
Sponsor: Property Tax, Records & Election Services

Meeting Date: 10/3/2023

Title: Sale of a Tax-forfeited Property Located at 735 Margaret Street to the Housing and Redevelopment Authority of the County of Ramsey, Minnesota

File Number: 2023-422

Background and Rationale:

The Community and Economic Development (CED) department, on behalf of the Ramsey County Housing and Redevelopment Authority (HRA) requests to acquire the tax-forfeited property located at 735 Margaret Street for a price less than its market value. The property is a residential single-family home. The County Assessor's Office has determined the market value to be \$355,000. The property was rehabbed by the department of Property Tax, Records and Elections Services' (PTRES) Productive Properties Division in collaboration with Workforce Solutions and Goodwill Easter Seals. The HRA has partnered with Twin Cities Habitat for Humanity to sell the rehabbed home to a first-generation homebuyer. The subsequent sale to a first-generation homebuyer is expected to take place within 2023, which meets expectations as set in Ramsey County Administrative Code, section 4.57.60.b.1.

Minnesota Statutes, section 282.01, subdivision 1a (d) allows the 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.

PTRES 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 Ramsey County and the HRA is in place to 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 (AMI) as adjusted for 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. Since the development will be for affordable housing the recommended sale price at 25% of the market value or \$88,750, 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 735 Margaret Street (32-29-22-11-0017) to the Housing and Redevelopment Authority of the County of Ramsey, Minnesota for \$88,750, 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.
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 Xiong, seconded by Commissioner Reinhardt.
Motion passed.

Aye: - 6: Martinson, McGuire, Moran, Ortega, Reinhardt, and Xiong

Absent: - 1: Frethem

By: 

Mee Cheng, Chief Clerk - County Board