



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

Date: October 26, 2004

Corrected November 9, 2004

To: Council Member Lisa Goodman, Community Development Committee

Prepared by: Bernadette Hornig, Phone 612-673-5236

Presenter in

Committee: Bernadette Hornig, Project Coordinator

Approved by: Elizabeth Ryan, Interim Director, Housing _____

Subject: Redevelopment of Hennepin County owned property at 3445 1st Avenue South for multifamily housing

RECOMMENDATION: Adopt the attached Resolution Authorizing Hennepin County to plan and manage the sale and redevelopment of a tax forfeit property at 3445 1st Avenue South for a multifamily housing project.

Previous Directives: None.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Ward: 10

Neighborhood Notification: Lyndale Neighborhood Association (LNA) supports Hennepin County's goal of redeveloping this site as housing.

City Goals: Projects comply with Goal 2: Ensure that an array of housing choices exist to meet the needs of our current residents and attract new residents to the city; Objective A: Preserve and expand the number of affordable housing units throughout the city; Goal 3: Support strong and diverse

neighborhoods where people choose to live; and Goal 5: Participate in partnerships to achieve common community development objectives.

Comprehensive Plan: Selected project will comply.

Zoning Code: Current zoning is R2B.

Living Wage/Job Linkage: N/A

Other: N/A

Background/Supporting Information

3445 1st Avenue South is a vacant tax forfeit lot; the former site of an eight-unit townhouse complex demolished in 1999. Since Hennepin County currently owns the property, representatives from the Lyndale neighborhood approached Hennepin County to seek options for redeveloping the site as housing.

At the neighborhood's request, Hennepin County Tax Payer Services agreed to engage the Hennepin County Housing and Redevelopment Authority (HCHRA) to complete a RFP process to select a developer for the site, in partnership with LNDC, rather than selling the property at a tax forfeit auction. A copy of the draft request for proposals that HCHRA intends to issue for the site is attached.

A geotechnical evaluation of the property completed by the environmental consulting firm Braun Intertec found that fill material used after the demolition in 1999 is unsuitable for new construction and soil corrections will be required to redevelop the site. In addition, Braun discovered potential environmental contamination that will likely require some level of remediation.

As part of the RFP process, HCHRA intends to work with the selected developer to seek approval for soil corrections and site remediation grant funds provided by the Hennepin County Environmental Response Fund (ERF). In addition, HCHRA will deposit the proceeds from the sale of the property in escrow until completion and will use up to \$60,000 to fund soil correction and site remediation costs not covered by the ERF.

If approved, this project will result in the redevelopment of a vacant site with substandard soils into a new housing project, thereby enhancing the quality housing of the stock in the Lyndale neighborhood and adding to tax base of the City.