



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 Newton Avenue North to Twin Cities Habitat for Humanity, Inc. (Habitat) for \$2,729, 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 Newton Avenue North on December 18, 2009. 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 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: Vital Community-Affordable housing
- Comprehensive Plan: On November 13, 2012, the Planning Commission approved the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: R2B
- 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 this parcel and deemed it a buildable lot.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-476	2939 Newton Avenue North	\$2,729

PURCHASER

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

PROPOSED DEVELOPMENT:

Construction of a two-story single family home with 5 bedrooms, 2 bathrooms, approximately 1,676 finished square feet and a one car detached garage. Habitat plans to sell the home to an owner occupant who is a Habitat qualified purchaser.

The lot size is approximately 43' x 127' = 5,458 total square feet.

LAND DISPOSITION POLICY:

This property is a buildable lot as defined by City policy and is being sold for development.

FINANCING*:

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

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The sales price of this property does reflect the full re-use value.

COMMENTS:

On December 18, 2009, CPED acquired a vacant single family home at 2939 Newton Avenue North from Hennepin County Tax Forfeited Land for \$17,000 under the Neighborhood Stabilization Program (NSP), Land Banking activity. The structure was demolished by Regulatory Services 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 the vacant parcel for construction of a single family home for owner occupancy. Habitat will use its standard process for finding, preparing and selecting an owner. 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 Parcel VH-476.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-476, in the Jordan neighborhood, from Twin Cities Habitat for Humanity, Inc., hereinafter known as the Redeveloper, the Parcel VH-476, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-476; 2939 Newton Avenue North

Lot 5, Block 3, Supplement to Forest Park Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$2,729, for Parcel VH-476 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 value 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 Parcel; 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 for Parcel VH-476.

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.

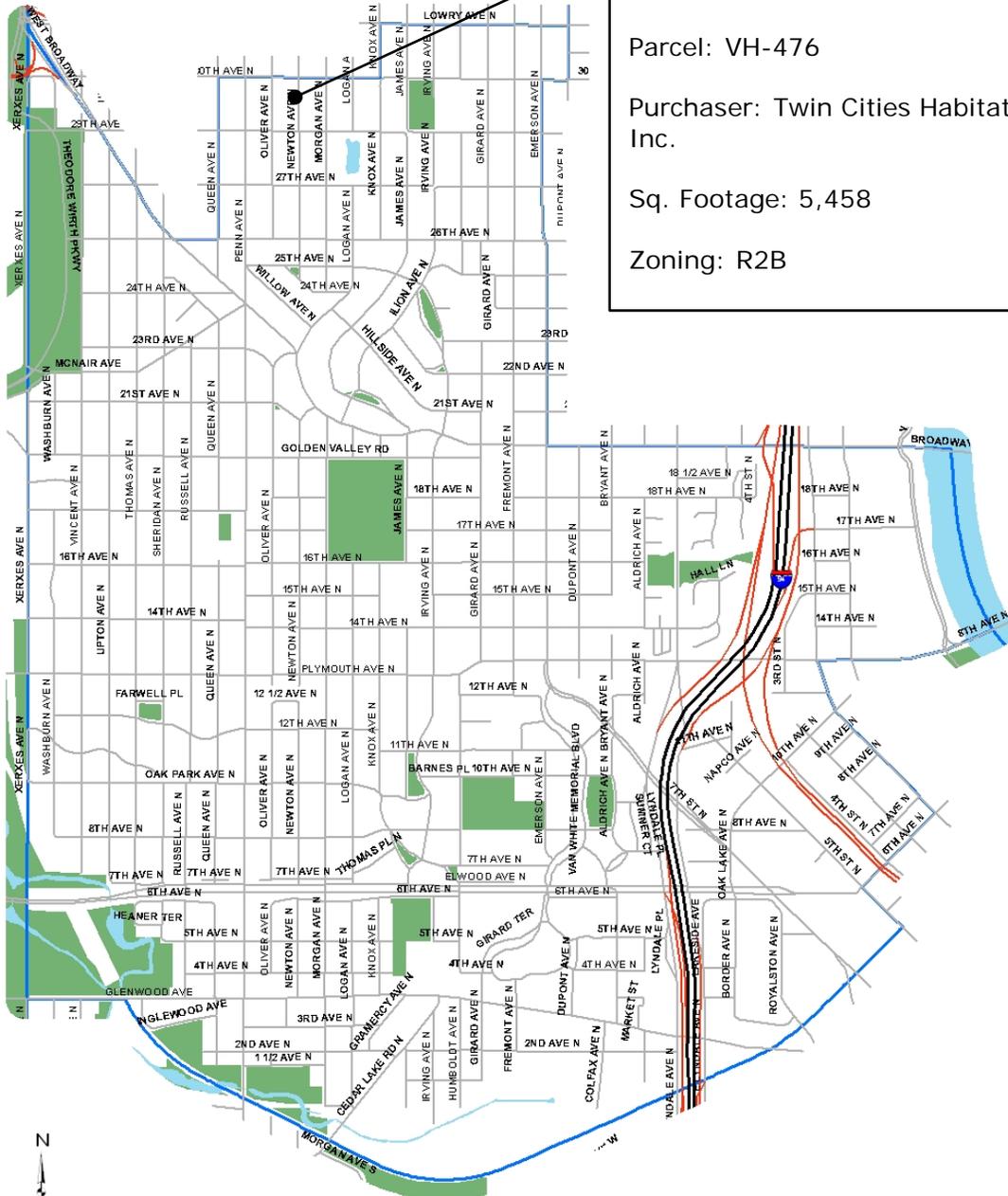
Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur no later than April 15, 2013 and 2) payment of holding costs of \$300.00 per month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

Parcel: VH-476

Purchaser: Twin Cities Habitat for Humanity, Inc.

Sq. Footage: 5,458

Zoning: R2B

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

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 Purchaser: Twin Cities Habitat for Humanity, Inc.

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
VH-476 12/18/09	2939 Newton Avenue North	\$33,764.19	(-)\$2,729	(+)\$31,035.19

Re-Use Value Opinion	Less Sales Price	Write-Down
\$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