



## Legislation Text

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**File #:** RES PH 16-182, **Version:** 3

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Resolution Approving And Authorizing The Sale And Conveyance Of Five Properties Under The Inspiring Communities Program; Authorization To Enter Into Development Agreements; And Authorization Of Expenditures For Redevelopment; ~~and Authorization to Waive the Maximum Per-Unit Subsidy for Three of the Properties;~~ Ward 7, District 4.

**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. (the "Act"); 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 Minn Stat Section 469.002, Subd. 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 ("Plan") providing for the acquisition, clearance and resale of land for redevelopment and a City Consolidated Five-Year Plan; and

**WHEREAS**, on July 24, 2013, by Resolution 13-1097 the HRA Board accepted and approved the HRA Disposition Strategy Work Plan and Budget ("Plan") to address the disposition of certain parcels of real property owned by the HRA; and

**WHEREAS**, on October 9, 2013, by Resolution 13-1592 the HRA Board accepted and approved key terms of the Plan's Inspiring Communities Program ("Program"), which included a maximum gross subsidy cap per unit of \$150,000 ("Cap") from HRA funds; and that Cap was subsequently increased to \$175,000 by the HRA Board on July 13, 2016, by Resolution 16-1190; and

**WHEREAS**, on August 24, 2015, HRA staff released a Request for Proposals to solicit proposals for redevelopment of HRA owned real property in accordance with Inspiring Communities criteria, and analyzed proposals received; and

**WHEREAS**, the subsidy request for the property located 987 Wilson Avenue was in excess of the Cap and was therefore held back from the request to the Board for approval and sale of RFP properties, and staff is now recommending the award, sale and conveyance of this property move forward; and

**WHEREAS**, HRA staff released an RFP on March 31, 2016 to solicit proposals for rehabilitation of HRA owned real property located within the Dayton's Bluff Heritage Preservation District in accordance with Inspiring Communities criteria, and analyzed proposals received, and based on that work staff is hereby making recommendations for award of four properties under the 2016 RFP (collectively with the 987 Wilson recommendation, the "Recommendations," described more fully in the attached staff report, and attached RFP Award Recommendation - REVISED); and

**WHEREAS**, the legal description of 987 Wilson Avenue is as follows: Lot 13, Adam Gotzian's Subdivision of Block 77, Lyman Dayton's Addition; and

**WHEREAS**, the legal description of 700 4<sup>th</sup> Street East is as follows: Lot 19, Block 33, Lyman Dayton's Addition to the City of Saint Paul; and

**WHEREAS**, the legal description of 767 4<sup>th</sup> Street East is as follows: Lot 16, Block 1, Highland Addition to the City of Saint Paul; and

**WHEREAS**, the legal description of 737 Plum Street is as follows: Lot 17, Auditors Subdivision No. 20; and

**WHEREAS**, the legal description of 275 Bates Avenue is as follows: Lot 21, Block 46, Lyman Dayton's Addition to the City of Saint Paul, except the North 36 feet thereof; and

**WHEREAS**, three of the properties recommended for funding, namely 987 Wilson Avenue, 737 Plum Street, and 275 Bates Avenue (collectively the "Excess Cap Properties"), require a gross subsidy in excess of \$175,000 as more fully described in the accompanying staff report ~~and staff recommends waiving the Cap in these instances as costs associated with these projects are reasonable and represent current market conditions;~~ and

**WHEREAS**, Ward 7 Year-Round STAR is the proposed funding source for the gross subsidy in excess of \$175,000 needed for the Excess Gap Properties; and

**WHEREAS**, the Saint Paul City Council and not the HRA is the authorizing body for STAR expenditures; and

**WHEREAS**, the HRA desires to conditionally approve the sale and funding for the Excess Gap Properties on the requirement that the remaining subsidy is ultimately funded by Ward 7 Year-Round STAR; and

**WHEREAS**, the Recommendations were considered by the HRA Board pursuant to due notice thereof that was published in the Saint Paul Pioneer Press on May 28, 2016 and after a public hearing that was held on Wednesday, June 8, 2016 at 2:00 pm, central daylight time, on the third floor of City Hall, 15 West Kellogg Boulevard, Saint Paul, Minnesota; and

**WHEREAS**, by this resolution the HRA finds a public purpose for the sale and conveyance of the aforementioned properties.

**NOW THEREFORE BE IT RESOLVED** that the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, hereby takes the following action:

1. Conditionally approves the sale of parcels 987 Wilson Avenue, 737 Plum Street, and 275 Bates Avenue to Eden Builders, Inc.
2. Approves the sale of parcel 767 4<sup>th</sup> Street East to Paul Ormseth.
3. Approves the sale of parcel 700 4<sup>th</sup> Street East to Project for Pride in Living.
4. Approves the Recommendations and authorizes the sale and conveyance of the properties to the purchasers/developers on the terms and conditions described in the staff report and Recommendations.
5. Approves the execution of development agreements with the purchasers/developers consistent with the approvals contained in this Resolution and Program requirements and which will contain applicable

compliance requirements. The Executive Director is authorized to negotiate development agreements that are consistent with the intent of this Resolution and are approved by the City Attorney Office.

6. Approves and authorizes subsidy expenditure from the Plan budget in the amount of \$685,499 for the properties, subject to the condition stated in #7 below.
7. Requires that the funding for the Excess Gap Properties be approved from Ward 7 Year-Round STAR funding prior to the closing of such properties, and if that STAR funding is not approved within six months of this Resolution date, the sale and funding approvals for these three properties will be rescinded and terminated without further action of this HRA Board of Commissioners. ~~Approves the waiver of the Cap for three projects, located at 987 Wilson, 737 Plum Street, and 275 Bates Avenue.~~
8. 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 necessary to effectuate the activities to be undertaken by this Resolution except that the HRA Chair/Commissioner shall execute the deeds of conveyance to the purchasers/developers.