SPECIAL MEETING AGENDA
HOUSING & REDEVELOPMENT AUTHORITY
AUGUST 27, 2019

North St. Paul City Hall – Sandberg Room
2400 Margaret Street

I. CALL TO ORDER

II. ROLL CALL
   Terry Furlong, Chair
   Scott Thorsen, Commissioner
   Candy Petersen, Commissioner
   Jan Walczak, Commissioner
   Tom Sonnek, Commissioner
   Scott Duddeck, Executive Director

III. HRA ACTION ITEMS & RECOMMENDATIONS
   A. Memorandum of Understanding with Ramsey County for purchase of tax-forfeited property at
      2198 2nd Street North.
   B. Authorization to enter into the 2019-2020 Joint Powers Agreement with Northeast
      Intermediate School District 916, on behalf of the Career and Technical Center (CTC).

IV. ADJOURNMENT

Next Meeting: TBD as needed.
CITY OF NORTH ST. PAUL

NOTICE OF SPECIAL
HOUSING AND REDEVELOPMENT AUTHORITY MEETING
TUESDAY, AUGUST 27, 2019
5:30 P.M.

The North St. Paul Housing and Redevelopment Authority (HRA) hereby makes public
notice that a special HRA meeting has been scheduled on Tuesday, August 27, 2019 at
5:30 p.m. in the Sandberg Room at City Hall, 2400 Margaret Street, North St. Paul, for
the purpose of approving a Joint Powers Agreement between the HRA and Northeast
Intermediate School District 916, on behalf of the Career and Technical Center (CTC),
for the 2019-2020 Student Built Home Project, and approve a Memorandum of
Understanding between the HRA and Ramsey County for the purchase of tax-forfeited
property located at 2198 2nd St., N.

Scott Duddeck
City Manager

Posted Thursday, August 22, 2019
Memorandum of Understanding

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

Recitals

WHEREAS, the HRA wishes to purchase the tax-forfeited property located at 2198 2nd Street North, PIN: 12-29-22-34-0077 (the “Property”), for less than its market value to allow students from Northeast Metro Independent School District 916 to learn construction skills by building a home on the site; 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 is identified as the developer (the “Developer”) of the Property. The HRA 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 $51,000. 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 $12,750 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 115% 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 Northeast Metro Independent School District 916 before construction commences, this requirement will not apply to the initial sale of the Property to the school district.
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.

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

NORTH SAINT PAUL HOUSING AND REDEVELOPMENT AUTHORITY, MINNESOTA

By: ______________________________
Its: Chair or Commissioner
Date: _____________________________

By: ______________________________
Its: Executive Director
Date: _____________________________

By: ______________________________
Its: Director, Office of Financial Services
Date: _____________________________

COUNTY OF RAMSEY

By: ______________________________
Jim McDonough, Chair
Board of County Commissioners

By: ______________________________
Janet M. Guthrie, Chief Clerk
Board of County Commissioners
Date: _____________________________

Approval recommended:

By: ______________________________
Christopher A. Samuel
Ramsey County Auditor/Treasurer
Date: _____________________________

Approved as to form:

Assistant City 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
BUILDING CONSTRUCTION
JOINT POWERS AGREEMENT

AGREEMENT made this 27th day of August, 2019, by and between the City of North Saint Paul Housing & Redevelopment Authority (City and HRA), a Minnesota Municipal Corporation, and the Northeast Intermediate School District 916, on behalf of the Career and Technical Center (CTC); and,

WHEREAS, the City is undertaking certain redevelopment activities in the City, by which it acquires certain properties for improvements and resale; and,

WHEREAS, NE Metro Intermediate School District 916 is a state agency; and,

WHEREAS, both entities have the authority to enter into joint powers agreements pursuant to Minnesota Statutes, Section 471.59, Subdivision 10; and,

WHEREAS, CTC is a technical high school which offers courses in building trades, training men and women to be competent employees in all fields of construction; and,

WHEREAS, the City will acquire title to certain property located at 2198 2nd Street North, North St. Paul and legally described in Exhibit “A”, attached hereto, (the premises); and,

WHEREAS, CTC desires to construct a single family residence on the premises to provide on-the-job home building and remodeling experience to its students; and,

WHEREAS, City and CTC desire to effect certain improvements on the premises, and CTC desires to perform same in accordance with the terms, covenants and conditions hereinafter set forth.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH ST. PAUL, MINNESOTA, in consideration of the mutual covenants and agreements herein contained, the parties hereto do hereby covenant and agree as follows:

