



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

Date: August 23, 2005

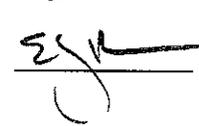
To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Jackie Nawalany, Phone 612-673-5255

Presenter in Committee: Edie Oliveto-Oates, Senior Housing Project Coordinator

Approved by: Chuck Lutz, Deputy CPED Director
Elizabeth Ryan, Director, Housing Policy & Development

Subject: Land Sale – Public Hearing
HOW / HOME Program

RECOMMENDATION: Approve the sale of 3346 Fremont Avenue North to Lisa L. Burt for \$150,500 subject to the following conditions; 1) land sale closing must occur on or before 60 days from date of City Council approval, and 2) payment of holding costs of \$150.00 per month from the date of City Council approval to the date of closing if land sale closing does not occur on or before 60 days from date of approval. The sale conditions may be waived or amended with the approval of the CPED Director.

Previous Directives: CPED acquired 3346 Fremont Avenue North on December 14, 2000.

<p>Financial Impact (Check those that apply)</p> <p><input type="checkbox"/> No financial impact - or - Action is within current department budget. (If checked, go directly to Background/Supporting Information)</p> <p><input type="checkbox"/> Action requires an appropriation increase to the Capital Budget</p> <p><input type="checkbox"/> Action requires an appropriation increase to the Operating Budget</p> <p><input type="checkbox"/> Action provides increased revenue for appropriation increase</p> <p><input type="checkbox"/> Action requires use of contingency or reserves</p> <p><input checked="" type="checkbox"/> Other financial impact: Eliminate property management costs.</p>

___ Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Ward: 4

Neighborhood Notification: Folwell Neighborhood Association reviewed this proposal on October 23, 2000 and recommended it be approved.

City Goals: Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

Comprehensive Plan: Planning Commission gave approval on February 23, 2005.

Zoning Code: R2B

Living Wage/Job Linkage: N/A

Other:

Background/Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
HOME-66	3346 Fremont Avenue North	\$150,500

PURCHASER
Lisa L. Burt
2015 Thomas Avenue North
Minneapolis, Mn. 55411

PROPOSED DEVELOPMENT:
The completed project is a 3-bedroom, 1 bathroom house with 1,375 square feet of finished floor space. The house is being sold to a low/moderate income owner-occupant.

The lot size is 45' X 127' = 5,715 total square feet.

LAND DISPOSITION POLICY:
This single family residence was acquired on December 14, 2000 from HUD was renovated under the Home Ownership Works program.

FINANCING*:

\$ 145,500	US Bank Home Mortgage
\$ 4,500	Buyer's down payment
\$ 500	Buyer's Earnest Money
\$ 150,500	Total Sales Price

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The sales price of this property does reflect the full re-use value.

COMMENTS:

The Home Ownership Works Program (HOW) is designed to address the goal of providing home ownership opportunities for residents who otherwise would have difficulty in attaining home ownership. The program can be used to treat properties in need of demolition and new construction. HOW properties are owned by the City of Minneapolis during the renovation / construction period. All properties will meet the HOW Program Standards which exceed the minimum city code requirements. \$65,000 is used as a guideline for the construction subsidy and is funded from the federal HOME program.

The buyer of 3346 Fremont Avenue North has been pre-approved by a mortgage lender. Prior to closing the buyer will complete the Purchase Education and Counseling Course and the Housing Maintenance Class at Northside Neighborhood Housing Services as is required by the program. The number of people occupying this property complies with program guidelines.

**Authorizing sale of land
Homeownership Works Program
Disposition Parcel No. HOME-66**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase Disposition Parcel HOME-66, in the HOME Program, from Lisa L. Burt, hereinafter known as the Purchaser, the Parcel HOME-66, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 25, Block 2, Silver Lake Addition to Minneapolis.

Whereas, the Purchaser has offered to pay the sum of \$150,500, for Parcel HOME-66 to the City for land and improvements. This offer is in accordance with the City's Homeownership Works Program; 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 accepted methods in aiding the City in determining market value for the Parcel; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on August 12, 2005, a public hearing on the proposed sale was duly held on August 23, 2005 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 for uses in accordance with the City's Homeownership Works Program, as amended, is hereby estimated to be the sum of \$150,500 for Parcel HOME-66.

Be It Further Resolved that the acceptance of the offer and proposal is hereby determined to be in accordance with the City's approved CPED disposition policy

and it is further determined that the Purchaser possesses the qualifications and financial resources necessary to acquire and develop the parcel in accordance with the Homeownership Works Program.

Be It Further Resolved that the proposal is hereby accepted, subject to the execution of a contract for the sale of land. Furthermore, that the Finance Officer or other appropriate official of the City is hereby authorized to execute and deliver the contract to the Purchaser; 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 upon publication of this Resolution, the Finance Officer or other appropriate official of the City is hereby authorized to execute and deliver a conveyance of the land to the Purchaser 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 official of the City.

