



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

Date: April 19, 2005

To: Council Member Lisa Goodman, Community Development Cmte.

Prepared by: Tiffany Glasper, Sr. Project Coordinator, Phone 612-673-5221

Presenter in  
Committee: Tiffany Glasper, Sr. Project Coordinator

Approved by: Chuck Lutz, Deputy CPED Director \_\_\_\_\_  
Elizabeth Ryan, Director, Housing \_\_\_\_\_  
Policy and Development

**Subject:** Land Sale – Public Hearing  
McKinley – Vacant Housing Recycling Program

**RECOMMENDATION:** Approve sale of 3434 Bryant Avenue North to Twin Cities Habitat for Humanity, Inc for \$19,400, subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date of approval, and 2) payment of holding costs of \$150.00 per month from the date of approval to the date of closing if land sale closing does not occur on or before 30 days from date of approval.

Approve sale of 3434 Bryant Avenue North to Renewed Dwellings, Inc. for \$19,400 if Twin Cities Habitat for Humanity, Inc. fails to close. Sale to Renewed Dwellings, Inc. is subject to the following conditions; 1) land sale closing must occur on or before 30 days from date of CPED notification, and 2) payment of holding costs of \$150.00 per month from the date of notification to the date of closing if land sale closing does not occur on or before 30 days from the date of CPED notification. The sale conditions may be waived or amended with the approval of the CPED Director.

**Previous Directives:** CPED acquired 3434 Bryant Avenue North on July 20, 2004.

**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 (Explain): Sale of this parcel will eliminate future property management expenses.
- Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact**

**Ward:** 3

**Neighborhood Notification:** McKinley Community’s Housing Issue Group reviewed the proposals presented by Renewed Dwellings, Inc. and Twin Cities Habitat for Humanity, Inc. on March 8, 2005 and recommended approval of the proposal submitted by Twin Cities Habitat for Humanity, Inc.

**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:** The land sale has been reviewed by the Planning Commission for consistency with the Comprehensive Plan.

**Zoning Code:** Complies. 3434 Bryant Avenue North is zoned R2B.

**Living Wage/Job Linkage:** NA

**Other:** Elevations and house plans were submitted to CPED’s Planning and Zoning staff for their review and comment.

**BACKGROUND/SUPPORTING INFORMATION:**

| <b><u>PARCEL</u></b> | <b><u>ADDRESS</u></b>    | <b><u>SALE PRICE</u></b> |
|----------------------|--------------------------|--------------------------|
| Mckly 25-5           | 3434 Bryant Avenue North | \$19,400                 |

**PURCHASER**  
 Twin Cities Habitat for Humanity, Inc.  
 3001 Fourth Street SE  
 Minneapolis, MN 55414

**ALTERNATE PURCHASER**  
 Renewed Dwellings, Inc.  
 7005-52<sup>nd</sup> Avenue North  
 Crystal, MN 55428

## **PROPOSED DEVELOPMENT:**

MCDA acquired 3434 Bryant Avenue North via default for failure to perform from Zaske and Associates on July 20, 2004. The parcel was a vacant lot. The lot size is 46' x 126' = 5,796 sq. ft.

This parcel was originally purchased in October 1996 and sold to Zaske and Associates in September 2001. Zaske and Associates did not perform as required and CPED repurchased the property on July 20, 2004.

**Twin Cities Habitat for Humanity, Inc.** is proposing construction of a one and a half-story, single family home with a detached, two-car garage. The home will contain four bedrooms, one and  $\frac{3}{4}$  bathrooms and a total of approximately 1,450 sq. ft. of finished living space. The developer has estimated the home's value upon completion at \$185,000 and it will be sold to an owner-occupant.

**Renewed Dwellings, Inc.** is proposing construction of a two-story, single family home with a detached, two-car garage. The home will contain four bedrooms, two bathrooms and a total of approximately 1,600 sq. ft. of finished living space. The developer has estimated the home's value upon completion at \$180,000 and it will be sold to an owner-occupant.

## **LAND DISPOSITION POLICY:**

This lot is buildable as defined by City policy and is being sold for development.

## **FINANCING\*:**

Twin Cities Habitat for Humanity, Inc. and Renewed Dwellings, Inc. have demonstrated sufficient financing for the proposed new construction project.

\*subject to application and underwriting requirements

## **OFFERING PROCEDURE:**

Public advertisement. The sale price reflects the appraised reuse value for this parcel.

## **COMMENTS:**

3434 Bryant Avenue North has been available for sale to the public via our web site since July 2004.

CPED staff received competing development proposals from Renewed Dwellings, Inc. and Twin Cities Habitat for Humanity, Inc. for the redevelopment of 3434 Bryant Avenue North. Proposals were received in February 2005.

Renewed Dwellings, Inc. is a non-profit entity with whom CPED/MCDA has previously worked with on three other new construction projects—2642 Girard Avenue North, 2721 Humboldt Avenue North and 3119 Morgan Avenue North. All of these previous projects went smoothly, were of sound quality construction and have been sold to owner-occupants.

Twin Cities Habitat for Humanity, Inc. is a non-profit entity with whom CPED/MCDA has previously done business. Twin Cities Habitat for Humanity, Inc. has been constructing single family homes in the City of Minneapolis for many years and has a successful history of providing affordable housing opportunities to low and moderate income households.

