



Request for City Council Committee Action

from the Department of Community Planning and Economic Development - CPED

Date: April 21, 2015

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

**Subject: Humboldt Greenway Single Family Residential Housing Development Project
Request for Proposals**

Recommendation: Establish the offer price and authorize the release of the Request for Proposals for the Humboldt Greenway Housing Development Project.

Previous Directives:

- The City Council authorized the execution of an Option to Purchase Agreement and related Purchase Agreements with Hennepin County, as administrator of state of Minnesota tax-forfeited lands, to purchase forty-seven tax-forfeited vacant lots for the Humboldt Greenway Housing Development Project on January 30, 2015.
- The City Council authorized staff to consent to the voluntary foreclosure by Builders Mortgage Company and to acquire the 49 vacant lots in the Humboldt Greenway 5th Addition on April 2, 2010. The remaining lots were tax-forfeited.
- The City Council authorized staff to (1) negotiate and execute the Sixth Amendment to Redevelopment Contract between City of Minneapolis and Humboldt Greenway Development LLC and to expend up to \$240,000 of funds from SHP to reacquire 98 parcels in the Humboldt Greenway; and (2) to negotiate and execute Third Amendment to Land Conveyance Agreement between the City and Hennepin County on May 16, 2008.
- The Redevelopment Contract By and Between the Minneapolis Community Development Agency and Humboldt Greenway Development, LLC was executed on February 13, 2001, amended June 4, 2001, August 3, 2001, November 9, 2004, December 30, 2004 and March 23, 2006.
- The Land Conveyance Agreement by and between the Minneapolis Community Development Agency and Hennepin County was executed on February 1, 2001. This agreement was amended on March 21, 2003, and on October 28, 2004.
- The Board of Commissioners approved the sale of land in Phase I of the project area on July 15, 2000, and on July 2, 2004, in Phase II of the project area to CountryHome Builders, Inc./Humboldt Greenway Development, LLC.
- The Humboldt Greenway Redevelopment Plan was adopted by the MCDA Board of Commissioners which authorized acquisition of property in the Humboldt Greenway Redevelopment Project on December 18, 1998.

Prepared by: Cherie Shoquist, Principal Project Coordinator

Approved by: Craig Taylor, Executive Director, Community Planning and Economic Development _____

Presenter in Committee: Cherie Shoquist, cherie.shoquist@minneapolismn.gov, 612.673.5078

Financial Impact

The financial impact will be achieved as the Humboldt Greenway properties are developed into productive, taxable use.

Community Impact

Neighborhood Notification: (Ward 4) The Lind-Bohanon and Shingle Creek Neighborhood Associations as well as the active Humboldt Greenway homeowners associations have been notified and will have an opportunity to review and comment on proposals received and forwarded for disposition approval.

City Goals:

Living well: Minneapolis is safe and livable and has an active and connected way of life.

- All neighborhoods are safe, healthy and uniquely inviting.
- High-quality, affordable housing choices exist for all ages, incomes and circumstances.
- Neighborhoods have amenities to meet daily needs and live a healthy life.

One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper.

- All people have access to quality essentials, such as housing, education, food, child care and transportation.
- Racial inequities (including in housing, education, income and health) are addressed and eliminated.

Project History

Following an extensive planning and community engagement process in the 1990s, Hennepin County through its Community Works program completed the \$28 million Humboldt Avenue Greenway / Shingle Creek Regional Pond and Wetland project which included a significant greenway amenity, enhancements to Shingle Creek, and several new residential redevelopment sites as described in the Humboldt Greenway Redevelopment Plan and Tax Increment Financing Plan, both in 1999. A Land Conveyance Agreement was executed with Hennepin County on February 1, 2001 for the purchase of 955,935 sq. ft. of land for approximately \$2,052,250 (\$2.15 per square foot). In February 1999, the MCDA Board of Commissioners approved the selection of CountryHome Builders/Humboldt Greenway Development, LLC, as developer for the project area. The developer was to pay the land and public improvement costs in installments as the developer sold units to homeowners under a note and a mortgage that were tied to a redevelopment agreement.

The first phase of 94 units and a senior apartment complex was completed. Due to the poor residential sales market and economic recession, sales activity stopped in 2008 and the developer was declared to be in default of the redevelopment agreement due in part to the non-payment of property taxes. In 2008, the City Council confirmed the commitment to the original development plan by authorizing staff to pursue an amendment to the redevelopment agreement so the City could reacquire clear title to the vacant properties, hold them for a period of time, then go through a public process to find a new builder or developer to pick up from where the current developer left off.

