**).

981 Euclid Street

Staff is seeking approval of the sale and conveyance of 981 Euclid Street to Janae Martinez for \$10,000. The applicant will purchase the property as side yard for her existing property at 975 Euclid Street with a condition that the tax parcels be combined. The acquisition of 981 Euclid will provide a more appropriate yard size for her owner occupied triplex. This proposal aligns with the priorities of the Vacant Lot Sales Policy. The HRA acquired the property through tax forfeiture on September 9, 2005. The property is approximately 40 by 124 feet totaling 4,960 square feet. The parcel is zoned RT1 and located East of the Buyer's property at 975 Desoto Street, as seen in **Attachment B**. Janae Martinez 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.

1045 Fremont Avenue

Staff is seeking approval of the sale and conveyance of 1045 Fremont Avenue to ERDI, LLC for \$10,000 (**Attachment C**). The Applicant proposed the construction a 1,200 square foot home with 4 bedrooms, 2 baths, and a 2 stall garage as a rental property, with an explicit goal for creating affordable and sustainable housing. This proposal aligns with the priorities of the Vacant Lot Sales Policy. The HRA acquired the property for \$23,750 on November 23, 2010, and removed the preexisting blighted structure in 2011. The property is approximately 40 by 124 feet totaling 4,960 square feet, and is zoned RT1. ERDI, LLC submitted the \$500 good-faith deposit and purchase agreement. The sale of this parcel will reduce holding costs and increase the tax base.

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 E**. **Attachment F** 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 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, February 14, 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>
981 Euclid Street	Janae Martinez	\$10,000.00
1045 Fremont Avenue	ERDI, LLC	\$10,000.00

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 Lantry

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

Attachments:

- **Attachment A – Resolution**
- **Attachment B – Map of 981 Euclid Street**
- **Attachment C – Map of 1045 Fremont Avenue**
- **Attachment D – District Council Census Facts**
- **Attachment E – Public Purpose Form**
- **Attachment F – Comprehensive Plan Applicability**