

Request for Committee Action

To: Community Development & Regulatory Services
Date: 6/21/2016
Referral: N/A
From: Community Planning & Economic Development
Lead Staff: Cherie Shoquist, Principal Project Coordinator, X5078
Presented by: Cherie Shoquist
File type: Resolution
Subcategory: Land Sale

Subject:

Land Sale: Green Homes North Round 5

Description:

1. Passage of a resolution approving the sale of 4311 Girard Ave. N., 4526 Aldrich Ave. N., and 2018 Upton Ave. N. to Kayak Properties, Inc. or affiliated entity for a total of \$15,000 (\$5,000 each), subject to conditions.
2. Approving the recommendation to award up to \$140,925 for development gap funding for the construction of 3 green homes on City-owned vacant lots in North Minneapolis, as submitted by Kayak Properties, Inc. in response to the City's Request for Proposals.
3. Authorizing appropriate city officials to execute land sale, funding and related Green Homes North program agreements with Kayak Properties, Inc. or affiliated entity.

Previous Actions:

The City Council approved Green Homes North Round 1 on October 19, 2012, Round 2 on June 28, 2013, Round 3 on April 25, 2014, Round 4 on January 30, 2015 ([15-00076](#)), and Round 5 on February 26, 2016 ([16-00223](#)).

Ward/Address:

Ward 4 and Ward 5
See table below addresses.

Background/Analysis:

GHN Round 5 proposals were approved by the Community Development & Regulatory Services Committee, the Ways & Means Committee, and the Council on February 26, 2016 with the exception of four proposed developments that were not initially supported by the neighborhood. After further discussions with staff, the developer and the neighborhood organization, the Webber-Camden neighborhood now approves the development of 4311 Girard Ave N as proposed by Kayak Properties, Inc. (Kayak). Staff recommends that Kayak develop 4311 Girard Ave N in Webber Camden and develop two alternate homes at 2018 Upton Ave N and 4526 Aldrich Ave N. Staff recommends an award up to \$140,925 for development gap funding for the construction of these green homes to Kayak.

	ADDRESS	PARCEL	NEIGHBORHOOD	PURCHASER	SALES PRICE	DATE ACQUIRED	AWARD
4311	Girard Ave N	VH-634	Webber-Camden	Kayak	\$ 5,000	8/22/11	\$46,975
2018	Upton Ave N	TF-712	Willard-Hay	Kayak	\$ 5,000	1/21/08	\$46,975
4526	Aldrich Ave N	VH-642	Lind-Bohanon	Kayak	\$ 5,000	1/14/11	\$46,975

The sales are subject to the following conditions:

- A. land sale closing must occur on or before 90 days from the date the Resolution is approved by the City, and
- B. payment of holding costs of \$300 per month, 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.

The Green Homes North (GHN) Program provides an avenue for developers to build newly constructed energy efficient and sustainable, green homes on City-owned vacant lots in North Minneapolis to strengthen the sustainability of our communities. The completed projects are sold to owner-occupied buyers. GHN is an initiative of the City of Minneapolis and our partners to build 100 energy efficient homes to revitalize neighborhoods in North Minneapolis. The approval of these awards will bring the total number of City-funded GHN projects to 84.

PROPOSED DEVELOPMENT:

Below is a brief description of the proposed housing development.

Kayak

11806 Aberdeen St NE, Suite 100
Blaine, MN 55449

Kayak proposes to build three homes in the Webber Camden, Lind-Bohanon and Willard-Hay Neighborhoods. Each home features four-bedrooms and three-baths and 1,580 square feet.

LAND DISPOSITION POLICY:

The sale of these properties is in compliance with the City’s Disposition Policy. The sales price of each property reflects the full re-use value.

FINANCING*:

All projects are fully financed using a combination of public and private funding.

*Subject to application and underwriting requirements.

COMMENTS:

Notification was provided to the applicable neighborhood organizations for comments.

Financial Review:

No additional appropriation required, amount included in current budget.

- Elimination of future property management costs estimated at \$3,600 per year per property.
- Proposed Total Write-off (see attached table): \$38,751
- Proposed Re-Use Value Write-Down(see attached table): \$0

Future budget impact anticipated.

The disposition of these parcels eliminates future property management cost.

Meets Small and Underutilized Business Program goals.

The developer must complete an Equity Plan approved by the Department of Civil Rights.

Attachments:

1. GHN Round 5 Land Sale Report_Resolutions
2. GHN Round 5 Land Sale Report_Ward Maps
3. GHN Round 5 Land Sale Report_Cost Sheets
4. GHN Round 5 Land Sale Report_Schematics