



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

Date: June 21, 2005

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Dollie Crowther, Principal Coordinator, Phone 612-673-5263

Presenter in Committee: Dollie Crowther

Approved by: Chuck Lutz, Deputy CPED Director _____
Elizabeth J. Ryan, Director, Housing Policy and Development _____

Subject: Land Sale – Public Hearing
Pokégama Project

RECOMMENDATION: Authorize the sale of 2313 – 13th Avenue South, to American Indian Community Development Corporation (AICDC) for \$150,484 for the development of the Pokégama Housing Project, and authorize appropriate staff to execute the necessary documents.

Previous Directives: CPED acquired 2313 – 13th Avenue South as various parcels in 1991, 1992 & 1994. On September 26, 2003 the City Council approved Exclusive Development Rights for the American Indian Community Development Corporation for several lots for the Self Sufficient Urban Indian Communities Initiative in Minneapolis. On September 14, 2004 the City Council approved the extension of Exclusive Development Rights Agreement with AICDC. On April 15, 2005 the City Council approved \$30,000 of Non Profit Development Assistance Funds for AICDC.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- 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 (Summarize below)

Ward: 6

Neighborhood Notification: In December 2001, the Ventura Village Neighborhood approved the project.

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: This proposed development is part of the Ventura Village Master Plan dated July, 2000 and is in conformance with the Land Use Plan.

Zoning Code: R2B; Project will comply.

Living Wage/Job Linkage: NA

PURCHASER:

American Indian Community Development Corporation (AICDC)
2020 Bloomington Avenue South
Minneapolis, MN 55404

Background/Supporting Information

<u>Parcels</u>	<u>Address</u>	<u>Sales Price</u>
MC 83-4 & 5, NH 681 & 682	2313 - 13th Avenue South	\$150,484

The National Urban Indian Development Corporation, and the Center for Community Change have developed a demonstration program called the "Self-Sufficient Urban Indian Communities Initiative." This national model will use five cities to demonstrate the effectiveness of creating a sense of "place" for native people through creation of affordable homeownership opportunities. Minneapolis has been chosen as one of the five cities. The American Indian Community Development Corporation (AICDC) has been designated as the developer for the program.

On March 30, 2003, the City of Minneapolis and the Metropolitan Urban Indian Directors Group (MUID) entered into a Memorandum of Understanding. On June 10, 2003, the MUID group passed a resolution that supports efforts by the American Indian Community Development Corporation to acquire vacant lots and properties at a minimum cost primarily in Ventura Village and in the greater Phillips neighborhood from

the City of Minneapolis and Hennepin County in order to provide additional affordable home ownership and rental housing units for American Indian families.

An Exclusive Development Rights Agreement was entered into on December 13, 2004 for the above parcel. AICDC has been in the process of assembling various parcels for the development of the Pokégama Project and includes collaboration with Hennepin County and the City of Minneapolis to acquire land from their inventory.

PROPOSED DEVELOPMENT:

The Pokégama Project, which means water beside the lake, is a home ownership housing project consisting of twenty-six (26) three and four bedroom single family and town house units, with attached garages for Native Americans. The site is located in close proximity to the cultural institutions and organizations that have become identified with urban Indians in Minneapolis.

Pokégama South the first phase of the project consists of 20 townhouse units with indoor parking and above ground patios. It will offer amenities and security seldom seen in affordable housing projects.

North Pokégama, the second phase, represents 6 single family 4 bedroom homes in a cluster development with common yard area and garages.

The new construction homes will be approximately 1,680 to 1,825 sq. feet with an estimated sale price between \$120,000 to \$160,000. The units will be affordable at 80% and below the AMI. 50% of the homes will be affordable at 50% and below AMI. Fifteen (15) of the 26 units are pre-sold. These units are Mille Lac band member units. Many of the families purchasing the homes are elderly with extended families.

The lot size is 37,621 total square feet. A portion of this parcel was purchased as part of the Fairview Deaconess development on May 12, 1994. It was subsequently sold in pieces for future development.

LAND DISPOSITION POLICY:

This property will be assembled with an adjoining sideyard and other parcels presently owned by AICDC for development.

FINANCING:

The Mille Lacs Band of Ojibwe Indian Tribe has agreed to provide gap, mortgage and construction financing from its Mille Lacs Band Indian Housing Block Grant, Native American Housing Assistance and Self Determination Act (NAHASDA) funding. They have agreed to finance up to \$160,000 per unit. For those owners that are Mille Lacs Band members, the tribe will provide a larger subsidy as well as pay the association fee. The MHFA Urban Indian Preference Program has committed \$30,000 for one unit. AICDC will attempt to return to MHFA in the next round for additional funds for the remaining units. They have also requested assistance from the Prairie Island Sioux Tribe and the Mdewakanton Tribe for general development funds. They are seeking LCDA funds for long term energy conservation through sustainable technology. Various programs have also been established for buyers to receive down payment assistance.

Franklin Bank will also provide financing by way of a line of credit and their expertise to develop this site.

OFFERING PROCEDURE:

It was previously agreed that AICDC will pay the FMV for each lot established by the MCDA at the time of execution of the original Option Agreement dated September 2003.

COMMENTS:

Architectural designs have been completed and additional lots will be acquired for the projects from the approved exclusive development rights on a lot by lot basis. It is anticipated that construction will begin in 2005 and continue into 2006.

**Authorizing sale of land
Pokegama Project
Disposition Parcel No's NH-681, 682 & MC 83-4 & 5 (pt)**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcels NH-681, 682 & MC 83-4 & 5 (pt), in the Ventura Village neighborhood, from American Indian Community Development Corporation (AICDC), hereinafter known as the Redeveloper, the Parcels NH-681, 682 & MC 83-4 & 5 (pt), being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lots 4 thru 7 inclusive, and Lot 8 except the East 3.2 feet of South 109 Feet thereof, Block 14, Eliots Addition to Mpls.

Part of the above being registered land as is evidenced by Certificate of Title No. 1142733.

Whereas, the Redeveloper has offered to pay the sum of \$150,484 (\$4 sq ft.) Parcels NH-681, 682 & MC 83-4 & 5 (pt) to the City for the land, and the Redeveloper's proposal is in accordance with the applicable Redevelopment Plan and/or Program; 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 re-use value for the Parcel; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on June 10, 2005 , a public hearing on the proposed sale was duly held on June 21, 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 Pokegama Project plan, as amended, is hereby estimated to be the sum of \$150,484 (\$4 sq. ft.) for Parcels NH-681, 682 & MC 83-4 & 5 (pt).

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. Furthermore, that 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.

Address: 2313-13th Avenue South
Parcel: NH 681, 682 & MC 83-4 & 5 (pt)
Purchaser: American Indian Community
Development Corporation (AICDC)
Sq. Footage: 37,621
Zoning: R2B

WARD 6

