

Request for Committee Action

To: Community Development & Regulatory Services
Date: 9/15/2015
From: Community Planning & Economic Development
Prepared by: Robert S. Russell
Presented by: Robert S. Russell
File type: Resolution
Subcategory: Land Sale

Subject:

Land Sale: 3419 James Ave. N. to City of Lakes Community Land Trust

Description:

Adopting Resolution approving the sale of the property at 3419 James Ave. N., Parcel TF-852, to City of Lakes Community Land Trust for \$11,000, subject to conditions.

Previous Actions:

The City acquired 3419 James Ave. N. on December 12, 2014.

Ward/Neighborhood/Address:

Ward 4
Folwell
3419 James Ave. N., Minneapolis, MN 55412

Background/Analysis:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-852	3419 James Ave. N.	\$11,000

PURCHASER

City of Lakes Community Land Trust
1930 Glenwood Avenue
Minneapolis, MN 55405

PROPOSED DEVELOPMENT:

The property was constructed in 1928 and is a 1,394 square foot, three-bedroom, two-bath single family home that will be rehabilitated to meet the Vacant Housing Recycling Program's rehabilitation standards, including addressing all code deficiencies. The home will be sold to an owner occupant and placed into the land trust to ensure permanent affordability and owner occupancy.

The lot size is 40' x 128' = approximately 5,120 total square feet.

LAND DISPOSITION POLICY:

The sale of this property is in compliance with the City's Disposition Policy. The sales price of this property reflects the full re-use value.

FINANCING*:

City of Lakes Community Land Trust has demonstrated its capacity to finance the rehabilitation and secure funding to place the home into the land trust.

*Subject to application and underwriting requirements.

COMMENTS:

The subject property was built in 1928 and there is no record of any major alterations to the property. The home was last sold in 1992 and has no record of being a rental property. The home was foreclosed upon in 2008, which is when special assessments began to accrue. The property tax forfeited in 2013.

The City acquired 3419 James Ave. N. on December 12, 2014 under its Memorandum of Understanding with Hennepin County for \$1.00. The City will convey tax title to the developer.

The neighborhood has been notified of the proposed sale.

Financial Review:

No additional appropriation required, amount included in current budget.

- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Net Sale Proceeds (see attached table): \$5,228
- Proposed Re-Use Value Write-Down (see attached table): \$0

Future budget impact anticipated.

Approved by the Permanent Review Committee.

Meets Small and Underutilized Business Program goals.

Attachments:

1. 3419 James Ave. N. Land Sale_Resolution
2. 3419 James Ave. N. Land Sale_Ward Map
3. 3419 James Ave. N. Land Sale_Cost Sheet
4. 3419 James Ave. N. Land Sale_Schematics

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

Date: 9/15/2015
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 3419 James Ave. N.
 Purchaser: City of Lakes Community Land Trust

	A	B	C	D	E	F	G
Address	Purchase Price	Acquisition/ Demolition/ Other Costs	Total CPED Cost to Assemble (A+B)	Re-Use Value Opinion	Sale Price	CPED Cost Write-Off or Sale Proceeds (if > 0) (E-C)	Re-Use Value Write Down (if < 0) (E-D)
3419 James Ave. N.	\$1	\$5,771	\$5,772	\$11,000	\$11,000	\$5,228	\$0
Total	\$1	\$5,771	\$5,772	\$11,000	\$11,000	\$5,228	\$0

Write-Down

Not applicable as the sales price is equal to the re-use value.

Developer History with CPED:

City of Lakes Community Land Trust has successfully worked as a development partner with the City for many years through the Home Ownership Works Program and all phases of the Neighborhood Stabilization Program.

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