



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

Date: November 27, 2012

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

**Subject:** Land Sale Public Hearing  
Vacant Housing Recycling Program

**Recommendation:** Approve the sale of 2939 Morgan Avenue North for \$2,729 and 2930 Newton Avenue North for \$2,729 to Twin Cities Habitat for Humanity, Inc., (Habitat) subject to the following conditions; 1) land sale closing must occur no later than April 15, 2013, and 2) payment of holding costs of \$300.00 per month (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 2939 Morgan Avenue North on May 2, 2012. CPED acquired 2930 Newton Avenue North on January 27, 2012; on March 30, 2012, the City Council authorized staff to begin marketing and selling properties acquired under the Land Banking strategy of the City's Neighborhood Stabilization Programs (NSP1, 2 and 3) using the City's normal disposition policies and procedures for development parcels.

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: Jordan Area Community Council reviewed these proposals and recommended they be approved.
- City Goals: A SAFE PLACE TO CALL HOME People and businesses thrive in a safe and secure city.
- Sustainability Targets: Affordable Housing
- Comprehensive Plan: On November 13, 2012, the Planning Commission approved the sale of these parcels as being consistent with the Comprehensive Plan.

- Zoning Code: R1A for 2939 Morgan Avenue North and R2B for 2930 Newton Avenue North
- Living Wage/Business Subsidy Agreement      Yes\_\_\_\_\_      No   x
- Job Linkage      Yes\_\_\_\_\_      No   x
- Other: On September 27, 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>
VH-456	2939 Morgan Avenue North	\$2,729
VH-475	2930 Newton Avenue North	\$2,729

**PURCHASER**

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

**PROPOSED DEVELOPMENT:**

**2939 Morgan Avenue North**

Construction of a one-story home with 4 bedrooms, 2 bathrooms, approximately 1,512 square feet of living space and one-car detached garage.

The lot size is approximately 43' x 127' = 5,456 total square feet.

**2930 Newton Avenue North**

Construction of a one-story home with 4 bedrooms, 2 bathrooms, approximately 1,512 square feet of living space and one-car detached garage.

The lot size is approximately 43'x 127' = 5,456 total square feet.

The same house design will be constructed on each parcel. After construction, Habitat plans to sell each home to an owner occupant who is a Habitat qualified purchaser.

**LAND DISPOSITION POLICY:**

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

**FINANCING\*:**

Habitat has demonstrated that it has sufficient funds for the proposed projects.

\*Subject to application and underwriting requirements.

**OFFERING PROCEDURE:**

Public Advertisement. The sales prices of these properties do reflect the full re-use value.

**COMMENTS:**

On May 2, 2012, CPED acquired 2939 Morgan Avenue North, a tornado-damaged property, through a donation from a private party. The structure was demolished and the resulting vacant parcel will be sold to Habitat for housing development.

On January 27, 2012, CPED acquired a single family home at 2930 Newton Avenue North from Hennepin County Tax Forfeited Land for \$2.00 under the Neighborhood Stabilization Program (NSP), Land Banking activity. The structure was demolished and the resulting vacant parcel was placed in the City of Minneapolis' property inventory for housing development. All land sale proceeds, equal to the fair market value, will be returned to the NSP Program to cover ongoing program costs.

On October 15, 2012, Habitat submitted to CPED an Offer to Purchase for each property for construction of a single family home for owner occupancy. Habitat will use its standard process for finding, preparing and selecting an owner for each property. The process includes an application, selection, homeowner training and sweat equity.

The City of Minneapolis' Neighborhood Stabilization Program is a funding source for the project. The Jordan Area Community Council concurs with Habitat's proposal.

**Authorizing sale of land Vacant Housing Recycling Program  
Disposition Parcels VH-456 and VH-475.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcels VH-456 and VH-475, in the Jordan neighborhood, from Twin Cities Habitat for Humanity, Inc., hereinafter known as the Redeveloper, the Parcels VH-456 and VH-475, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-456; 2939 Morgan Avenue North

Lot 5, Block 2, Supplement to Forest Park Addition to Minneapolis

VH-475; 2930 Newton Avenue North

Lot 8, Block 2, Supplement to Forest Park Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$2,729 each, for Parcels VH-456 and VH-475 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 values for the Parcels; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on November 16, 2012, a public hearing on the proposed sale was duly held on November 27, 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 Vacant Housing Recycling Program plan, as amended, is hereby estimated to be the sum of \$2,729 each for Parcels VH-456 and VH-475.

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.

