

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

REPORT TO THE COMMISSIONERS

DATE: OCTOBER 9, 2019

**REGARDING: AUTHORIZATION TO ACQUIRE TAX FORFEITED PARCEL 1785 VAN
BUREN TO CONVEY TO GREATER FROGTOWN COMMUNITY
DEVELOPMENT CORPORATION. DISTRICT 11, WARD 4**

Requested Board Action

Authorization for the HRA to acquire and to convey to Greater Frogtown Community Development Corporation the following tax forfeited parcels for rehabilitation consistent with the terms of Ramsey County HRA Resolution B2017-274 and the City of S.t Paul HRA Resolution 14-867:

- 1785 Van Buren in Ward 4, Payne-Phalen District 11.

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 as amended B2019-202, 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.

Greater Frogtown Community Development Corporation will provide its own financing for the projects and complete the projects within the time period required by Ramsey County. Greater Frogtown must sell the property to a low- to moderate-income qualified end buyer, with a household income at or below 80% 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.

Greater Frogtown Community Development Corporation, an affiliate of NeighborWorks Home Partners, is a corporation established in 1995 to acquire tax forfeited property through the Ramsey County-saint Paul pass through sale process and built homes as well as rehabilitate homes for people who would have otherwise been unable to own a home.

The Saint Paul HRA will acquire the properties from Ramsey County under the terms of Ramsey County Resolution B2017-274, as amended B2019-202, and the City of St. Paul HRA Resolution 14-867 and subsequently sell the properties to Greater Frogtown 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

Greater Frogtown Community Development Corporation 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

As discounted properties acquired under Ramsey County policy, the City contract compliance requirements will apply.

Green/Sustainable Development

NA

Environmental Impact Disclosure

NA

Historic Preservation

NA

Public Purpose/Comprehensive Plan Conformance

The property being acquired for affordable housing use supports 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 a Parcel of land located in the Ward and District 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, September 28, 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 described below to Greater Frogtown Community Development Corporation for rehabilitation of existing structure consistent with the terms of Ramsey County HRA Resolution B2017-274, as amended B2019-202, and the City of St. Paul HRA Resolution 14-867.

- Legal description: Lot Seven (7), Searl's Place Number Two according to the recorded plat thereof on file and of record in the office of the County Recorder in and for Ramsey County,

Minnesota; 1785 Van Buren in Ward 4, Hamline-Midway District 11 Purchase price:
\$21,250.00

Recommendation:

Staff recommends approval for the HRA to acquire and convey 1785 VanBuren Avenue to Greater Frogtown Community Development Corporation to rehabilitate the existing tax forfeited structure for affordable housing.

Sponsored by: Commissioner Mitra Jalali Nelson

Staff: See J Yang 651.266.6607

Attachments

- **Ramsey County HRA Resolutions B2017-274 and B2019-202**
- **City of Saint Paul HRA Resolution 14-867**
- **Map**
- **District Profile**