



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
Jordan NRP

Recommendation: Deny the sale of 1307-1309 21st Avenue North for \$1 and 2951 Penn Avenue North for \$1 to Twin Cities Habitat for Humanity, Inc.

Previous Directives: CPED acquired 1307 21st Avenue North on January 4, 1994, acquired 1309 21st Avenue North on January 2, 1998, and acquired 2951 Penn Avenue North on July 7, 1997.

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 reviewed these proposals and recommended they not 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: R2B; 1307-1309 21st Avenue North and R4; 2951 Penn Avenue North
- Other: On 03/22/2006 & 03/14/2006, Planning Staff completed a land sale review of these parcels and deemed them buildable lots. However, suggested that we do not dispose of these properties. Planning staff views 1307-1309 21st Avenue North as potential sites within the West Broadway Alive study and recommends that they be held

until after completion of the study, and views 2951 Penn Avenue North as a potential site for a duplex or triplex which is more appropriate with the current zoning code and would provide increased housing density along community corridors as called for in the Minneapolis Plan.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
JOR 109-13 & 15	1307-1309 21st Avenue North	\$1
JOR 26-28	2951 Penn Avenue North	\$1

PURCHASER

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

PROPOSED DEVELOPMENT:

1307-1309 21st Avenue North

TCHFH proposes to acquire the subject parcels and also acquire an adjacent parcel at 1305 21st Avenue North from Hennepin County to create a site sufficient for the development of two single family homes. Each home design is a two story plan featuring 1,632 square feet of finished living space with three bedrooms, one and one-half bath, full unfinished basement, and a single car garage. The estimated value of that each home upon completion is \$190,000. These homes consistent, with their mission, will be sold for owner occupancy to buyers whose income is at or below 50% of the state median income.

1307 and 1309 21st Avenue North consisted of two 35' x 80' lots with a four foot driveway easement running between the parcels with no alley access. In November 2001, title registration proceedings were completed to clear title and to terminate the driveway easement creating one lot approximately 70' x 80' = 5,600 square feet. Hennepin County has been informed of the combination and they are in the process of updating their records.

The lot size for this development project including the proposed purchase of 1305 21st Avenue North will be approximately 104' x 80' = 8,320 total square feet.

2951 Penn Avenue North

TCHFH proposes to build a two story home with 1,496 square feet of finished living space with three bedrooms, one and one-half bath, full unfinished basement, and a single car garage. 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 40' x 127' = 5,080 total square feet.

LAND DISPOSITION POLICY:

These properties are buildable lots as defined by City policy.

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.

These properties lie within the West Broadway Alive Study area and the Lowry Avenue Corridor and staff and the neighborhood are recommending that these sales be denied.

Proposed Resolution

Authorizing sale of land Jordan NRP Disposition Parcels No JOR 109-13 & 15 and JOR 26-28.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcels JOR 109-13 & 15 and JOR 26-28, in the Jordan neighborhood, from Twin Cities Habitat for Humanity, Inc. (TCHFH), hereinafter known as the Redeveloper, the Parcels JOR 109-13 & 15 and JOR 26-28, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

JOR 109-13 & 15; 1307-1309 21st Avenue North

The West 70 feet of the East 177 feet of Lots 1 and 2, Block 48, Highland Park Addition to the City of Minneapolis.

Being registered property as is evidenced by Certificate of Title No. 114276.

JOR 26-282951 Penn Avenue North

Lot 3, Block 2, Penn Avenue Addition to Minneapolis.

Whereas, the Redeveloper has offered to pay the sum of \$1 each, for Parcel JOR 109-13 & 15 and JOR 26-28 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 \$11,000 for JOR 109-13 & 15 (1307-1309 21st Avenue North) and \$15,000 for JOR 26-28 (2951 Penn Avenue North); however, in accordance with and for such uses as described in the MOU, the City is selling JOR 109-13 & 15 and JOR 26-28 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 for each 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.