



**Request for City Council Committee Action from the Department of Community Planning & Economic Development - CPED**

Date: March 20, 2012

To: Council Member Lisa Goodman, Chair, Community Development Committee

**Subject:** Land Sale Public Hearing  
Neighborhood Stabilization Program

**Recommendation:** Approve the sale of 424 31st Avenue North and 428 31st Avenue North for \$3,100 each to Twin Cities Habitat for Humanity, Inc., subject to the following conditions; 1) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City, and 2) payment of holding costs of \$300.00 per month per parcel (or portion thereof) if the land sale closing does not occur on or before the closing deadline. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

**Previous Directives:** CPED acquired 424 and 428 31st Avenue North on April 9, 2010.

Prepared by: Edith Johnson, Senior Project Coordinator, Phone 612-673-5262  
Approved by: Charles T. Lutz, Deputy CPED Director \_\_\_\_\_  
Thomas A. Streitz, Director Housing Policy & Development \_\_\_\_\_  
Presenters in Committee: Edith Johnson, Senior Project Coordinator

**Financial Impact**

- Other financial impact: Eliminate property management costs.

**Community Impact**

- Neighborhood Notification: Hawthorne Neighborhood Council reviewed this proposal and recommended it be approved.
- City Goals: A SAFE PLACE TO CALL HOME People and businesses thrive in a safe and secure city.
- Sustainability Targets: A Vital Community—Affordable housing.
- Comprehensive Plan: On March 5, 2012, the Planning Commission approved the sale of these parcels as being consistent with the Comprehensive Plan.
- Zoning Code: R4 (each parcel)
- Living Wage/Business Subsidy Agreement Yes\_\_\_\_ No x
- Job Linkage Yes\_\_\_\_ No x
- Other: On February 10, 2012, the Planning Staff completed a land sale review of these parcels and deemed them buildable lots.

## Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
3R004	424 31st Avenue North	\$3,100
3R005	428 31st Avenue North	\$3,100

### PURCHASER

Twin Cities Habitat for Humanity, Inc.  
3001 4th Street SE  
Minneapolis, MN 55414

### PROPOSED DEVELOPMENT:

424 31st Avenue North—Construction will be a single family home with 3 bedrooms, 1 ½ baths, 1,480 square feet and a 1-car detached garage. The home will be marketed for sale for owner occupancy.

The lot size is 41' x 116' = 4,756 total square feet.

428 31st Avenue North—Construction will be a single family home with 4 bedrooms, 2 baths, 1,500 square feet and a 1-car detached garage. The home will be marketed for sale for owner occupancy.

The lot size is 41' x 116' = 4,756 total square feet.

### LAND DISPOSITION POLICY:

These properties are buildable lots as defined by City policy and are being sold for development.

### FINANCING\*:

Twin Cities Habitat for Humanity, Inc. (Habitat) has demonstrated sufficient funding for the proposed projects.

\*Subject to application and underwriting requirements.

### OFFERING PROCEDURE:

Negotiated Sale. The sales price of these properties does reflect the full re-use value.

### COMMENTS:

On April 9, 2010, 424 and 428 31<sup>st</sup> Avenue North were acquired from Hennepin County Tax Forfeited Land as vacant land. The parcels were acquired for \$1.00 each under the Memorandum of Understanding between the City of Minneapolis and Hennepin County. After acquisition, CPED did not publicly market the two parcels, as the acquisitions were done to support the cluster development efforts in the Hawthorne Eco-Village Cluster.

Project for Pride in Living, Inc. (PPL) is the selected development partner in the Hawthorne Eco-Village Cluster project. PPL has developed a strategy that includes rehab and construction of single family and multifamily housing units to improve the quality of life and housing options for persons who wish to reside in the neighborhood.

CPED, Northside Home Fund, and other development partners, such as Habitat, are assisting PPL in its housing development strategy. Habitat recently approached CPED regarding the acquisition of 424 and 428 31<sup>st</sup> Avenue North to construct affordable single family housing units for home ownership. Funds have been reserved for the construction of these projects under the NSP program.

Habitat is currently developing a housing unit on the block. They plan to acquire these two properties to foster the extension of the alley. They are in negotiations with Public Works on the alley extension project. Habitat is planning to finalize designs with the neighborhood and selected buyers.