The second and final phase was platted as the Humboldt Greenway 5th Addition and is located on the 4900 and 5000 blocks of Humboldt Lane North and Girard Avenue North, as well as parcels along 50th Avenue North from Dupont to Humboldt Avenues North. This phase

includes 48 City-owned vacant lots and 47 Hennepin County tax forfeit vacant lots. In January 2015, The City Council authorized the execution of an Option Agreement with Hennepin County to purchase the 47 Hennepin County tax forfeit vacant lots. The purchase price for each parcel is the appraised market value of one dollar per square foot (\$1.00/s.f.) with an option fee of \$500 per property to be credited towards the purchase price. The Option Agreement provides for a simultaneous closing of the conveyance of each parcel from Hennepin County to the City and from the City to a developer.

Supporting Information

In the effort to put the Humboldt Greenway properties back into productive, taxable use and redevelop the properties as single family residential housing, staff is prepared to re-engage in the public process to identify potential developers for the redevelopment of high quality market rate single family homes on the remaining 95 vacant lots in the Humboldt Greenway Development Project. Staff seeks authorization to set the purchase price and release the Request for Proposals for the Humboldt Greenway Housing Development Project.

Staff believes it is important to provide potential proposers with a firm purchase price expectation. Staff proposes to pass through the acquisition cost set forth in the Option Agreement to the developer, which is the current appraised market value of one dollar per square foot (\$1.00/s.f.). Priority will be given to fully financed market rate housing proposals of the highest value and highest quality design. The Humboldt Greenway Development Project's goals are to build a high quality housing market, preserve housing design styles and increase the sense of community and connectedness. The new development will build on and complement the character of the neighborhood and maintain the traditional fabric and feel of the neighborhood. The housing development may include single family homes and townhomes. A single master developer will not be required. Developers may submit proposals in bundles of three lots and may propose to build three homes, six homes, twelve homes, etc.

The list of properties is below:

Humboldt Greenway 5th Addition

<u>(A)</u> Property ID	<u>(B)</u> Address	<u>(C)</u> Street	<u>(D)</u> Block	<u>(E)</u> Lot	<u>(F)</u> Lot Size (SF)
12-118-21-23-0257	1400	50 th Avenue No.	13	1	4693
12-118-21-23-0259	1404	50 th Avenue No.	13	3	5038
12-118-21-23-0264	5016	Humboldt Lane No.	13	8	4715
12-118-21-23-0265	5020	Humboldt Lane No.	13	9	4807
12-118-21-23-0266	5024	Humboldt Lane No.	13	10	5012
12-118-21-23-0334	1401	50 th Avenue No.	8	1	4671
12-118-21-23-0335	1403	50 th Avenue No.	8	2	4650
12-118-21-23-0268	5032	Humboldt Lane No.	13	12	6201
12-118-21-23-0269	5036	Humboldt Lane No.	13	13	7296

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12-118-21-23-0270	5040	Humboldt Lane No.	13	14	8859
12-118-21-23-0271	5044	Humboldt Lane No.	13	15	10525
12-118-21-23-0278	1214	50th Avenue No.	15	1	5296
12-118-21-23-0279	1212	50th Avenue No.	15	2	4847
12-118-21-23-0280	1210	50th Avenue No.	15	3	4760
12-118-21-23-0281	1208	50th Avenue No.	15	4	4759
12-118-21-23-0282	1204	50th Avenue No.	15	5	4846
12-118-21-23-0283	1200	50th Avenue No.	15	6	5293
12-118-21-23-0284	1114	50th Avenue No.	16	1	5125
12-118-21-23-0285	1112	50th Avenue No.	16	2	4844
12-118-21-23-0286	1110	50th Avenue No.	16	3	4756
12-118-21-23-0287	1108	50th Avenue No.	16	4	4756
12-118-21-23-0288	1104	50th Avenue No.	16	5	4843
12-118-21-23-0289	1100	50th Avenue No.	16	6	5123
12-118-21-23-0290	1115	50th Avenue No.	17	1	5145
12-118-21-23-0291	1113	50th Avenue No.	17	2	4850
12-118-21-23-0292	1111	50th Avenue No.	17	3	4762
12-118-21-23-0293	1109	50th Avenue No.	17	4	4762
12-118-21-23-0294	1105	50th Avenue No.	17	5	4848
12-118-21-23-0295	1101	50th Avenue No.	17	6	5141
12-118-21-23-0296	1215	50th Avenue No.	18	1	5318
12-118-21-23-0297	1213	50th Avenue No.	18	2	4855
12-118-21-23-0298	1211	50th Avenue No.	18	3	4767
12-118-21-23-0299	1209	50th Avenue No.	18	4	4767
12-118-21-23-0300	1205	50th Avenue No.	18	5	4853
12-118-21-23-0301	1201	50th Avenue No.	18	6	5314
12-118-21-23-0337	4952	Humboldt Lane No.	8	4	5710
12-118-21-23-0338	4948	Humboldt Lane No.	8	5	5451
12-118-21-23-0339	4944	Humboldt Lane No.	8	6	5302
12-118-21-23-0340	4940	Humboldt Lane No.	8	7	5051
12-118-21-23-0341	4936	Humboldt Lane No.	8	8	5193
12-118-21-23-0342	4932	Humboldt Lane No.	8	9	5356
12-118-21-23-0343	4928	Humboldt Lane No.	8	10	5543
12-118-21-23-0344	4924	Humboldt Lane No.	8	11	5754
12-118-21-23-0345	4920	Humboldt Lane No.	8	12	6317
12-118-21-23-0346	4916	Humboldt Avenue No.	8	13	7900
12-118-21-23-0347	4912	Humboldt Avenue No.	8	14	8849

