

Memorandum of Understanding

This Memorandum of Understanding ("Memorandum") is made and entered by and between the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA"), and the County of Ramsey ("County" or "Ramsey County").

Recitals

WHEREAS, the HRA wishes to purchase the tax-forfeited property located at 390 Fry Street, PIN: 33.29.23.41.0065 (the "Property"), for less than its market value for the purpose of developing affordable housing in partnership with Next 7th Properties, LLC; and

WHEREAS, the HRA can purchase the Property for less than market value only if the Property will be used for the development of affordable housing; and

WHEREAS, the County is willing to accommodate the HRA's request to purchase the Property on the terms and conditions contained in this Memorandum.

NOW THEREFORE, in consideration of the recitals, and other good and valuable consideration, and intending to be legally bound, the HRA and County agree as follows:

1. The HRA has provided to the County its specific plans for developing affordable housing on the Property and the specific law or laws that empower it to acquire the Property in furtherance of those plans.
2. **Identity of the Developer.** The HRA identifies Next 7th Properties, LLC, as the developer (the "Developer") of the Property. The HRA agrees that the Developer meets the requirements for developers set forth in Section 4.57.60.b.1. of the Ramsey County Administrative Code.
3. The County Assessor has determined that the Property has a current market value of \$29,100. In consideration of the Property's use for affordable housing, the County will sell the Property to the HRA for 25% of its market value, which is \$7,275 plus maintenance costs and recording fees.
4. The HRA agrees to sell the Property for affordable housing to only a "qualified homebuyer", which is defined as a buyer agreeing to continuously occupy and homestead the Property and whose household income does not exceed 80% of area median income as adjusted for family size. Income qualification must only be satisfied at time of the written application by the qualified homebuyer. If the

HRA will first convey the Property to the Developer before construction commences, this requirement will not apply to the initial sale of the Property to the Developer.

5. Any resale of the Property by the initial qualified homebuyer during the seven (7) years after the purchase of the Property by the initial qualified homebuyer from the Developer must be to another qualified homebuyer.
6. The HRA will place a Declaration of Conditions and Restrictions of record to assure compliance with sections 4 and 5 of this Memorandum. The HRA shall require in its purchase agreement with the qualified homebuyer that if the qualified homebuyer fails to maintain the Property as the homebuyer's homestead as set forth in Section 4 above, the qualified homebuyer is liable for a pro-rated share of the Property's discounted market value paid by the qualified homebuyer to be repaid to the County. The HRA will either enforce the Declaration or the terms of its purchase agreement with the qualified homebuyer. Ramsey County has no obligation to enforce the Declaration.
7. The income qualification requirements set forth in Section 4, as well as the Declaration described in Section 6 and accompanying provisions to recapture benefits will terminate upon occurrence of any of the following events: foreclosure, transfer in lieu of foreclosure, or assignment of an FHA insured mortgage to HUD or to a conventional mortgage lender.

SIGNATURE PAGE FOLLOWS

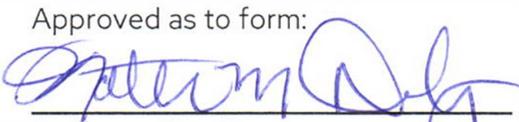
IN WITNESS WHEREOF, the HRA and County have executed this Memorandum by its authorized representatives as of the last date written below ("Effective Date").

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

By: 
Chris Tolbert
Its: Chair or Commissioner
Date: 4/11/21

By: 
Nicolle Goodman
Its: Executive Director
Date: _____

By: 
John McCarthy or Michael Solomon
Its: Director or Designee, Office of
Financial Services
Date: 4-9-2021

Approved as to form:

Assistant City Attorney
Date: 4-9-2021

COUNTY OF RAMSEY

By: _____
Toni Carter, Chair
Board of County Commissioners
Date: _____

By: _____
Abby Goldsmith, Interim Chief Clerk
Board of County Commissioners
Date: _____

Approval recommended:

By: Heather Bestler
Heather Bestler
County Auditor/Treasurer
Date: 04/21/2021

Approved as to form:

Melitta Drechsler
Assistant County Attorney
Date: April 21, 2021

This instrument was drafted by:
Ramsey County Property Tax and Election Services
Tax Forfeited Land Section
90 Plato Blvd. W.
St. Paul, MN 55107