It should be noted that this sale to Twin Cities Habitat for Humanity, Inc. does not reflect on our commitment to them for 100 lots per the Memorandum of Understanding between our two entities.

The McKinley Community's Housing Issue Group reviewed Twin Cities Habitat for Humanity's and Renewed Dwellings' proposal at their March 8, 2005 meeting. Representatives from Renewed Dwellings, Inc. and Twin Cities Habitat for Humanity, Inc. were present to present their proposal and answer questions.

Members of McKinley's Housing Issue Group recommended approval of the proposal submitted by Twin Cities Habitat for Humanity, Inc. The group cited a better fit with the surrounding properties on the block and the support of corporate sponsor American Express, who has made a commitment to invest in McKinley through volunteer time and a large in-kind donation to this specific project. The neighborhood supports the construction of an owner-occupied dwelling on this block, despite the high percentage of non-homesteaded units on this block. They further believe that the Habitat's ownership model further secures that this unit will remain an ownership unit for years to come.

CPED staff conducted a formal professional review of the proposals and also sought professional opinions from Planning and Zoning staff on the proposed new construction developments. Planning staff concurred that new construction in-fill housing is appropriate at this location.

CPED staff's review of the proposals, the site and house plans indicated that the 3400 block of Bryant Avenue North appears to have a variety of dwelling types and sizes. The block contains approximately 24 dwellings. Of these 24, three are average size duplexes, containing 2 or more stories and an average of 1,727 square feet. Three of the 24 are small, single story dwellings containing less than 1,000 square feet each. There is one two-story single family home on the block with approximately 1240 square feet and the remaining dwellings range in size from a 1.2 to a 1.7 story home with an average square footage of 1,148 square feet.

Based on this analysis of the block and surrounding properties staff believes either proposal would be appropriate at this location. With this in mind, staff supports the McKinley Community's recommendation to sell the parcel to the Twin Cities Habitat for Humanity, Inc.

|                                  |
|----------------------------------|
| REFERRED TO (NAME OF) COMMITTEE: |
| DATE:                            |

**RESOLUTION  
of the  
CITY OF  
MINNEAPOLIS**

By \_\_\_\_\_

**Authorizing sale of land  
Vacant Housing Recycling Program-McKinley  
Disposition Parcel No. Mckly 25-5**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel Mckly 25-5, in the McKinley neighborhood, from Twin Cities Habitat for Humanity, Inc., hereinafter known as the Redeveloper, the Parcel Mckly 25-5, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 22, Block 2, A.Y. Davidson's Second Addition to Minneapolis.

Whereas, the Redeveloper has offered to pay the sum of \$19,400, for Parcel Mckly 25-5 to the City for the land, and the City'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 accepted methods of 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 April 8, 2005, a public hearing on the proposed sale was duly held on April 19, 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 9:30 a.m., in the City of Minneapolis, County of Hennepin, State of Minnesota; and

Be It Further Resolved that the re-use value for uses in accordance with the Vacant Housing Recycling Program-McKinley plan, as amended, is hereby estimated to be the sum of \$19,400 for Parcel Mckly 25-5.

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 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 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 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 official of the City.

Certified as an official action of the City Council:

| RECORD OF COUNCIL VOTE (X INDICATES VOTE) |     |     |            |        |                  |                 |                |     |     |            |        |                  |                 |
|---|-----|-----|------------|--------|------------------|-----------------|----------------|-----|-----|------------|--------|------------------|-----------------|
| COUNCIL MEMBER                            | AYE | NAY | NOT VOTING | ABSENT | VOTE TO OVERRIDE | VOTE TO SUSTAIN | COUNCIL MEMBER | AYE | NAY | NOT VOTING | ABSENT | VOTE TO OVERRIDE | VOTE TO SUSTAIN |
| President<br>Ostrow                       |     |     |            |        |                  |                 | Goodman        |     |     |            |        |                  |                 |
|   |     |     |            |        |                  |                 | Lilligren      |     |     |            |        |                  |                 |
| Zerby                                     |     |     |            |        |                  |                 | Schiff         |     |     |            |        |                  |                 |
| Samuels                                   |     |     |            |        |                  |                 | Niziolek       |     |     |            |        |                  |                 |
| Johnson                                   |     |     |            |        |                  |                 | Benson         |     |     |            |        |                  |                 |
| Johnson Lee                               |     |     |            |        |                  |                 | Colvin Roy     |     |     |            |        |                  |                 |
| Zimmermann                                |     |     |            |        |                  |                 | Lane           |     |     |            |        |                  |                 |

PASSED \_\_\_\_\_  
VETOED \_\_\_\_\_

APPROVED  NOT APPROVED

DATE

**ATTEST**

\_\_\_\_\_

CITY CLERK

\_\_\_\_\_

MAYOR

DATE



|                                  |
|----------------------------------|
| REFERRED TO (NAME OF) COMMITTEE: |
| DATE:                            |

# RESOLUTION of the CITY OF MINNEAPOLIS

By \_\_\_\_\_

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DATE

ATTEST \_\_\_\_\_  
 CITY CLERK

\_\_\_\_\_  
 MAYOR DATE

|                                  |
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PASSED \_\_\_\_\_  
 VETOED \_\_\_\_\_

DATE

APPROVED  NOT APPROVED

ATTEST \_\_\_\_\_  
 CITY CLERK

\_\_\_\_\_  
 MAYOR DATE