1. General Scope of Work. The plans will be provided from the CTC inventory of houses if applicable to the lot. Otherwise the City will contract with an architect to prepare plans conducive to the lot and neighborhood. Copies of the plans shall be initialed by each of the parties hereto, shall be in the possession of each of the parties, and are incorporated by reference in this Agreement. CTC and City will agree on approval of the plans before commencement of construction. CTC shall furnish City with a complete listing of all contractors and subcontractors which it intends to utilize in the course of the construction referred to herein. CTC undertakes to perform all the necessary work, arranging subcontractor scheduling, and to furnish all the necessary labor, and equipment, and City will supply materials in order to construct a single family dwelling in accordance with the plans within the time constraints of the commencement of the project as related to the beginning of the school year and the end of the school year. The City shall pay for all permits and building inspection fees. CTC will comply with applicable building and zoning codes.

2. Independent Contractor. CTC represents to the City that it is a technical secondary center and that students of the school will perform the work provided for herein and that
these students will be properly supervised by the instructional staff of CTC. CTC will operate as an independent contractor and not as the agent of the City.

3. **Proof of Payment of Mechanic's Liens.** City will provide payment for all subcontractors, materialmen, and any other persons performing labor or services with prompt payment in accordance with their respective contracts. CTC shall furnish the following to City at the time of payment in accordance with Section 5 below, to-wit:

   a. a sworn construction statement listing all subcontractors and materialmen who performed work or supplied material under this contract and the amounts of their subcontract or material.
   b. lien waivers from all subcontractors and materialmen listed in Subparagraph (a) about for all work listed thereon.
   c. invoices for material, subcontract work and other will be signed by both CTC instructor and City representative.
   d. payments shall be made by City within thirty (30) days after City receives an invoice from subcontractors, materialmen, and any other persons performing labor or services hereunder.

4. **Contract Costs.** All work, equipment and labor will be furnished and performed by CTC Construction Occupations, City will assume direct costs incurred in completing construction, including but not limited to the costs of the plans, materials, supplies, permits, inspection fees, and contractor or subcontractor fees provided the City has had an opportunity to review and approve all quotes in advance of the materials being purchased or work being performed.

5. **Method of Payment.** It is understood CTC shall submit a detailed line-item budget with contingencies to the City for approval, and that the City shall finance the work hereinafter referred to. When City sells the property upon which the new home has been constructed by CTC, the City shall be entitled to all proceeds from the sale.

6. **Time of Completion.** CTC shall commence performance of its obligations under this Agreement immediately upon execution of the Building Construction Agreement and CTC shall complete the work described herein in accordance with the plans not later than June 30, 2020, subject to Paragraph 7 of this Agreement, and excepting circumstances beyond the control of CTC, including but not limited to, act of God and ordinary and reasonable construction delays.

7. **Best Efforts of CTC.** Notwithstanding the time set forth in Section 6 hereof for completion of construction, CTC will at all times exert its best efforts to complete construction at the earliest possible time, will at all times furnish sufficient labor, to assure the most efficient and speediest construction progress, and will have a competent instructor on the job during all periods when work is in progress in order to supervise construction.

8. **Insurance.** CTC shall at all times, commencing with the date upon which construction begins, and until competed made in accordance with Section 5 herein, purchase, maintain, and carry the following types of insurance or self insurance as follows:

   a. Worker's Compensation Insurance fully covering all employees engaged in the performance of this agreement in accordance with Minnesota law. CTC will
require its subcontractors to provide evidence of Worker’s Compensation insurance on their employees.

b. public liability insurance covering death, bodily injury, and property damage with limits in accordance with the laws of the State of Minnesota. The City of North Saint Paul shall be listed as an additional insured on this policy.

c. risk insurance against damage or destruction to building or premises by fire, windstorm, and other perils covered by standard extended coverage insurance policy including vandalism and malicious mischief, covering all improvements to be erected hereunder and all materials which are on or about the premises, in an amount equal to the full insurable value of such improvements and materials. Both City and CTC shall be named insured under said builder’s risk policy to the extent of their respective insurable interest.

Certificates of Insurance acceptable to City shall be filed with them prior to commencement of the work under this Building Construction Agreement.

9. **Liability.** Each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof. CTC and City liability shall be governed by the provisions of the Minn. State Chapter 466.

