

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

**REPORT TO THE COMMISSIONERS**

**DATE: NOVEMBER 13, 2019**

**REGARDING: AUTHORIZATION TO ACQUIRE TAX FORFEITED PARCELS 614 CALIFORNIA AVENUE E, 896 COTTAGE AVENUE E AND CONVEY TO DAYTON'S BLUFF NEIGHBORHOOD HOUSING SERVICES, FOR NEW CONSTRUCTION AND PARCEL LOCATED AT 282 WYOMING STREET, AND CONVEY TO CHANGE, INC., FOR REHABILITATION OF CURRENT STRUCTURE. DISTRICTS 5 AND 3, WARD 6 AND 2**

## **Requested Board Action**

Authorization to acquire tax forfeited parcels located at 614 California Avenue E, 896 Cottage Avenue E and convey to Dayton's Bluff Neighborhood Housing Services, for new construction and 282 Wyoming Street, and to convey Change, Inc., for Rehabilitation of current structure for affordable housing consistent with Ramsey County HRA Resolution B2017-274 and the City of Saint Paul HRA Resolution 14-867, District 5 and 3, Ward 6 and 2

## **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.

Dayton's Bluff Neighborhood Housing Services and Change, Inc. will provide their own financing for the projects and complete the projects within the time period required by Ramsey County. Dayton's Bluff Neighborhood Housing Services and Change, Inc., must sell or rent the property

to a low- to moderate-income qualified end buyer, with a household income at or below 80% of Area Median Income. The property must remain affordable for seven years, requiring that it will only be sold or rented to persons qualifying for affordable housing during that period. The ownership, occupancy and income conditions and restrictions are passed on to subsequent owners during these seven years.

Dayton's Bluff Neighborhood Housing Services, is a nonprofit corporation established in 1980. DBNHS has extensive experience in developing and rehabilitating properties for income-restricted affordable housing. Change, Inc., is a nonprofit corporation formerly known as Guadalupe Alternative Programs, established in 1967. The organization focuses on young people and their families who are experiencing poverty and transition.

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 Dayton's Bluff Neighborhood Housing Services and Change, Inc., with the same requirements.

#### **Budget Action**

The developers will provide all of their own funding; therefore, there is no budget action.

#### **Future Action**

NA

#### **Financing Structure**

Dayton's Bluff Neighborhood Housing Services and Change, 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**

NA

**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 2030 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, November 2, 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 Dayton's Bluff Neighborhood Housing Services for new construction of housing on vacant lots and Change, Inc., for rehabilitation of an 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: That part of Lot 27, Block 2, Ufton Grove Plat 1, lying East of West half. Lot 28, Block 2, Ufton Grove Plat 1; 614 California Avenue E in Ward 6 Payne-Phalen District 5 Purchase price: \$5,750.60
- Legal description: Lot 14, Block 5, Lane's Phalen Grove Add., St. Paul, Minn.; 896 Cottage Avenue E in Ward 6 Payne-Phalen District 5 Purchase price: \$6,677.93
- Legal description: Parcel 1: Lot 3, McClung's Subdivision of Block 69, Brown & Jackson's Addition Parcel 2: That part of Lot 2, McClung's Subdivision of Block 69, Brown & Jackson's Addition, which lies Southeasterly of the following described line, to wit; commencing a point on the North line of said Lot 2 at a point distant 1.10 feet East of the Northwest corner of said Lot 2; run thence southwesterly in a straight line to a point on the West line of said Lot 2 distant 39 feet South of said Northwest corner; 282 Wyoming Street in Ward 2 West Side District 3 Purchase price: \$27,202.75

**Recommendation:**

Staff recommends approval for the HRA to acquire and convey 614 California Avenue E and 896 Cottage Avenue E to Dayton's Bluff Neighborhood Housing Services to construct new structures on the existing tax forfeited lots, and to acquire and convey 282 Wyoming Street to Change, Inc., to rehabilitate the existing tax forfeited structure for affordable housing.

**Sponsored by:** Chair Chris Tolbert

**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**
- **Maps**
- **District Profiles**