



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 1/24/2022

Item No.: 6.d

Department Approval

Executive Director Approval

Janice Gundlach

Samuel Truog

Item Description: Consider Memorandum of Understanding with Ramsey County to purchase a tax-forfeited property at 939 County Road B2 West

1 **BACKGROUND**

2 The Roseville Economic Development Authority (REDA) adopted Guidelines for Allocation of
3 REDA Funds for Community Land Trust properties on November 8, 2021, which provides use of
4 funds to acquire tax forfeiture properties into the Community Land Trust program with Twin Cities
5 Habitat for Humanity (TCHFH). The property located at 939 County Road B2 West is a tax
6 forfeited property and has been made available to the City/REDA to purchase at 25% of the assessed
7 value of \$166,500 (or \$41,625).

8 The property has code violations and was posted for condemnation on November 26, 2018. It is
9 the belief of both the City’s Building Official and TCHFH that the home is not salvageable. If the
10 REDA is able to acquire the property for the Community Land Trust program, then TCHFH would
11 demolish the home and build new. Since Ramsey County notified the City/REDA of the
12 availability to purchase the property, the previous owner has made application to repurchase. The
13 City was offered the opportunity to comment on the repurchase request, and Community
14 Development Director Janice Gundlach sent a letter to Ramsey County advising them of the
15 condition of the home and the concerns of the previous owner’s ability to address the outstanding
16 code violations on the property. The status of when the Ramsey County Board will take action on
17 the application for repurchase is unknown. If the repurchase is not authorized by Ramsey County,
18 the REDA intends to act upon their interest of providing the home to the Community Land Trust
19 Program. In order to do so, the REDA will need to authorize a Memorandum of Understanding
20 (MOU) with Ramsey County (Attachment A) and authorize the purchase of the home by adopting a
21 resolution (Attachment B). Staff is requesting the REDA take these actions now in the event
22 Ramsey County does not authorize the repurchase by the prior owner, or, the prior owner fails to
23 comply with the conditions established for the repurchase. If the repurchase is successful, these
24 actions by the REDA would become null and void.

25 **BUDGET IMPLICATIONS**

26 The REDA adopted Guidelines for Allocation of REDA Funds For Community Land Trust
27 Properties on November 8, 2021. Purchase of the property for \$41,625 falls within the adopted
28 guidelines.

29 **STAFF RECOMMENDATION**

30 If the REDA wishes to preserve the right to purchase 939 County Road B2 West, then the REDA
31 must adopt a resolution authorizing entering into the MOU with Ramsey County.

32 **REQUESTED COUNCIL ACTION**

33 By motion, Adopt the Resolution authorizing entering into the MOU with Ramsey County for the
34 purchase of 939 County Road B2 West.

Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager,
651-792-7086

Attachments: A: MOU with Ramsey County and the REDA
B: Resolution authorizing MOU and purchase of 939 County Road B2

Memorandum of Understanding

This Memorandum of Understanding (“Memorandum”) is made and entered by and between the Roseville Economic Development Authority (“EDA”) and the County of Ramsey (“County” or “Ramsey County”).

Recitals

WHEREAS, the EDA wishes to purchase the tax-forfeited property located at 939 County Road B West, PIN: 11-29-23-24-0048 (the “Property”), for less than its market value for the purpose of developing affordable housing through the creation of community land trust properties in partnership with Twin Cities Habitat for Humanity, Inc. (“Developer”), pursuant to the Master Long-Term Affordability Gap Assistance Grant Agreement between the EDA and Developer dated as of November 8, 2021; and

WHEREAS, the EDA 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 EDA’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 EDA and County agree as follows:

1. The EDA 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 EDA identifies Twin Cities Habitat for Humanity, Inc., as the developer (the “Developer”) of the Property. The EDA 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 \$166,500. In consideration of the Property’s use for affordable housing, the County will sell the Property to the EDA for 25% of its market value, which is \$41,625 plus maintenance costs and recording fees.
4. The EDA 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 EDA 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 EDA will place a Declaration of Conditions and Restrictions of record to assure compliance with sections 4 and 5 of this Memorandum. The EDA 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 EDA 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.

