



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

Date: January 15, 2013

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

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

**Recommendation:** Approve the sale of 906 22nd Avenue North to Urban Homeworks, Inc. for \$2,668, 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 906 22nd Avenue North on October 27, 2006.

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 _____
Presenter in Committee: Edith Johnson, Senior Project Coordinator

**Financial Impact**

- Other financial impact: Eliminate property management costs.

**Community Impact**

- Neighborhood Notification: Hawthorne Neighborhood Council, Inc. 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 February 6, 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 December 22, 2011, 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>
TF 703	906 22nd Avenue North	\$2,668

### PURCHASER

Urban Homeworks, Inc.  
2015 Emerson Avenue North, Minneapolis, MN 55411

### PROPOSED DEVELOPMENT:

The parcel will be sold to Urban Homeworks, Inc. (Urban Homeworks) to combine with 902 22<sup>nd</sup> Avenue North, an adjacent property that includes an existing structure and no alley access, to form a regular-shaped city parcel for housing development. Urban Homeworks is rehabbing the structure on 902 22<sup>nd</sup> Avenue North as part of the Neighborhood Stabilization Program.

The lot size is approximately 92' x 58' = 5,336 total square feet.

### LAND DISPOSITION POLICY:

This property is a buildable lot as defined by City policy and is being sold and combined so that the parcels are returned to the original plat.

### FINANCING\*:

Urban Homeworks has demonstrated that it has sufficient funding for the 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 October 27, 2006, CPED acquired the vacant lot at 906 22<sup>nd</sup> Avenue North from Hennepin County Tax Forfeited Land for \$1.00 plus \$77.73 additional acquisition costs under the Vacant Housing Recycling Program. The parcel was placed in the city's property inventory for housing development.

On November 28, 2012, Urban Homeworks submitted to CPED an offer to purchase 906 22<sup>nd</sup> Avenue North to combine with Urban Homeworks' property at 902 22<sup>nd</sup> Avenue North to form a regular-shaped parcel. 902 22<sup>nd</sup> Avenue North is a smaller property without alley access. Urban Homeworks is rehabbing the existing structure at 902 22<sup>nd</sup> Avenue North.

The Hawthorne neighborhood concurs with Urban Homeworks' proposed project.

**Authorizing sale of land Vacant Housing Recycling Program**

**Disposition Parcel TF-703.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-703 in the Hawthorne neighborhood from Urban Homeworks, Inc., hereinafter known as the Redeveloper, the Parcel TF-703 being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-703; 906 22nd Avenue North

The South 8 feet of Lot 6, except the East 65 feet thereof;  
Lot 7, except the East 65 feet thereof;  
Block 18, Highland Park Addition to the City of Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$2,668 for Parcel TF-703 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 January 4, 2013, a public hearing on the proposed sale was duly held on January 15, 2013, 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 \$2,668 for Parcel TF-703.

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.

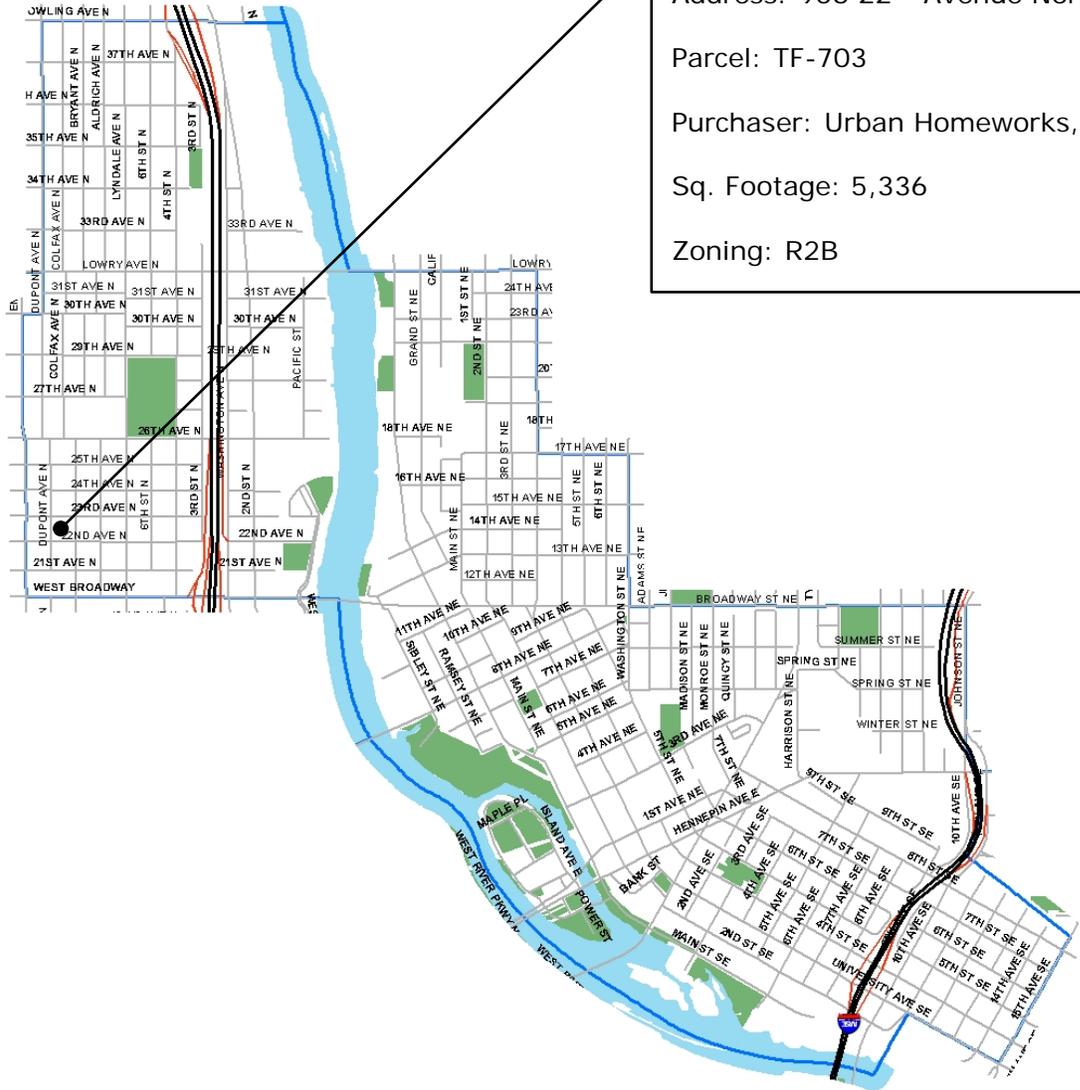
Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur no later than April 15, 2013 and 2) payment of holding costs of \$300.00 per month (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 3



Address: 906 22<sup>nd</sup> Avenue North  
Parcel: TF-703  
Purchaser: Urban Homeworks, Inc.  
Sq. Footage: 5,336  
Zoning: R2B

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

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 Purchaser: Urban Homeworks, Inc.

Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
TF 703 10/27/06	906 22nd Avenue North	\$78.73	(-)\$2,668.00	(-)\$2,589.27

Re-Use Value Opinion	Less Sales Price	Write-Down
\$2,668	\$2,668	\$0

Write-Down

Reason: Not applicable.

Developer History with CPED:

Urban Homeworks, Inc. has experience with CPED regarding housing development projects and activities.

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