



Request for City Council Committee Action from the Department of Community Planning & Economic Development

Date: September 12, 2006

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

Subject: Land Sale Public Hearing
Vacant Housing Recycling Program

Recommendation: Approve the sale of 1414 25th Avenue North for \$1 and 1418 25th Avenue North for \$1 to Twin Cities Habitat for Humanity, Inc. (TCHFH), subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date of approval, and 2) payment of holding costs of \$150.00 per month per parcel from the date of approval to the date of closing if land sale closing does not occur on or before 30 days from date of approval. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: CPED acquired 1414 25th Avenue North on December 23, 2005 and acquired 1418 25th Avenue North on September 9, 2003.

Prepared by: Earl S. Pettiford, Senior Project Coordinator, Phone 612-673-5231

Approved by: Chuck Lutz, Deputy CPED Director

Elizabeth Ryan, Director Housing Policy & Development

Presenters in Committee: Earl S. Pettiford, Senior Project Coordinator

Financial Impact

- Other financial impact: Eliminate property management costs.

Community Impact

- Neighborhood Notification: Jordan Area Community Council (JACC) reviewed these proposals and recommended they be approved.
- City Goals: A SAFE PLACE TO CALL HOME In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.

- Comprehensive Plan: These land sales will be reviewed by the Planning Commission for consistency with the Comprehensive Plan on August 28, 2006. Findings from that meeting will be presented at the Community Development Committee on September 12, 2006.
- Zoning Code: R1A
- Other: On 4/13/06 and 3/22/2006, the Planning Staff completed a land sale review of these parcels and deemed them as buildable lots.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-120	1414 25th Avenue North	\$1
VH-167	1418 25th Avenue North	\$1

PURCHASER

Twin Cities Habitat for Humanity, Inc.
3001 4th Street SE
Minneapolis, MN 55414

PROPOSED DEVELOPMENT:

1414 25th Avenue North

TCHFH proposes to build a one and three-quarters story single family house featuring four bedrooms, one and one-half bath, full unfinished basement, and a single car garage. The finished living area in this plan is 1,360 square feet. The estimated value of this home upon completion is \$190,000. This home, consistent with their mission, will be sold for owner occupancy to a buyer whose income is at or below 50% of the state median income.

The lot size is 44' x 121' = 5,324 total square feet.

1418 25th Avenue North

TCHFH proposes to build a one and three-quarters story single family house featuring four bedrooms, one and one-half bath, full unfinished basement, and a single car garage. The finished living area in this plan is 1,360 square feet. The estimated value of this home upon completion is \$190,000. This home, consistent with their mission, will be sold for owner occupancy to a buyer whose income is at or below 50% of the state median income.

The lot size is 44' x 109' = 4,796 total square feet.

LAND DISPOSITION POLICY:

These properties are buildable lots as defined by City policy and are being sold for development.

FINANCING:

TCHFH is financing these developments with its own internal financing source.

OFFERING PROCEDURE:

Public Advertisement. The sales price of these properties does not reflect the full re-use value.

COMMENTS:

A Memorandum of Understanding (MOU) between Twin Cities Habitat for Humanity, Inc. (TCHFH) and the City of Minneapolis dated December 7, 1998, as amended September 29, 2005, which was to provide sites for the development of up to 100 housing units for new construction or rehab of affordable housing. Since 1998, we have sold parcels to TCHFH for

\$1 each. To date, 56 parcels have been sold to TCHFH which have produced 56 units of housing and an additional parcel has been approved but has not yet closed.

CPED staff concurs with JACC's support of the proposal and recommends the sale of these parcels to TCHFH.

Proposed Resolution

Authorizing sale of land Vacant Housing Recycling Program Disposition Parcels No VH-210 and VH-167.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcels VH-210 and VH-167, in the Jordan neighborhood, from Twin Cities Habitat for Humanity, Inc. (TCHFH), hereinafter known as the Redeveloper, the Parcels VH-210 and VH-167, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-210: 1414 25th Avenue North
Lot 11, Block 1, Forest Heights

VH-167: 1418 25th Avenue North
Lot 10, Block 1, Forest Heights

Whereas, the Redeveloper has offered to pay the sum of \$1 each, for Parcels VH-210 and VH-167 to the City for the land, and the Redeveloper's proposal is in accordance with the a Memorandum of Understanding between the City and TCHFH dated December 7, 1998, as amended September 29, 2005 (MOU); and

Whereas, the Redeveloper has submitted to the City a statement of financial responsibility and qualifications; and

Whereas, the City has had the re-use value reviewed by an appraisal expert, stating that the re-use value opinion is consistent with the accepted methods in aiding the City in determining a re-use value for the Parcel; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on September 1, 2006, a public hearing on the proposed sale was duly held on September 12, 2006, at the regularly scheduled Community Development Committee meeting of the City Council, at the Minneapolis City Hall, 350 South 5th Street, Room 317, at 1:30 p.m., in the City of Minneapolis, County of Hennepin, State of Minnesota;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the re-use value of the parcel is estimated to be \$13,000 for VH-210 (1414 25th Avenue North) and \$15,000 for VH-167 (1418 25th Avenue North); however, in accordance with and for such uses as described in the MOU, the City is selling VH-210 and VH-167 for the sum of \$1 each.

Be It Further Resolved that the acceptance of the offer and proposal is hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the parcel in accordance with the Redevelopment Plan and/or Program.

Be It Further Resolved that the proposal be and the same is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date this Resolution is approved by the City and 2) payment of holding costs of \$150.00 per month

per parcel from the date of approval of this Resolution if the land sale closing does not occur on or before 30 days from the date of approval.

Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

Be It Further Resolved that upon publication of this Resolution, the Finance Officer or other appropriate official of the City be and the same is hereby authorized to execute and deliver the contract to the Redeveloper; provided, however, that this Resolution does not constitute such a contract and no such contract shall be created until executed by the Finance Officer or other appropriate official of the City.

Be It Further Resolved that the Finance Officer or other appropriate official of the City is hereby authorized to execute and deliver a conveyance of the land to the Redeveloper in accordance with the provisions of the executed contract and upon payment to the City for the purchase price thereof; provided, however, that this Resolution does not constitute such a conveyance and no such conveyance shall be created until executed by the Finance Officer or other appropriate City official of the City.