Hawthorne neighborhood concurs with Habitat's development proposals.

**Authorizing sale of land Neighborhood Stabilization Program  
Disposition Parcels 3R004 and 3R005.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcels 3R004 and 3R005, in the Hawthorne neighborhood, from Twin Cities Habitat for Humanity, Inc., hereinafter known as the Redeveloper, the Parcels 3R004 and 3R005, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

3R004; 424 31st Avenue North

The West 82 feet of Lots 7 and 8, Block 7, Morrison's addition to North Minneapolis, except the West 41 feet thereof

3R005; 428 31st Avenue North

The West 41 feet of Lots 7 and 8, Block 7, Morrison's Addition to North Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$3,100 each, for Parcels 3R004, and 3R005 to the City for the land, and the Redeveloper's proposal is in accordance with the applicable Redevelopment Plan and/or Program; and

Whereas, the Redeveloper has submitted to the City a statement of financial responsibility and qualifications; and

Whereas, the City has had the re-use values reviewed by an appraisal expert, stating that the re-use value opinion is consistent with the accepted methods in aiding the City in determining a re-use value for the Parcels; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on March 9, 2012, a public hearing on the proposed sale was duly held on March 20, 2012, at the regularly scheduled Community Development Committee meeting of the City Council, at the Minneapolis City Hall, 350 South 5th Street, Room 317, at 1:30 p.m., in the City of Minneapolis, County of Hennepin, State of Minnesota;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the re-use value for uses in accordance with the Neighborhood Stabilization Program plan, as amended, is hereby estimated to be the sum of \$3,100 each for Parcels 3R004, and 3R005.

Be It Further Resolved that the acceptance of the offer and proposal is hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the parcel in accordance with the Redevelopment Plan and/or Program.

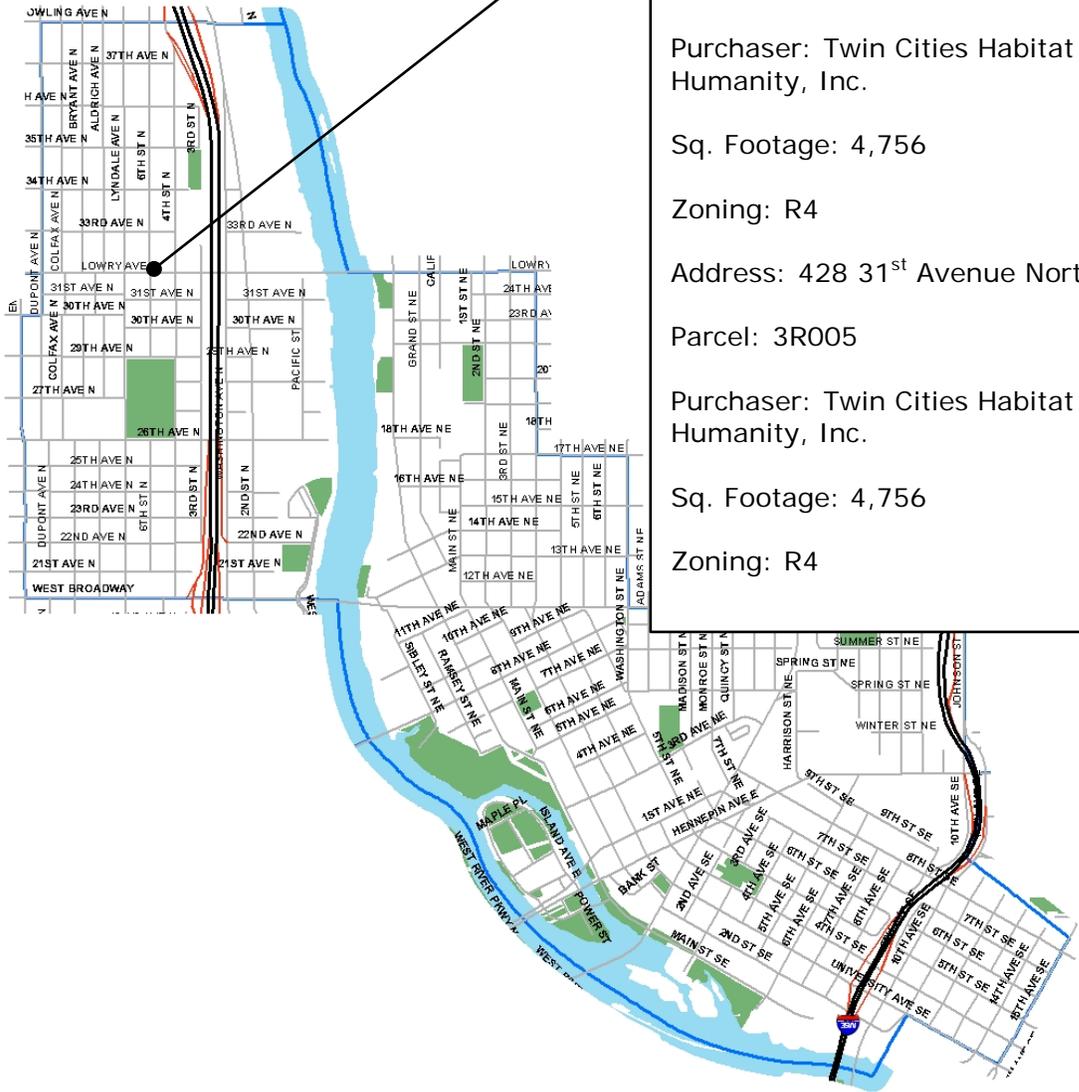
Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City and 2) payment of holding costs of \$300.00 per month per parcel (or portion thereof) if the land sale closing does not occur on or before the closing deadline.

Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

Be It Further Resolved that upon publication of this Resolution, the Finance Officer or other appropriate official of the City be and the same is hereby authorized to execute and deliver the contract to the Redeveloper; provided, however, that this Resolution does not constitute such a contract and no such contract shall be created until executed by the Finance Officer or other appropriate official of the City.

Be It Further Resolved that the Finance Officer or other appropriate official of the City is hereby authorized to execute and deliver a conveyance of the land to the Redeveloper in accordance with the provisions of the executed contract and upon payment to the City for the purchase price thereof; provided, however, that this Resolution does not constitute such a conveyance and no such conveyance shall be created until executed and delivered by the Finance Officer or other appropriate City official of the City.

# WARD 3



Address: 424 31<sup>st</sup> Avenue North

Parcel: 3R004

Purchaser: Twin Cities Habitat for Humanity, Inc.

Sq. Footage: 4,756

Zoning: R4

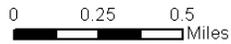
Address: 428 31<sup>st</sup> Avenue North

Parcel: 3R005

Purchaser: Twin Cities Habitat for Humanity, Inc.

Sq. Footage: 4,756

Zoning: R4



**TOTAL ACQUISITION COSTS INCURRED BY CPED ATTRIBUTABLE TO THE FOLLOWING PROPERTY:**

Date: March 20, 2012  
 Subject: Land Sale – Public Hearing  
 Tax Forfeiture  
 Address: 424 31st Avenue North  
 428 31st Avenue North  
 Purchaser: Twin Cities Habitat for Humanity, Inc.

<b>Disposition Parcel No. Acq Date</b>	<b>Address</b>	<b>Total CPED Costs</b>	<b>Less Sales Price</b>	<b>Write Off</b>
3R004 03/09/10	424 31 <sup>st</sup> Avenue North	\$729	(-) \$3,100	- \$2,371
3R005 03/09/10	428 31 <sup>st</sup> Avenue North	\$829	(-) \$3,100	-\$2,271

<b>Re-Use Value Opinion</b>	<b>Less Sales Price</b>	<b>Write-Down</b>
\$3,100	\$3,100	\$0
\$3,100	\$3,100	\$0

Write-Down

Reason: Not applicable.

Developer History with CPED:

Habitat has been developing projects in the City of Minneapolis for many years.

Developer Information:

- Single Individual(s)
- Married Individual(s)
- Limited Liability Partnership of the State of Minnesota
- Limited Liability Company of the State of Minnesota
- Corporation of the State of Minnesota
- Nonprofit Corporation of the State of Minnesota
- Other