

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

REPORT TO THE COMMISSIONERS

DATE: MAY 8, 2019

**REGARDING: RESOLUTION APPROVING AND AUTHORIZING THE SALE AND
CONVEYANCE OF PROPERTY UNDER THE SAINT PAUL HOUSING
AND REDEVELOPMENT AUTHORITY'S (HRA) GUIDELINES FOR
DISPOSITION OF A SPLINTER PARCEL LOCATED IN THE
NORTHEAST CORNER OF WEST 7TH STREET AND WESTERN
AVENUE SOUTH, AND APPROVAL OF A PURCHASE AGREEMENT,
DISTRICT 9,
WARD 2.**

Requested Board Action

Approval to convey an HRA-owned splinter parcel located on Western Avenue South, north West 7th Street to Bigos-WC Acquisition, LLC ("Bigos"), who owns the adjacent property at 160 Western Avenue for the purpose of constructing a new 50-unit affordable rental housing building on the combined lots.

Background

There is a small vacant splinter parcel of land located along Western Avenue South to the north of West 7th Street owned by the HRA (the "Parcel"). The Parcel is approximately 1,260 square feet and, due to its small size and configuration, on its own is unbuildable. Bigos owns the adjacent property where currently there is an existing building called Winslow Commons. Winslow Commons is a 121-unit project-based Section 8 assisted elderly rental apartment building on a large parcel of land with ample surface parking.

Mr. Ted Bigos, General Partner of Bigos-Winslow Commons, LLC, owner of Winslow Commons also owns a large apartment building in the Lowertown area of downtown Saint Paul called Mears Park Place Apartments ("Mears Park"). Mears Park is a 255-unit building with mostly market-rate rental units, but it also has 50 project-based Section 8 units that are affordable to households with incomes at or below 30% Area Median Income. The Section 8 contract in this

building will be expiring in two years and Mr. Bigos has made the decision not to renew this contract. Under the Section 8 program there is now a way of allowing project-based rent assistance to be transferred from one location to a new location with similar characteristics rather than letting the original Section 8 contract expire. This program is called “8bb”. Through the 8bb program, Bigos plans to construct a new building on the parcel they own at Winslow Commons, but needs the adjacent HRA splinter parcel to have a big enough site for the new building footprint (see attached proposed site plan). The existing tenants in the fifty (50) Mears Park Section 8 assisted units will be given “enhanced” Section 8 Vouchers, administer by Saint Paul Public Housing Authority, that will continue their rent assistance and allow them to stay in their current units. These Mears Park tenants also will be given the option to move to the new building near Winslow Commons if they prefer.

The HRA adopted Guidelines for Disposition of Splinter Parcels by the Housing and Redevelopment Authority via Resolution 93-8/24-2, which, in part, allows for the sale of parcels that do not meet the minimum single-family frontage requirement of 40’ as required by the Zoning Code.

Budget Action

N/A

Future Action

There will be no further Board action. Upon approval, HRA staff will proceed with conveyance of the Parcel.

Financing Structure

Per the Splinter Parcel Guidelines, the Parcel will be a sold for \$500 plus a transfer fee of \$175.

PED Credit Committee Review

Credit Committee review is not a requirement to sell splinter parcel property.

Compliance

There are no compliance requirements associated with this transaction.

Green/Sustainable Development

The Sustainable Building Policy does not apply to this transaction.

Environmental Impact Disclosure

An environmental assessment is not a requirement of this transaction.

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance

Conveyance of this property is consistent with plans for the area at the time of purchase. The conveyance will result in the production of additional housing units, which are needed throughout the region. The housing will be well served by transit providing residents with good access to jobs.

This is consistent with the District 9 Area Plan, particularly Housing Strategy 12:

Promote those stretches of West 7th between key nodes as the appropriate location for higher-density residential use, in order to add diversity to the housing stock while preserving the traditional neighborhood fabric and supporting existing and future transit investment.

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 a certain Parcel of land located in 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, April 27, 2019. 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 West Seventh, District 9:

<u>Property Description</u>	<u>Purchaser</u>	<u>Purchase Price</u>
PIN 012823430123 Lot 6, Block 10, Winslow's Addition to Saint Paul, MN	Bigos-WC Acquisition, LLC	\$675.00

The above property is being sold by the HRA according to the Guidelines for the Disposition of Splinter Parcels by the Housing and Redevelopment Authority within Resolution 93-8/24-2.

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 the sale in accordance with the attached resolution and Purchase Agreement.

Sponsored by: Rebecca Noecker

Staff: Diane Nordquist, 651-266-6640

Attachments

- **Map of Splinter Parcel**
- **Proposed Site Plan**
- **Purchase Agreement**
- **Public Purpose**
- **District 9 Profile**