



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
Tax Forfeiture Program

Recommendation:

1. That the City Council adopts the attached resolution transferring 2134 Irving Avenue North from the Minneapolis Community Development Agency (MCDA) to the City of Minneapolis.
2. That the City Council adopts the attached resolution approving the sale of 2134 Irving Avenue North to Twin Cities Habitat for Humanity, Inc. for \$1, 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 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.

MCDA Board Recommendation: That the MCDA Board adopts the attached resolution authorizing the transfer of 2134 Irving Avenue North to the City of Minneapolis.

Previous Directives: CPED acquired 2134 Irving Avenue North on February 25, 2000.

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 this proposal and recommended it 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: This land sale 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 3/6/06, the Planning Staff completed a land sale review of this parcel and are supportive of the sale for construction of single family housing development.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-527	2134 Irving Avenue North	\$1

PURCHASER

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

PROPOSED DEVELOPMENT:

TCHFH proposes to build a two story single family house featuring three bedrooms, one and three-quarters bath, full unfinished basement, and a single car garage. The finished area in this plan is 1,496 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 103' = 4,850 total square feet.

LAND DISPOSITION POLICY:

This property is a buildable lot as defined by City policy and is being sold for development.

FINANCING:

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

OFFERING PROCEDURE:

Public Advertisement. The sales price of this property 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 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 this parcel to TCHFH.

On October 22, 2004, the City Council adopted Resolution 2004R-459, approving the transfer of certain Real Property of the MCDA to the City. At that time, 2134 Irving Avenue North was specifically withheld from the transfer resolution due to the pending sale/closing by the MCDA scheduled in November, 2004. The redeveloper was unable to perform under

the terms of the redevelopment contract and the contract was subsequently cancelled. At this time staff is requesting that this property be transferred from the MCDA to the City for future sale for development purposes.

Proposed Resolution

Transferring Certain Real Property of the Minneapolis Community Development Agency to the City of Minneapolis.

Whereas, the City Council exercising powers granted by Minnesota Laws, 2003, Chapter 127, Article 12, Sections 31-34, adopted Chapter 415, Minneapolis Code of Ordinances, establishing the Department of Community Planning and Economic Development ("CPED") and authorizing transfers to the City of money, real property, investments, personal property, assets, programs, projects, districts, developments and obligations of the Minneapolis Community Development Agency ("MCDA"); and

Whereas, pursuant to Resolution Nos. 2003R-625 and 2003R-626, both adopted on December 29, 2003, the City Council approved transfer of the money, investments, personal property, programs, projects, districts and obligations of the MCDA described therein, including the assets, rights and obligations of the Common Bond Fund, effective as of January 1, 2004; and

Whereas, the City Council has decided to now transfer certain MCDA-owned real estate;

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

1. The City Council hereby transfers and conveys to the City the MCDA real property being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-527; 2134 Irving Av N
Lot 1, Block 14, Forest Heights

2. The transfer authorized by this resolution shall be effective upon execution and delivery of a deed with respect to the property identified above or other appropriate instrument from the MCDA in favor of the City.

Proposed Resolution

Authorizing sale of land Tax Forfeiture Program Disposition Parcel No TF-527.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-527, in the Jordan neighborhood, from Twin Cities Habitat for Humanity, Inc. (TCHFH), hereinafter known as the Redeveloper, the Parcel TF-527, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-527; 2134 Irving Av N
Lot 1, Block 14, Forest Heights

Whereas, the Redeveloper has offered to pay the sum of \$1, for Parcel TF-527 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; however, in accordance with and for such uses as described in the MOU, the City is selling TF-527 for the sum of \$1.

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 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.

Proposed Resolution

Authorizing the Transfer of Certain Real Property of the Minneapolis Community Development Agency to the City of Minneapolis.

Whereas, the City Council exercising powers granted by Minnesota Laws, 2003, Chapter 127, Article 12, Sections 31-34, adopted Chapter 415, Minneapolis Code of Ordinances, establishing the Department of Community Planning and Economic Development (“CPED”) and authorizing transfers to the City of money, real property, investments, personal property, assets, programs, projects, districts, developments and obligations of the Minneapolis Community Development Agency (“MCDA”); and

Whereas, the City Council has determined that it is in the best interests of the City and the MCDA to now transfer real property as described in that certain resolution of the City Council dated of even date herewith (the “Transfer Resolution”); and

Whereas, the MCDA concurs with the City Council’s determination that the transfer is in the best interest of the City and MCDA;

Now, Therefore, Be It Resolved by The Board of Commissioners of the Minneapolis Community Development Agency as follows:

That the adoption of the Transfer Resolution is hereby approved by the Board of Commissioners of the MCDA.

Be It Further Resolved that the proper MCDA officers and officials are hereby authorized and directed to sign and deliver such documents and agreements as may be required to accomplish the transfer identified in the Transfer Resolution, including without limitation, a deed to the real property identified on the Transfer Resolution.