

Housing and Redevelopment Authority Resolution

H2023-012

Sponsor: Community & Economic Development

Meeting Date: 8/15/2023

Title: Purchase of 735 Margaret Street for Affordable Homeownership

File Number: 2023-361

Background and Rationale:

The Community and Economic Development (CED) department requests to acquire the tax-forfeited property located at 735 Margaret Street in Saint Paul, Minnesota for 25% of the assessed market value as allowed by state statute. The appraised value is currently \$355,000. The property was rehabbed by Property Tax Records and Elections Services' (PTRES) Productive Properties Division in collaboration with Workforce Solutions and Goodwill Easter Seals. CED, on behalf of the Housing Redevelopment Authority (HRA), will sell the rehabbed home to a first-generation homebuyer in partnership with Twin Cities Habitat for Humanity. The subsequent sale to a first-generation homebuyer is expected to occur within 2023, which meets expectations as set in Section 4.57.60.b.1. of Ramsey County's Administrative Code.

Minnesota Statutes, section 282.01, subdivision 1a (d), allows Ramsey County to sell tax-forfeited properties for less than its market value to a government subdivision of the state if it believes that the reduced price will lead to the development of affordable housing. The government subdivision must document its specific plans for developing affordable housing and the specific law or laws that empower it to acquire property in furtherance of the plans.

On August 20, 2019, the Ramsey County Board of Commissioners approved lowering the maximum threshold to qualify for the owner-occupied affordable housing discount from 115% of the area median household income (AMI) as adjusted per family size to 80% AMI. For this sale, a qualified purchaser is a first-generation homebuyer who continuously occupies and homesteads the property and whose household income does not exceed 80% at the time of application. CED will work with Twin Cities Habitat for Humanity to find eligible first-generation homebuyers who have already qualified for Habitat's open market lending program, who additionally qualifies for Ramsey County's FirstHome down payment assistance program and/or other special credit programs, who is part of a household with five or more persons, and currently rents in Ramsey County. If multiple homebuyers are eligible and interested, then a homebuyer will be selected through random drawing.

Recommendation:

The Ramsey County Housing and Redevelopment Authority resolved to:

1. Approve the Memorandum of Understanding for the purchase of the tax-forfeited home located at 735 Margaret Street (32-29-22-11-0017) by Ramsey County Housing and Redevelopment Authority for \$88,750, plus maintenance and recording costs, with a deed restriction and/or restrictive covenant limiting purchases of the property for the next seven years to parties qualifying for affordable housing.
2. Authorize the Chair and Chief Clerk to execute the Memorandum of Understanding.
3. Authorize the County Manager to enter into agreements and execute amendments to agreements in a manner consistent with local regulations and requirements as approved by the County Attorney's Office.

A motion to approve was made by Commissioner Martinson, seconded by Commissioner Reinhardt.

Motion passed.

Aye: - 7: Frethem, Martinson, McGuire, Moran, Ortega, Reinhardt, and Xiong

By: 

Mee Cheng, Chief Clerk - County Board