



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

Date: October 7, 2008 Postponed from May 6, 2008

TO: Council Member Lisa Goodman, Community Development
Committee

Subject: Land Sale Public Hearing
929 – Third Avenue NE
Old Third Avenue Townhomes Project

City Council Recommendation: Approve the sale of City-owned real property at 929 – Third Avenue NE to Twin Cities Habitat for Humanity, Inc. for \$79,650.00 for development of the Old Third Avenue Townhomes Project contingent on the developer including additional improvements as are outlined in the attached document.

<p>Prepared by: Theresa Cunningham, Phone 612.673.5237</p> <p>Approved by: Charles T. Lutz, Deputy CPED Director Thomas A. Streitz, Director Housing Policy & Development</p> <p>Presenter in Committee: Theresa Cunningham, Phone 612.673.5237</p>	
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Community Impact

Neighborhood Notification: On February 25, 2008, the St. Anthony East Neighborhood Association (SAENA) was notified of the proposed sale of the reference land to Twin Cities Habitat for Humanity, Inc. for development of the Old Third Avenue Townhomes project. SAENA sponsored numerous neighborhood meetings to discuss the project and are providing their full support of the proposed development contingent on the developer incorporating the attached changes into the proposed development.

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
I-335 East	929 Third Avenue NE	\$79,650.00

PURCHASER:

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

The development team (Aeon Homes and Twin Cities Habitat for Humanity) have met on numerous occasions over the past six months with the Ward 3 Council Person, Ms Diane Hofstede, and neighborhood representatives to come to a workable plan for the implementation of the proposed Old 3rd Avenue Townhomes development plan. They have negotiated a number of changes and additions to the proposed development which are outlined in the attached document. The council member and neighborhood's support is being provided contingent on the developer including the attached revisions and additions to their development plan for the site.

In addition, the developer has consented to increase their offer to purchase amount from \$1.00 to \$79,650 which was the fair market value of the development site at the time the project was originally approved July, 29, 2003.

CPED supports the development teams revised offer amount and the additional revisions and improvements to the proposed development plan and recommend approval of this land sale contingent on the developer including the attached revisions and improvements in the development.

Attachment

Old 3rd Agreement DRAFT language, revised by Alan Arthur for review and consideration, 10-01-08

2nd Revision UPDATE proposed

Included in the agreement regarding Old Third Townhomes are the following improvements to the design and changes that are proposed to condition city support and approval:

1. **Design Renderings:** See attached four pages of design renderings and one page revised site plan, which shall be made part of the approval of the project.
2. **Permeable Surfaces:** Permeable surfaces in the parking areas in front of the garages and additional parking for one car to the side of each garage.
3. **Garages:** Each garage to be one stall with storage, specific size to be detailed in the agreement.
4. **Tot-Lot:** A tot-lot playground constructed across from the front of the town homes, near the rain garden areas, and maintenance of it shall be addressed in an agreement between the town home association, the MPHA and Clare Housing. The tot-lot will accommodate approximately 15-30 children estimated to be the number of children who will be residents of the 8 town homes on the site.
5. **Tot-Lot Benches and Picnic Tables:** Benches and picnic tables shall be included in the Tot-Lot area.
6. **Landscaping:** The landscaping plan will be submitted for approval and include the potential for annual flowering plantings to be replaced seasonally. Additionally the proposed landscape plan shall include shrubs, trees and groundcovers.
7. **Windows:** The project shall include Anderson double-paned windows, low-E (hard coating), with the top sash to include a triple-divided light style, and the specifications to be included in the approval.
8. **South End Porch:** The south end town home shall have an additional porch, approximately 6' x 15' or larger. Other porches shall be approximately 6' x 14' and shared by two town homes.
9. **Ornamental Lighting:** At least four pedestrian level lights on ornamental poles, with at least one between each pair of units, to be complementary to the lighting design style installed on 3rd Avenue between Central and University Avenues.
10. **Roof Design:** A roof re-design, changing from a hip-roof design, to a predominately gable design, per the four upgraded design renderings cited above.
11. **Design Improvement Costs:** Design improvements are expected to be up to, but not limited to, an additional cost of \$100,000 for the overall project.
12. **Material Quality:** Basic qualities of the materials shall be graded as good or better.
13. **Exterior Utility Space:** The exterior utility space or structure shall be attractively and unobtrusively incorporated into the project.
14. **Water Heaters:** Units shall each include a tankless hot water heater.
15. **Bike racks:** Bike racks shall be appropriately integrated into the project.
16. **Lattice:** All lattice work shall not be wood but either a cementitious product (such as hardi-plank material) or other more maintainable product than wood.

17. **Trash Receptacles:** There shall be at least two decorative trash receptacles installed in the shared greenway space, and maintained by the partnership of the town home association, MPHA, and Clare Housing as part of their agreement.
18. **Pathways/Walkways:** Placement of the walkways shall be carefully considered to ensure that they will be the paths that are actually most efficient and likely to be used.
19. **Interior Design:** Interior design features shall be provided and cited in the agreement.
20. **Artists:** As much as possible, local artists will be collaborated with to help make the project better, including possible involvement in the design of the trash receptacles and entry area to the green space.
21. **Household Incomes:** All household incomes for all eight town home units shall meet Habitat for Humanity guidelines.
22. **Shared Responsibility:** There shall be a shared security and operating agreement for the shared green space between the town home association, Clare housing and the Minneapolis public housing authority.
23. **Neighborhood Outreach and Household Selection:** Habitat for Humanity shall:
 - a. Work with the St. Anthony East neighborhood organization to devise an outreach plan to actively and aggressively promote the availability of these town homes 1) first to the residents of St. Anthony East, and then 2) to other northeast neighborhoods; and
 - b. Once Habitat has selected the top 50 annual candidates to participate in the 2009 program according to its standard rating and selection process, it will to the best of its ability match 1) St. Anthony East and, 2) northeast candidates, to these specific eight Habitat town homes.