Address: 3346 Fremont Avenue North

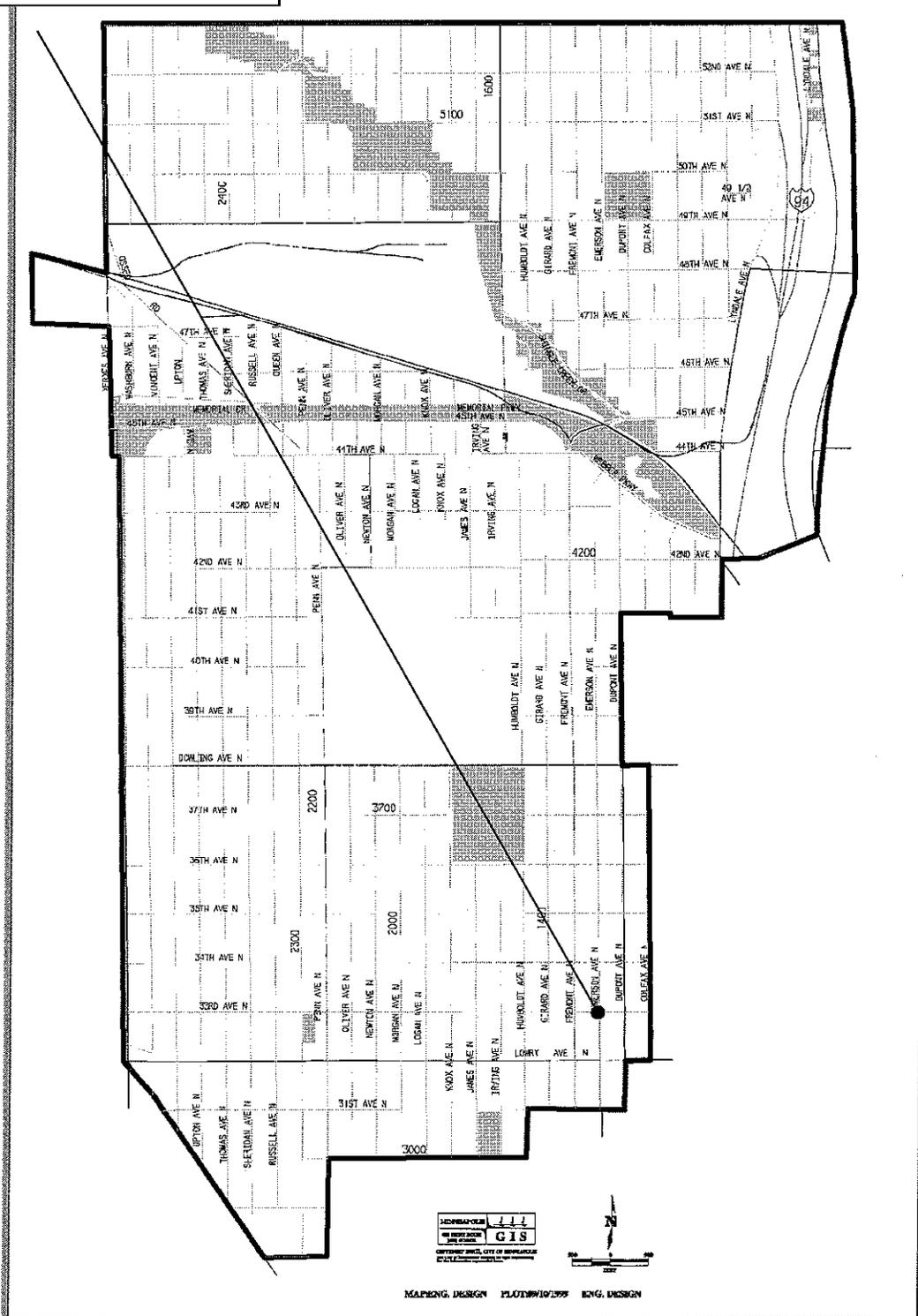
Parcel: HOME-66

Purchaser: Lisa L Burt

Sq. Footage: 5,715

Zoning: R2B

WARD 4



FOR COMMITTEE MEMBERS USE ONLY

TOTAL ACQUISITION COSTS INCURRED BY CPED ATTRIBUTABLE TO THE FOLLOWING PROPERTIES:

Date: August 23, 2005
Subject: Land Sale – Public Hearing
HOME Program
Address: 3346 Fremont Avenue North

Purchaser: Lisa L. Burt

Disposition Parcel No. Date Acq.	Address	Total CPED Cost	Less Sales Price	Write-off
# HOME-66 12/14/00	3346 Fremont Avenue North	\$177,750	(-) \$150,500	(-) \$27,250

Reuse Value Opinion	Less Sales Price	Write-Down
\$150,500	(-) \$150,500	\$0

Write-Down

Reason: Not applicable.

Developer History With CPED:

Not applicable.

Developer Information:

- Single Individual(s)
- Family with 3 Dependents (one or more adults with dependents)
- General Partnership
- Limited Partnership
- Corporation of the State of
- Other