



Legislation Text

File #: RES PH 21-142, **Version:** 1

Approval and authorization to sell and convey 1776 Maryland Avenue E, Unit #204, and authorization to waive the 45-day written notice in the HRA Disposition Policy, District 2, Ward 6

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") is a public body corporate and politic established pursuant to the provisions of Minnesota Statutes, Section 469.001, et seq.; and

WHEREAS, the HRA has the power to engage in development or redevelopment activities under Minnesota law and the HRA is authorized to engage in activities relating to (a) housing projects and development, (b) removal and prevention of the spread of conditions of blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) disposition of land for private redevelopment, and (e) improving the tax base and the financial stability of the community; and to engage in the aforementioned activities when these needs cannot be met through reliance solely upon private initiative and which can also be undertaken in targeted neighborhoods; and is authorized to create redevelopment projects as defined in Minnesota Statutes, Section 469.002, Subdivision 14; and

WHEREAS, the HRA has duly adopted and there is now lawfully in effect in the City of Saint Paul, Minnesota, a City Wide Comprehensive/Redevelopment Plan providing for the acquisition, clearance and resale of land for redevelopment; and the City Consolidated Five-Year Plan (collectively "Citywide Plans"); and

WHEREAS, the HRA owns a vacant condominium unit with the address 1776 Maryland Avenue E, Unit #204 (the "Property"); and

WHEREAS, the legal description of the Property is as follows: Unit No. 204, Common Interest Community No. 729, Hazel Park Heights Condominium, a condominium located in Ramsey County, Minnesota; and

WHEREAS, in 2020, HRA Staff received an unsolicited proposal by AOP Holdings, LLC (the "Purchaser"), to the purchase of the Property for \$110,000, for use as a rental housing unit; and

WHEREAS, HRA Staff has determined that it is in the public interest to pursue this deal for the reasons set forth in the Board Report; and

WHEREAS, prior to the sale of the Property, HRA Staff will document the estimated fair market value of the Property through an established valuation process involving a professional appraiser; and

WHEREAS, the Property is subject to condominium association rules which restrict rental of units to only those property owners who currently own units in the building, and the Purchaser meets this requirement; and

WHEREAS, the Property is located in a building where over 50% of the units are currently used as rental housing, thus not allowing potential owner-occupants to obtain FHA financing; and

WHEREAS, HRA Staff has determined that the restricting conditions mentioned in the previous two clauses make it highly unlikely that another interested potential buyer could be identified, and thus it is HRA Staff's recommendation that the 45-day ENS notification requirement in HRA's Disposition Policy be waived; and

WHEREAS, as a condition of the sale, the Purchaser has agreed to enroll the Property into the City of Saint

Paul's 4(d) Affordable Housing Incentive Program for households earning at or below 50% AMI for a period of ten years; and

WHEREAS, if the Purchaser fails to maintain 4(d) affordability in the Property, the Purchaser will have defaulted in the Purchase Agreement and the Property will revert back to the HRA; and

WHEREAS, HRA Staff has determined that the Purchaser's proposal to purchase the Property for its full market-value, along with the Purchaser's commitment to enroll the Property into the 4(d) enrollment program, is consistent with Citywide Plans; and

WHEREAS, HRA Staff finds a public purpose for the sale and conveyance of the Property, for the following reasons: the sale proceeds can be re-invested in other HRA redevelopment activities; and, 4(d) enrollment of the Property will expand the preservation of affordable residential units.

NOW THEREFORE BE IT RESOLVED by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, as follows:

1. The HRA Board hereby approves and authorizes the sale and conveyance of the Property to the Purchaser on the terms and conditions described in the staff report and this Resolution.
2. The HRA Board approves and authorizes the waiver of the 45-day notification requirement in the Policy and Procedures for Disposition of HRA Owned Real Estate.
3. The HRA Board hereby authorizes and directs staff to take all actions necessary to carry out the activities authorized by this Resolution, and the Executive Director is hereby authorized and directed to execute all documents and instruments approved by the City's Attorney's Office that are necessary to effectuate the activities to be undertaken by this Resolution except that the HRA Chair shall execute the deed of conveyance of the Property to the Purchaser.