

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

REPORT TO THE COMMISSIONERS

DATE: JUNE 28, 2017

## REGARDING:

1. **AUTHORIZATION TO ACQUIRE 2 TAX FORFEITED PROPERTIES AT 1695 BUSH AVENUE IN WARD 7, GREATER EAST SIDE DISTRICT 2 AND 1333 MARGARET STREET IN WARD 7, DAYTON'S BLUFF DISTRICT 4 AND TO CONVEY SAME TO DAYTON'S BLUFF NEIGHBORHOOD HOUSING SERVICES.**
2. **AUTHORIZATION TO ACQUIRE 3 TAX FORFEITED PROPERTIES AT 806 THOMAS AVENUE AND 521 EDMUND AVENUE, BOTH IN WARD 1, THOMAS DALE DISTRICT 7 AND 1404 BARCLAY STREET IN WARD 6, GREATER EAST SIDE DISTRICT 2 AND AUTHORIZATION TO CONVEY SAME TO TWIN CITIES HABITAT FOR HUMANITY, INC.**

## Requested Board Action

Authorization for HRA to acquire the following tax forfeited parcels and Authorization to convey as follows:

- **1695 Bush Avenue** in Ward 7, Greater East Side District 2 to Dayton's Bluff Neighborhood Housing Services.
- **1333 Margaret Street** in Ward 7, Dayton's Bluff District 4 to Dayton's Bluff Neighborhood Housing Services
- **806 Thomas Avenue** in Ward 1, Thomas Dale District 7 to Twin Cities Habitat for Humanity, Inc.
- **521 Edmund Avenue** in Ward 1, Thomas Dale District 7 to Twin Cities Habitat for Humanity, Inc.
- **1404 Barclay Street** in Ward 6, Greater East Side District 2 to Twin Cities Habitat for Humanity, Inc.

## Background

In November of 2016, the Ramsey County Tax Forfeit Department provided PED staff with the annual list of current tax forfeited properties available for acquisition through Ramsey County under Minnesota Statutes 282.01 and 469.201 Subd.10. In 2013, Ramsey County had approved a new policy for selling non-classified tax forfeited land to a governmental subdivision of the

state for less than its market value if the property is used for affordable housing as shown on the **Attached Ramsey County Policy**. In conjunction with the new Ramsey County Policy, on May 14, 2014, the HRA Board by RES 14-867 approved the Tax Forfeit Property Hold Policy and Sales Procedure” (TFHSP), which defines an HRA policy for acquisition and conveyance of tax forfeited property that complements the Ramsey County Policy, which is shown on the **Attached HRA Tax Forfeit Policy**. Using the TFHSP guidelines as well as staff recommendations in the selection process, 28 tax forfeited parcels for housing development consideration were identified by developer/partners and PED staff and were placed on hold from the November, 2016 list. The five housing properties included in this request for acquisition and sale were selected as a result of due diligence investigation during the six month hold period which will expire on July 12, 2017. The final developer applications received for the properties to be approved for sale all indicate redevelopment for affordable housing. Ramsey County is still considering 7 applications of East Side Neighborhood Development Corporation and has extended the timeline to respond to questions regarding these.

The HRA board approval for acquisition of the five properties is contingent upon simultaneous approval for sale to these developers and upon these developers submitting the funds for payment of the purchase price and fees along with the signed agreements to develop the sites as required in the Ramsey County Policy and the TFHSP. Ramsey County staff has reviewed and qualified in advance the applications and the discounted prices are based on this review. If HRA Board approves the resolution and all other contingencies are met, conveyance will also be contingent on Ramsey County Board approval. If either Board does not approve any or all of the properties, the funds held for that property or properties are returned to the developer/partner. Maps showing locations of the separate properties are shown on the **Attached Maps**.

### **Budget Action**

With regard to acquisition for housing development, staff has received applications, contracts and deposits for the five properties identified for affordable housing development under the HRA’s TFHSP by non-profit partners and all for Ramsey County’s discount. If final approval by the Ramsey County Board is granted, five discounted properties will be sold to HRA, each for 25% of its market value (plus maintenance costs and recording fees). The deposits collected

from the non-profit developers are held in the HRA General Fund for Developer Deposits from which payment to Ramsey County will be made. The prices established by Ramsey County including Ramsey County's fees are as follows:

- 1695 Bush Avenue discounted purchase price is \$2,028.27.
- 1333 Margaret Street discounted purchase price is \$3,595.29.
- 806 Thomas Avenue discounted purchase price is \$2,216.67.
- 521 Edmund Avenue discounted purchase price is \$2,362.76.
- 1404 Barclay Street discounted purchase price is \$3,991.28.

See **Attached Ramsey County Costs** for breakdown of costs by property.

#### **Future Action**

N/A

#### **Financing Structure**

N/A

#### **PED Credit Committee Review**

N/A

#### **Compliance**

With regard to the discounted properties acquired under Ramsey County policy described on the **Attached Ramsey County Policy**, the HRA will pass through to developer/partner the compliance requirements.

#### **Green/Sustainable Development**

N/A

#### **Environmental Impact Disclosure**

N/A

### **Public Purpose/Comprehensive Plan Conformance**

The properties being acquired for housing use support all three strategies of the Housing Chapter of the City's Comprehensive Plan: 1) Build on Saint Paul's strengths in the evolving metropolitan housing market; 2) Preserve and promote established neighborhoods; and 3) Ensure the availability of quality and affordable housing across the City.

### **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 Parcels of land located in the Wards and Districts listed below 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 17, 2017. 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 properties described below:

### **Properties for Conveyance**

- **1695 Bush Avenue** in District 2, Ward 7, (J.N. Roger's 4<sup>th</sup> Addition to St. Paul, Lot 25, Block 2) Purchaser: Dayton's Bluff Neighborhood Housing Services.
- **1333 Margaret Street** in District 4, Ward 7, (Knauff's Addition to the City of St. Paul, the South ½ of vacated alley adjacent & Lot 21, Block 2) Purchaser: Dayton's Bluff Neighborhood Housing Services
- **806 Thomas Avenue** in District 7, Ward 1, (Chute Brothers Division No. 14 Addition to the City of St. Paul, Minn., Lot 2) Purchaser: Twin Cities Habitat for Humanity, Inc.
- **521 Edmund Avenue** in District 7, Ward 1, (H.M. Ranney's Subdivision Block 11, Stinson's Division to St. Paul, Minn., Lot 25, Block 1) Purchaser: Twin Cities Habitat for Humanity, Inc.

- **1404 Barclay Street** in District 2, Ward 6, (Rogers and Hendricks Acre Lots No. 2, except the East 150 feet, the South 52 feet of Lot 8, Block 1) Purchaser: Twin Cities Habitat for Humanity, Inc.

Is there anyone who wishes to be heard on these sales? If not, Chair will declare this Public Hearing adjourned.”

**Recommendation:**

Staff recommends approval to convey 806 Thomas Avenue, 521 Edmund Avenue and 1404 Barclay Street to Twin Cities Habitat for Humanity, Inc.; and recommends approval to convey 1695 Bush Avenue and 1333 Margaret Street to Dayton’s Bluff Neighborhood Housing Services.

**Sponsored by:** Commissioner Jane Prince

**Staff:** Cynthia Carlson Heins, Project Services, 266-6608

**Attachments**

- **Attachment – Ramsey County Policy**
- **Attachment – HRA Tax Forfeit Policy**
- **Attachment - Maps**
- **Attachment - Ramsey County Costs**
- **Attachment – District Profiles**