
Sponsor: Property Tax, Records & Election Services

Meeting Date: 9/6/2022

Title: Sale of a Tax-forfeited Property Located at 1179 Seminary Avenue West to the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota

File Number: 2022-461

Background and Rationale:

The Housing and Redevelopment Authority of the city of Saint Paul, Minnesota (HRA) requests to acquire the tax-forfeited property located at 1179 Seminary Avenue for a price less than its market value. The property is an unimproved residential lot, 40 by 134 feet. The County Assessor's Office has determined the market value to be \$40,000. The HRA has partnered with Community Action Partnership of Ramsey and Washington Counties, to develop new affordable housing. The development is expected to take place within 18 months from the date HRA acquires title to the property, 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 the Ramsey County Board to sell tax-forfeited land for less than its market value to a government subdivision of the state if it believes that a 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 real property in furtherance of the plans.

Property Tax, Records & Election Services has reviewed the specific plans and authorizations required by statute and recommends that the property be sold to the HRA. A Memorandum of Understanding between the county and the HRA requires the HRA to place and enforce a deed restriction and/or declaration of restrictive covenant on the property requiring that it will only be sold to parties qualifying for affordable housing for the next seven years.

On August 20, 2019, the Ramsey County Board approved lowering the maximum threshold to qualify for the owner-occupied affordable housing discount from 115% of the area median household income as adjusted for family size (AMI) to 80% AMI. For this sale, a qualifying purchaser is a homebuyer who continuously occupies and homesteads the property and whose household income at the time of written application to acquire the property does not exceed 80% of the area median income as adjusted for family size. Duplex and triplex properties may include rental units. Since the development will be for affordable housing the recommended sale price at 25% of the market value or \$10,000, plus maintenance costs and recording fees, is consistent with the Ramsey County Board policy describing the terms under which it will sell property for less than market value for affordable housing.

Recommendation:

The Ramsey County Board of Commissioners resolved to:

1. Approve the sale of the tax-forfeited property located at 1179 Seminary Avenue West (27-29-23-44-0075) to the Housing and Redevelopment Authority of the city of Saint Paul, MN for \$10,000, plus maintenance costs and recording fees, 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.

A motion to approve was made by Commissioner Frethem, seconded by Commissioner Reinhardt.
Motion passed.

Aye: - 6: Carter, Frethem, MatasCastillo, McDonough, Ortega, and Reinhardt

Absent: - 1: McGuire

By: 

Mee Cheng, Chief Clerk - County Board