

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

REPORT TO THE COMMISSIONERS

DATE: JUNE 22, 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 499 MINNEHAHA AVENUE EAST TO COA MURRELL AND LYNETTE HARRIS, PAYNE PHALEN, DISTRICT 5, WARD 5.

Requested Board Action

Public hearing and approval of the sale and conveyance of 499 Minnehaha Avenue East to Coa Murrell and Lynette Harris for a community garden.

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 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 (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.

The property listed within this report was deemed appropriate for sale as a community garden. Staff recommends sale of this splinter parcel as it will achieve the objectives of the Disposition Policy and Procedure for the Sale of Splinter Parcels (Splinter Parcel Policy).

The planning district demographic profile is attached as **District 5 Profile**.

499 Minnehaha Avenue East

Staff is seeking approval of the sale and conveyance of 499 Minnehaha Avenue East to Coa Murrell and Lynette Harris. The property is defined as a splinter parcel as it is 37 by 80 feet and a total of 2,960 square feet; it is zoned RT1. Please see the attached **Map** of the property. Coa Murrell and Lynette Harris represent Mom's Food Shelf, a local nonprofit, and will receive funding from East Side Neighborhood Development Company (ESNDC) to develop 499 Minnehaha as a community garden and urban bee farm (Proposal). The Proposal is part of a larger effort ESNDC is facilitating to spruce up Minnehaha Avenue between Payne and Rivoli Bluff this summer. The sale of the splinter parcel will reduce holding costs and increase the Saint

Paul tax base and create a community benefit from an unbuildable parcel. For these reasons, staff recommends selling the parcel for \$500 plus closing costs and fees as defined by the Splinter Parcel Policy. The \$150 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

See the attached **Public Purpose**. 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.

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 Payne-Phalen, District 5 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, June 11, 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 Payne-Phalen, District 5:

| <u>Property Description</u> | <u>Purchaser</u> | <u>Purchase Price</u> |
|------------------------------------|--------------------------------|------------------------------|
| 499 Minnehaha Avenue East | Coa Murrell and Lynette Harris | \$500.00 |

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

Sponsored by: Commissioner Brendmoen

Staff: Ashley Foell, 266-6553

Attachments:

- **Attachment – Map**
- **Attachment – District 5 Profile**
- **Attachment – Public Purpose**