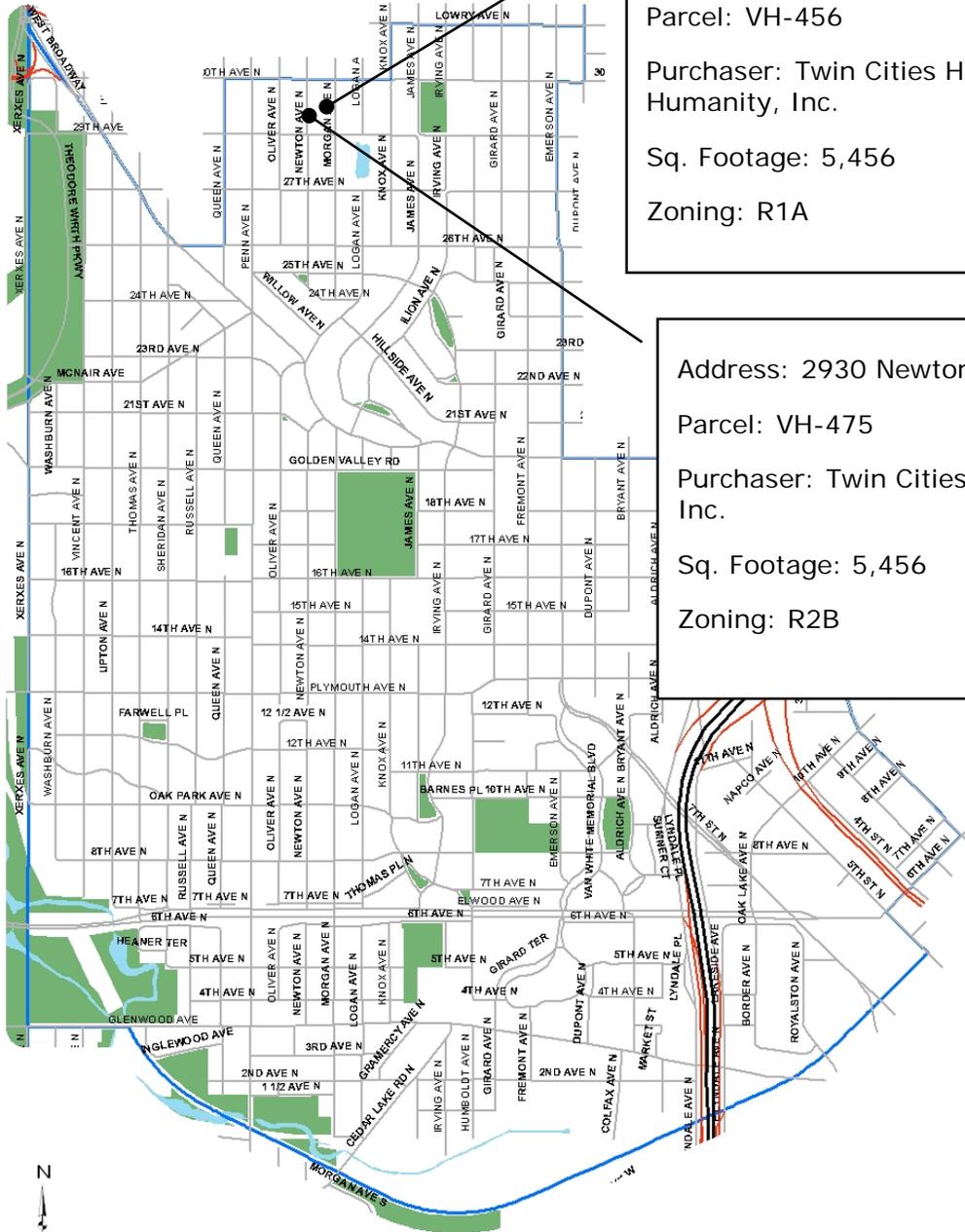
Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must no later than April 15, 2013 and 2) payment of holding costs of \$300.00 per month (or portion 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.

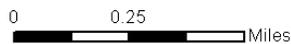
Be It Further Resolved that the Finance Officer or other appropriate official of the City is hereby authorized to execute and deliver a conveyance of the land to the Redeveloper in accordance with the provisions of the executed contract and upon payment to the City for the purchase price thereof; provided, 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 5



Address: 2939 Morgan Avenue North  
 Parcel: VH-456  
 Purchaser: Twin Cities Habitat for Humanity, Inc.  
 Sq. Footage: 5,456  
 Zoning: R1A

Address: 2930 Newton Avenue North  
 Parcel: VH-475  
 Purchaser: Twin Cities Habitat for Humanity, Inc.  
 Sq. Footage: 5,456  
 Zoning: R2B



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

Date: November 27, 2012  
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 Address: 2939 Morgan Avenue North  
 2930 Newton Avenue North  
 Purchaser: Twin Cities Habitat for Humanity, Inc.

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
VH-456 5/02/12	2939 Morgan Avenue North	\$5,129.32	(-) \$2,729	(+) \$2,400.32
VH-475 1/27/12	2930 Newton Avenue North	\$3,192.50	(-) \$2,729	(+) \$463.50

Re-Use Value Opinion	Less Sales Price	Write-Down
\$2,729	\$2,729	\$0
\$2,729	\$2,729	\$0

Write-Down

Reason: Not applicable.

Developer History with CPED:

Habitat has worked with CPED on housing development projects in the City of Minneapolis.

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