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12-118-21-23-0355	1423	51st Avenue No.	Outlot A		4655
12-118-21-23-0226	5015 1/2	Girard Avenue No.	9	1	897
12-118-21-23-0227	5013	Girard Avenue No.	9	2	4703
12-118-21-23-0228	5015	Girard Avenue No.	9	3	1168
12-118-21-23-0229	5017	Girard Avenue No.	9	4	1168
12-118-21-23-0230	5019	Girard Avenue No.	9	5	5589
12-118-21-23-0231	5017 1/2	Girard Avenue No.	9	6	897
12-118-21-23-0232	5013 1/2	Girard Avenue No.	9	7	1416
12-118-21-23-0247	1419	51st Avenue No.	12	1	3032
12-118-21-23-0248	1417	51st Avenue No.	12	2	2448
12-118-21-23-0249	1415	51st Avenue No.	12	3	2448
12-118-21-23-0250	1413	51st Avenue No.	12	4	2448
12-118-21-23-0251	1411	51st Avenue No.	12	5	2448
12-118-21-23-0252	1409	51st Avenue No.	12	6	3477
12-118-21-23-0253	1407	51st Avenue No.	12	7	3082
12-118-21-23-0254	1405	51st Avenue No.	12	8	2099
12-118-21-23-0255	1403	51st Avenue No.	12	9	2099
12-118-21-23-0256	1401	51st Avenue No.	12	10	3611
12-118-21-23-0304	1416	49th Avenue No.	4	2	2255
12-118-21-23-0305	1414	49th Avenue No.	4	3	2016
12-118-21-23-0306	1412	49th Avenue No.	4	4	2014
12-118-21-23-0307	1410	49th Avenue No.	4	5	2013
12-118-21-23-0308	1408	49th Avenue No.	4	6	2782
12-118-21-23-0309	1406	49th Avenue No.	4	7	2421
12-118-21-23-0310	1404	49th Avenue No.	4	8	1656
12-118-21-23-0311	1402	49th Avenue No.	4	9	1655
12-118-21-23-0312	1400	49th Avenue No.	4	10	2975
12-118-21-23-0313	4915 1/2	Girard Avenue No.	5	1	897
12-118-21-23-0314	4913	Girard Avenue No.	5	2	4138
12-118-21-23-0315	4915	Girard Avenue No.	5	3	1036
12-118-21-23-0316	4917	Girard Avenue No.	5	4	1036
12-118-21-23-0317	4919	Girard Avenue No.	5	5	5117
12-118-21-23-0318	4917 1/2	Girard Avenue No.	5	6	897
12-118-21-23-0319	4913 1/2	Girard Avenue No.	5	7	1460
12-118-21-23-0320	4923 1/2	Girard Avenue No.	6	1	897
12-118-21-23-0321	4921	Girard Avenue No.	6	2	4387
12-118-21-23-0322	4923	Girard Avenue No.	6	3	1184
12-118-21-23-0323	4925	Girard Avenue No.	6	4	1184
12-118-21-23-0324	4927	Girard Avenue No.	6	5	5112

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12-118-21-23-0325	4925 1/2	Girard Avenue No.	6	6	897
12-118-21-23-0326	4921 1/2	Girard Avenue No.	6	7	1460
12-118-21-23-0327	4931 1/2	Girard Avenue No.	7	1	897
12-118-21-23-0328	4929	Girard Avenue No.	7	2	4389
12-118-21-23-0329	4931	Girard Avenue No.	7	3	1184
12-118-21-23-0330	4933	Girard Avenue No.	7	4	1184
12-118-21-23-0331	4935	Girard Avenue No.	7	5	4999
12-118-21-23-0332	4933 1/2	Girard Avenue No.	7	6	897
12-118-21-23-0333	4929 1/2	Girard Avenue No.	7	7	1460
12-118-21-23-0354	4904	Humboldt Avenue No.	Outlot B		3597