



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

**Date:** June 7, 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 2119 – 14<sup>th</sup> Avenue South, to American Indian Community Development Corporation (AICDC) for the development of the Pokégama Housing Project, and authorize appropriate staff to execute the necessary documents.

**Previous Directives:** CPED acquired 2119-14th Avenue South on November 23, 1998. 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 April 15, 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):  
Sale of this parcel will eliminate future property management expenses.
- 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>Parcel</u>	<u>Sales Price</u>	<u>Address</u>
TF 433	\$1,800	2119 – 14 <sup>th</sup> Avenue South

The National Coalition for Urban Indian Development, 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 Housing and Community Development Corporation (AIHCDC) have 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/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, (6 units will be single family; 20 units will be town homes) 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.

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 27' x 56' = 1,498 total square feet. This parcel was purchased as Hennepin County forfeited land on November 23, 1998. The single family dwelling was subsequently demolished.

**LAND DISPOSITION POLICY:**

This sideyard will be assembled with an adjoining parcel 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 per unit for seven units. AICDC will attempt to return to MHFA in the next round for additional funds. They have also requested assistance from the Prairie Island Sioux Tribe and the Mdewakanton Tribe for general development funds. 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 list on a lot by lot basis. It is anticipated that construction will begin in 2005 and continue into 2006.

REFERRED TO (NAME OF) COMMITTEE:
DATE:

# RESOLUTION of the CITY OF MINNEAPOLIS

By \_\_\_\_\_

## Authorizing sale of land Disposition Parcel No. TF-433

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase the Disposition Parcel TF-433, in the Phillips neighborhood, from American Indian Community Development Corporation (AICDC), hereinafter known as the Purchaser, the Parcel TF-433, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

### Legal Description

That part of the South ½ of Lot 6, Block 7, Eliot's Addition to Minneapolis, lying North of the South 40 feet of said lot.

Being registered land as is evidenced by Certificate of Title No. 1142732.

Whereas, the Purchaser has offered to pay the sum of \$1,800, for Parcel TF-433, to the City for the land; and

Whereas, the Purchaser has submitted to the City a statement of financial responsibility and qualifications; and

Whereas, on March 11, 2005, City Council approved the waiving of the Planning Commission's review of certain real estate transactions (including sideyard dispositions) that have no relationship to the City's Comprehensive Plan.

Whereas, the City has determined the offer of \$1,800 to purchase the Parcel to be reasonable; 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 City's accepted methods in determining a re-use value for the Parcel; and

Whereas, the City's Real Estate Disposition Policy provided in Section 2.2.13 for the sale of land for sideyard; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on May 20, 2005, a public hearing on said proposal and proposed sale and the provisions thereof, was duly held on June 7, 2005, 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; and

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the re-use value for the TF-433 is hereby estimated to be the sum of \$1,800.

Be It Further Resolved that the acceptance of the offer and Purchaser's proposal is hereby determined to be in accordance with the City's approved disposition policy and it is further determined that the Purchaser possesses the qualifications and financial resources necessary to acquire and maintain the Parcel in accordance with the contract for the sale of land.

Be It Further Resolved that the offer 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 of 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 Ostrow							Goodman						
							Lilligren						
Zerby							Schiff						
Samuels							Niziolek						
Johnson							Benson						
Johnson Lee							Colvin Roy						
Zimmermann							Lane						

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

DATE

APPROVED  NOT APPROVED

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

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

Address: 2119-14th Avenue South

Parcel: TF-433

Purchaser: American Indian Community  
Development Corporation (AICDC)

Sq. Footage: 1,498

Zoning: R2B

# WARD 6

