



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

Date: February 10, 2009

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Land Sale Public Hearing
Vacant Housing Recycling Program

Recommendation: Approve the sale of 1915 E M Stately Street to Greater Metropolitan Housing Corporation (GMHC) for \$21,600, 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. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: CPED acquired 1915 E M Stately Street on July 31, 2007.

Prepared by: Edie Oliveto-Oates, Senior Project Coordinator, Phone 612-673-5229

Approved by: Charles T. Lutz, Deputy CPED Director

Thomas A. Streitz, Director Housing Policy & Development

Presenters in Committee: Edie Oliveto-Oates, Senior Project Coordinator

Financial Impact

- Other financial impact: Eliminate property management costs.

Community Impact

- Neighborhood Notification: East Phillips Improvement Coalition reviewed this proposal and recommended it 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.
- Sustainability Targets: Affordable Housing
- Comprehensive Plan: On January 5, 2009, the Planning Commission approved the sale of this parcel as being consistent with the Comprehensive Plan.
- Zoning Code: R2B
- Other: On October 24, 2008, the Planning Staff completed a land sale review of this parcel and deemed it a buildable lot.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
VH-248	1915 E M Stately Street	\$21,600

PURCHASER

Greater Metropolitan Housing Corporation
15 South Fifth Street, Suite 710
Minneapolis, MN 55402

PROPOSED DEVELOPMENT:

New construction of a single family home with 3 bedrooms, 1,720 square feet with 3 bathrooms. The Property will be sold to an owner occupant.

The lot size is 40x127= 5,080 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

Financing is available from US Bank.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Negotiated. The sales price of this property does reflect the full re-use value.

COMMENTS:

Little Earth of the United Tribes has approached the City regarding development of single family home ownership opportunities along the south edge of the Little Earth project along E M Stately Street. Staff has been working with Little Earth and GMHC, acting as the developer, to acquire properties in this area and determine appropriate development options for the properties. Little Earth has worked with existing resident who are currently paying market rents to help them become mortgage ready and in a position to purchase a home. 1915 E M Stately will be developed as a single family home which will be marketed to low/moderate income families who are mortgage ready who currently live in the Little Earth Project as well as to the general public. GMHC will undertake the demolition of the boarded and condemned single family dwelling currently on this site.

**Authorizing sale of land Vacant Housing Recycling Program Disposition Parcel No
VH-248.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel VH-248, in the East Phillips neighborhood, from Greater Metropolitan Housing Corporation, hereinafter known as the Redeveloper, the Parcel VH-248, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

VH-248; 1915 E M Stately Street

Lot 2, Auditor's Subdivision No. 16, according to the recorded plat thereof and situate in Hennepin County, Minnesota.

Whereas, the Redeveloper has offered to pay the sum of \$21,600, for Parcel VH-248 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 a re-use value for the Parcel; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on January 30, 2009, a public hearing on the proposed sale was duly held on February 10, 2009, 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 Vacant Housing Recycling Program plan, as amended, is hereby estimated to be the sum of \$21,600 for Parcel VH-248.

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 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.

