

City of Minneapolis
Request for Committee Action

To: Community Development & Regulatory Services
Date: 2/16/2016
Referral: N/A
From: Community Planning & Economic Development
Prepared by: Roxanne Young Kimball
Presented by: Roxanne Young Kimball
File type: Resolution
Subcategory: Land Sale

Subject:

Land Sale: 2102 25th Ave. N. to Homes Minnesota LLC

Description:

Adopting of Resolution approving the sale of the property at 2102 25th Ave. N., VH-561, to Homes Minnesota LLC for \$5,000, subject to conditions.

Previous Actions:

On December 11, 2015, the City Council approved the Vacant Housing Recycling Program that defines the program guidelines for disposition of vacant buildings and lots for housing development. The City acquired 2102 25th Ave. N. on February 10, 2015.

Ward/Address:

Ward 5
2102 25th Ave. N.

Background/Analysis:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-561	2102 25th Ave. N.	\$5,000

PURCHASER

Homes Minnesota LLC
5601 Indiana Ave. N.
Brooklyn Center, MN 55429

PROPOSED DEVELOPMENT:

The property was constructed in 1900 and is a 1,840 square foot, two-bedroom, one-bath single family home that will be rehabilitated to meet the Vacant Housing Recycling Program's (VHRP) rehabilitation standards, including addressing all the Truth in Sale of Housing required repairs.

The lot size is 46' x 125' = approximately 5,625 total square feet.

Purchaser proposes to rehabilitate 2102 25th Ave. N. as a two-bedroom, one-bath single family home and rehabilitate the existing two-car garage. Purchaser intends to sell the property to an owner-occupant.

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:

Purchaser: Cash, documented with bank statements dated within 30 days of application.

COMMENTS:

On February 10, 2015, the City acquired this single family home from Wells Fargo Bank.

This property was publicly advertised on the City's website and through e-mail notification to a list of over 600 developers and homebuyers. The City is selling this property in its as-is condition. An informational meeting was held in December 2015 to inform potential developers and homebuyers about the City's disposition process and VHRP program information is posted on the City's website. An open house was held to allow potential purchasers to inspect the property and a two-week application period was provided after the open house. One complete offer was received for the acquisition and rehabilitation of the subject property.

Staff recommends Homes Minnesota LLC as the Purchaser. All major home systems (plumbing, HVAC, insulation, and electric) will be replaced, the house will receive new siding and roof, and the bathroom and kitchen will be updated. Homes Minnesota has previously purchased 2101 26th Ave. N. through the VHRP, and rehabilitation is well underway.

Notification was provided to the Jordan neighborhood.

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): \$4,850
- 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. 2102 25th Ave. N. Land Sale_Resolution
2. 2102 25th Ave. N. Land Sale_Cost Sheet
3. 2102 25th Ave. N. Land Sale_Ward Map
4. 2102 25th Ave. N. Land Sale_Example Homes Minnesota LLC Property