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

ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY

COUNTY OF RAMSEY

By: _____
Its: President
Date: _____

By: _____
Toni Carter, Chair
Board of County Commissioners

By: _____
Its: _____
Date: _____

By: _____
Mee Cheng, Chief Clerk
Board of County Commissioners

Date: _____

Approval recommended:

By: _____
Its: Director, Office of Financial Services
Date: _____

By: _____
Heather Bestler
Ramsey County Auditor/Treasurer

Date: _____

Approved as to form:

Approved as to form:

EDA Attorney
Date: _____

Assistant County Attorney
Date: _____

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

**EXTRACT OF MINUTES OF MEETING
OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

* * * * *

Pursuant to due call and notice thereof, a meeting of the Roseville Economic Development Authority, County of Ramsey, Minnesota, was duly called and held at the City Hall on Monday, the 24th day of January 2022, at 6:00 p.m.

The following members were present:

and the following were absent:

Commissioner _____ introduced the following resolution and moved its adoption:

RESOLUTION No. XX

A Resolution Ratifying a Memorandum of Understanding and Authorizing the Purchase of Property Located at 939 County Road B2 West

WHEREAS, Ramsey County (the “County”) has completed the tax forfeiture process as required by law for certain real estate located at 939 County Road B2 West in the City of Roseville (the “City”), legally described as Bradshaw-Edstrom Addition, the Ex West 16 feet; Lot 3, Block 1 (the “Property”), such property now being held in trust by the State of Minnesota (the “State”); and

WHEREAS, the Roseville Economic Development Authority (the “EDA”) desires to purchase the Property pursuant to its authority under Minnesota Statutes, Sections 469.090 to 469.1081 (the “EDA Act”), including without limitation its housing and redevelopment powers pursuant to Section 469.091, subd. 1 of the EDA Act, and specifically its power to acquire property for affordable housing purposes under Minnesota Statutes, Section 469.012, subd. 1g; and

WHEREAS, the EDA finds that the purchase of the Property will fulfill the objectives, goals, and mission of the EDA and meets the policy goals of the County’s Tax Forfeited Land Policies and Procedures: Non-Conservation Land – Sale for Less than Market Value (the “County Policy”) because the EDA is acquiring the Property for affordable housing; and

WHEREAS, the EDA adopted Guidelines for Allocation of REDA funds for Community Land Trust Properties and Authorized a Master Grant Agreement with Twin Cities Habitat for Humanity, Inc. (“TCHH”) to maintain the affordability of designated properties for ninety-nine years from the date of sale to TCHH; and

WHEREAS, the EDA has previously approved the acquisition of the Property for 25% of its assessed market value plus maintenance costs and recording fees pursuant to the County Policy, and the negotiation of a purchase agreement or memorandum of understanding with the County (the “MOU”) memorializing such terms.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Roseville Economic Development Authority as follows:

1. The recitals set forth in this Resolution are incorporated into and made a part of this Resolution.

2. The EDA hereby ratifies approval of the MOU as presented to the Board.

3. The President and Executive Director, EDA staff and consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution, including, without limitation, execution of the MOU and the execution and/or recording of any documents required to effect the acquisition of the Property and the holding of a public hearing on the conveyance of the Property to TCHH, and to maintain certain affordability covenants as provided in the MOU.

The motion for the adoption of the foregoing resolution was duly seconded by Member - _____, and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

WHEREUPON said resolution was declared duly passed and adopted.

Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and regularly held meeting thereof on January 24th, 2022.

I further certify that Commissioner _____ introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner _____, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this _____ day of January, 2022.

Executive Director
Roseville Economic Development
Authority