



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

Date: February 1, 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 3609-4th Avenue South to Shawnee L. Hunt and Aquila Tapio for \$200,000, subject to the following conditions; 1) land sale closing must occur on or before 30 days from date of City Council approval, or Planning Commission approval, whichever occurs later, and 2) payment of holding costs of \$150.00 per month from the date of City Council approval or Planning Commission approval whichever occurs later, to the date of closing if land sale closing does not occur on or before 30 days from date of approval. The sale conditions may be waived or amended with the approval of the CPED Director.

Previous Directives: CPED acquired 3609-4th Avenue South on August 28, 2001.

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: Eliminate property management costs.
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Ward: 8

Neighborhood Notification: Central Neighborhood Improvement Association reviewed this proposal on August 15, 2001 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: Development Plans were sent to the Planning Department on January 3, 2005 for the 45 day review.

Zoning Code:

Living Wage/Job Linkage: N/A

Other:

Background/Supporting Information

PARCEL
HOME-50

ADDRESS
3609-4th Avenue South

SALE PRICE
\$200,000

PURCHASER

Shawnee L. Hunt and Aquila Tapio
1360 NW 7th Street, #8
New Brighton, MN 55112

PROPOSED DEVELOPMENT:

The completed project is a 3-bedroom, 1 1/2 bath house with 1,339 square feet of finished floor space. The house is being sold to a low/moderate income owner-occupant for homeownership.

The lot size is 40' X 131' = 5,240 total square feet.

LAND DISPOSITION POLICY:

This single family residence was acquired on August 28, 2001 from a private lender and was renovated under the Home Ownership Works program.

FINANCING*:

\$168,490	Wells Fargo
\$ 20,000	HOW Buyer Affordability Loan
\$ 4,010	MHFA CASA Program
\$ 5,000	Ho Chunk Grant
<u>\$ 2,500</u>	Buyer Down payment
\$200,000	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 buyers have completed the Home Stretch Education and Counseling Course offered by Powderhorn Residents Group and are scheduled to attend Housing Maintenance Class at Northside Neighborhood Housing Services prior to a closing in February 2005. The number of people occupying this property complies with program guidelines. The HOW Program guidelines allow for a maximum HOME subsidy of \$65,000 per property this home complies with the program guidelines. This parcel was publicly advertised and no other offers were received.

**Authorizing sale of land Homeownership Works Program
Disposition Parcel No. HOME-50**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase Disposition Parcel HOME-50, in the HOME Program, from Shawnee L. Hunt and Aquila Tapio, hereinafter known as the Purchaser, the Parcel HOME-50, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 12, Block 2, Vinton Park Addition to Minneapolis.

Whereas, the Purchaser has offered to pay the sum of \$200,000, for Parcel HOME-50 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 January 21, 2005, a public hearing on the proposed sale was duly held on February 1, 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 \$200,000 for Parcel(s) HOME-50.

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

