

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

REPORT TO THE COMMISSIONERS

DATE: AUGUST 14, 2019

REGARDING: AUTHORIZATION TO ACQUIRE TAX FORFEITED PARCEL 718
ORANGE STREET TO CONVEY TO SINGULAR DEVELOPMENT
RESOURCES, INC., DISTRICT 5, WARD 6

Requested Board Action

Authorization for the HRA to acquire and to convey to Singular Development Resources, Inc. the following tax forfeited parcels for rehabilitation consistent with the terms of Ramsey County HRA Resolution B2017-274 and the City of Saint Paul HRA Resolution 14-867:

- 718 Orange Avenue in Ward 6, Payne-Phalen District 5.

Background

Tax-forfeited land is property that has been turned over to the state due to unpaid property taxes. The tax-forfeited land program is intended to make this state-owned land productive, taxable property again. Ramsey County administers this process for the state, offering tax forfeit properties within the city of Saint Paul to the Saint Paul HRA for affordable housing redevelopment before the properties are offered for sale through auction. Under the terms of Ramsey County HRA Resolution B2017-274, properties acquired for affordable housing purposes can be purchased at 25% of the assessed value plus maintenance costs and recording fees. The Saint Paul HRA and Saint Paul developers have utilized this provision for several years to reactivate vacant homes and land and produce affordable housing in Saint Paul neighborhoods.

Singular Development Resources, Inc. (Singular) will provide its own financing for the projects and complete the projects within the time period required by Ramsey County – 1 or 2 years, depending on the project. Singular must sell the property to a low- to moderate-income qualified end buyer, with a household income at or below 115% of Area Median Income. Ownership of the property must remain affordable for 7 years, requiring that it will only be sold to persons qualifying

for affordable housing for next seven years. The ownership, occupancy and income conditions and restrictions are passed on to subsequent owners during these seven years.

Singular is a corporation founded in 2006 and has previously acquired tax forfeited property through the Ramsey County-Saint Paul pass through sale process.

The Saint Paul HRA will acquire the properties from Ramsey County under the terms of Ramsey County Resolution B2017-274 and the City of St. Paul HRA Resolution 14-867 and subsequently sell the properties to Singular with the same requirements.

Budget Action

The developer provides all of their own funding; therefore, there is no budget action.

Future Action

NA

Financing Structure

Singular Development Resources, Inc. will provide their own funds. Ramsey County discounts the market purchase price of the property by 75% for developers willing to maintain ownership with qualified affordable owners.

PED Credit Committee Review

NA

Compliance

The developer will comply with all applicable City contract compliance requirements.

Green/Sustainable Development

The sustainable building policy does not apply to this project. However, preservation and reuse of a vacant house prevents demolition and landfilling of building materials.

Environmental Impact Disclosure

NA

Historic Preservation

NA

Public Purpose/Comprehensive Plan Conformance

The property 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 available of qualify 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, August 3, 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 properties described below to Singular Development Resources, Inc., for rehabilitation of existing structure consistent with the terms of Ramsey County HRA Resolution B2017-274 and the City of St. Paul HRA Resolution 14-867.

- Legal description: Lot 5, Block 9, Oak Ville Park; 718 Orange Avenue in Ward 5, Payne-Phalen District 5 Purchase price: \$14,687.56

Recommendation:

Staff recommends approval for the HRA to acquire and convey to Singular Development Resources, Inc. for rehabilitation of existing structure the follow tax forfeit parcel: 718 Orange Avenue.

Sponsored by: Amy Brendmoen

Staff: See J Yang 651.266.6607

Attachments

- **Ramsey County HRA Resolution B2017-274**
- **City of St. Paul HRA Resolution 14-867**
- **Map**
- **District 5 Profile**