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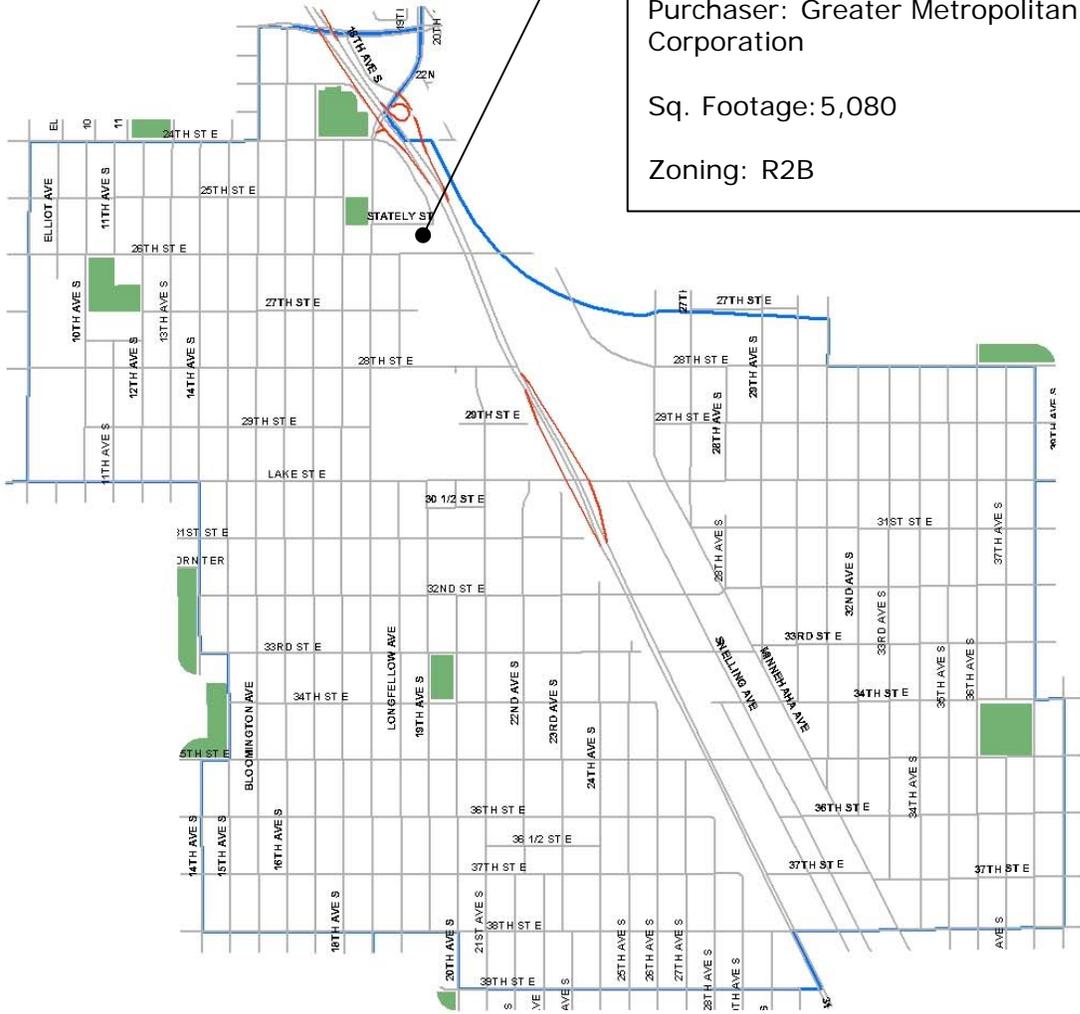
Address: 1915 E M Stately Street

Parcel: VH-248

Purchaser: Greater Metropolitan Housing Corporation

Sq. Footage: 5,080

Zoning: R2B



TOTAL ACQUISITION COSTS INCURRED BY CPED ATTRIBUTABLE TO THE FOLLOWING PROPERTY:

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Disposition Parcel No. Acq Date	Address	Total CPED Costs	Less Sales Price	Write Off
VH-248 07/31/07	1915 E M Stately Street	\$75,000	(-) \$21,600	(+/-) \$53,400

Re-Use Value Opinion	Less Sales Price	Write-Down
\$21,600	\$21,600	\$0

Write-Down

Reason: Not Applicable

Developer History with CPED:

GMHC has successfully worked in collaboration with the City of Minneapolis on development of single family homes for many years. They have developed in excess of 1,700 homes which they have sold to owner occupants.

Developer Information:

- Single Individual(s)
- Married Individual(s)
- Limited Liability Partnership of the State of Minnesota
- Limited Liability Company of the State of Minnesota
- Corporation of the State of Minnesota
- Nonprofit Corporation of the State of Minnesota
- Other