10. **Defense and Indemnification.** CTC agrees to defend and indemnify the City for any liability claims arising from CTC’s activities or operations. Nothing in this Building Construction Agreement shall constitute a waiver of statutory limits on liability set forth in Minnesota Statutes Chapter 466 or a waiver of any available immunities or defenses. Nothing herein shall be construed to provide insurance coverage or indemnification to an officer, employee, or volunteer of any party to this Building Construction Agreement for any act or omission for which the officer, employee, or volunteer is guilty of malfeasance in office, willful neglect of duty or bad faith.

11. **Correcting of Defects.** CTC agrees to promptly perform the work required by this Building Construction Agreement in a good workmanlike manner and City agrees to provide only materials of good quality and suitable for the uses intended. Upon completion of the construction, in accordance with “the plans” and at a mutually convenient date, a representative of City will make a “walk through” inspection of the premises with representative of CTC. The representative of City shall note any defects or flaws in the construction and upon correction of said defects or flaws in the construction by CTC, the possession of the construction shall be turned over to City for payment of utilities and maintenance. A further “walk through” inspection and correction of flaws and defects, if any, shall occur at that time. (All other flaws and defects shall be corrected pursuant to paragraph number 10).

12. **Statutory Warranty.** As “vendor” (seller) of the single-family dwelling structure on the premises, the City shall warrant to all applicable owners the following warranty (referred to herein as the “Statutory Warranty”) pursuant to Minnesota Statutes 327 A, in part described as:

Subdivision 1. Warranties by vendor. In every sale of completed dwelling, and in every contract for sale of a dwelling to be completed, the vendor shall warrant the vendee that:
a. During the one (1) year period from and after the warranty date, the dwelling shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards.

b. During the two (2) year period from and after the warranty date, the dwelling shall be free from defects caused by faulty installation of plumbing, electrical, heating, and cooling systems due to noncompliance with building standards; and

c. During the 10 year period from and after the warranty date, the dwelling shall be free from major construction defects due to noncompliance with building standards.

City shall refer all claims of statutory Warranty to CTC which shall inspect same and, where appropriate, make repair or replacement with shared responsibility for expense.

13. **Applicable Law.** All parts of this Agreement shall be interpreted in accordance with the laws of the State of Minnesota.

14. **Housing and Redevelopment Act.** Contractors or subcontractors must provide performance bonds, or suitable alternative guarantees of performance acceptable to City, which bonds shall be the same as prescribed by the Minnesota Housing and Redevelopment Act, and all contractors or subcontractors acknowledge that this Agreement shall be subject to the terms of the Minnesota Housing and Redevelopment Act.

15. **Cooperation Between Parties.** The parties shall cooperate with each other in the performance of any work required by them respectively, to the end that neither shall cause the other any delay nor interference with the due prosecution of the work of the other in any manner whatsoever.

16. **Premises Kept Clean.** CTC shall at all times keep the premises and public streets free from an accumulation of waste materials or rubbish caused by its employees, students, or subcontractors and at the completion of the work shall remove all waste and excess material, rubbish, and equipment so as to leave the work and premises neat, clean and ready for the purpose for which they intended. City will provide a dumpster for this purpose.


18. **Notices.** Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and delivered personally or by registered or certified mail, postage prepaid and return receipt requested, as follow (or to such other address as the parties shall designated by Notice to the other in accordance with this section) and shall be deemed to have been given as of the date of personal delivery or as of the date on the receipt or registered or certified mail delivery by the Postal Service.
CTC

Title: Jill Stewart-Kellar, Principal
Address: 3300 Century Ave North, White Bear Lake, MN 55110
Tel: (651) 415-6510
E-mail: Jill.Stewart-Kellar@nemetro.k12.mn.us

City

Title: Scott Duddeck, City Manager
Address: 2400 Margaret Street, North St. Paul, MN 55109
Tel: (651) 747-2436
E-mail: scott.duddeck@northstpaul.org

IN WITNESS WHEREOF, the parties hereto, pursuant to proper authority as granted by the governing boards of the parties hereto, have caused this Agreement to be executed by their properly and duly authorized officers, the day and year first written above.

City of North Saint Paul

By: __________________________  By: __________________________
Terrence J. Furlong
Mayor

Date: __________________________  Date: __________________________

By: __________________________  By: __________________________
Dr. Scott A. Duddeck
City Manager

Date: __________________________  Date: __________________________
EXHIBIT A

Property address of 2198 2nd Street North is legally described as follows:

   PIN # 122922340077
   Lot 1 Block 3 of FIRST ADDITION TO NORTH SAINT PAUL
   SWLY 6 FT OF LOT 2 AND ALL OF LOT 1 BLK 3