

Request for Committee Action

To: Community Development & Regulatory Services
Date: 6/21/2016
Referral: N/A
From: Community Planning & Economic Development
Lead Staff: Earl S. Pettiford, Senior Project Coordinator
Presented by: Earl S. Pettiford, Senior Project Coordinator
File type: Resolution
Subcategory: Land Sale

Subject:

Land Sale: 2426 Elliot Avenue South to Hector Ruiz

Description:

Passage of a Resolution approving the sale of the property at 2426 Elliot Avenue South, VH-304, to Hector Ruiz for \$10,200, 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.

Ward/Neighborhood/Address:

Ward 9.
Midtown Phillips.

Background/Analysis:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-304	2426 Elliot Avenue South	\$10,200

PURCHASER

Hector Ruiz
4521 Garfield Ave. S.
Minneapolis, MN 55419

PROPOSED DEVELOPMENT:

Hector Ruiz proposes to build a six-bedroom, four-bath, single family home with a three-car, detached garage.

The lot size is 47' x 125' = approximately 5,892 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*:

Construction financing commitment from Wells Fargo.
*Subject to application and underwriting requirements.

COMMENTS:

On February 12, 2009, the City acquired a condemned boarded and vacant foreclosed duplex through an intermediary, Greater Metropolitan Housing Corporation, from Homecomings Financial Network for \$50,000. The structure was demolished and the vacant parcel was subsequently publicly advertised on the City's website and through e-mail notification to a list of over 750 developers and homebuyers. An informational meeting was held in December 2015 to inform potential developers and homebuyers about the City's disposition process and the VHRP information is posted on the City's website.

This is the only offer received for this property. The offer was evaluated based on program criteria stated in the VHRP manual, including: financial capacity, experience, responsibility, scope of work, and occupancy intentions.

Mr. Ruiz proposes to build a six-bedroom, four-bath single family home with a three-car detached garage. He plans to owner-occupy the property along with his parents and two sisters, one of whom is disabled.

Notification was provided to the Midtown Phillips 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 Write-off (see attached table): \$56,052
- 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. 2426 Elliot Avenue South Land Sale_Resolution
2. 2426 Elliot Avenue South Land Sale_Ward Map
3. 2426 Elliot Avenue South Land Sale_Cost Sheet
4. 2426 Elliot Avenue South Land Sale_Schematics