

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

May 16, 2006

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

Subject: Land Sale Public Hearing

Vacant Housing Recycling Program/Jordan

Recommendation: Approve the sale of 1910 25th Avenue North to Alpha Community Development Corporation for \$19,200, subject to the following conditions; 1) land sale closing must occur on or before 30 days from 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 CPED Director.

Previous Direc	ctives: CPED	acquired 1910 25th Avenue North on November 17, 1997.
Prepared or S	ubmitted by:	Earl S. Pettiford, Senior Project Coordinator Phone 612-673-5231
Approved by:		Deputy CPED Director an, Director, Housing Policy nt
Permanent Re	view Commit	tee (PRC) Approval Not ApplicableX
Presenters in	Committee: E	arl S. Pettiford, Senior Project Coordinator

Financial Impact (Check those that apply)

No financial impact (If checked, go directly to Background/Supporting Information).

Action requires an appropriation increase to the Capital Budget or Operating Budget.
Action provides increased revenue for appropriation increase.
Action requires use of contingency or reserves.
Business Plan: Action is within the plan Action requires a change to plan.
x Other financial impact (Explain): Eliminate property management costs.
Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Ward: 5

Neighborhood Notification: Jordan Area Community Council reviewed this proposal and recommended it be approved.

City Goals: Foster the development and preservation of a mix of quality housing types that is 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 on April 27, 2006.

Zoning Code: R1A

Other: Planning staff reviewed and agrees with the proposed development.

Background/Supporting Information Attached

PARCELADDRESSSALE PRICEJOR 72-71910 25th Avenue North\$19,200

PURCHASER

Alpha Community Development Corporation 4354 Penn Avenue North Minneapolis, MN 55412

PROPOSED DEVELOPMENT:

Alpha Community Development Corporation is a non-profit corporation. They are proposing to build a two story, five bedroom four bath (two full baths, one ¾ bath and one ½ bath) single family home with a two car detached garage. The plan features two bedrooms and a family room and a ¾ bath in below grade living space with approximate total finished home square footage of 3,000 sq.ft. The home will be priced at approximately \$225,000 and will be sold for owner occupancy to a buyer whose income is at or below 115% of the median as a condition of the Minnesota Housing Financing Agency (MHFA) financing.

The lot size is 46'x125' =5,625 total square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

The Minnesota Housing Financing Agency

*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 proposed development is a high quality in-fill plan that will blend with the architecture of the neighborhood. The home will be sold for owner occupancy and the developer has several potential purchasers who are considering purchasing but have not yet signed a purchase agreement. The Jordan Area Community Council and staff recommend approval of the sale of this site for the proposed development.

Authorizing sale of land Vacant Housing Recycling Program Disposition Parcel No. JOR 72-7

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel JOR 72-7, in the Jordan neighborhood, from Alpha Community Development Corporation, hereinafter known as the Redeveloper, the Parcel JOR 72-7, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

JOR 72-7; 1910 - 25th Avenue North

Lot 13, Block 4, Forest Heights.

Whereas, the Redeveloper has offered to pay the sum of \$19,200, for Parcel JOR 72-7 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 May 5, 2006, a public hearing on the proposed sale was duly held on May 16, 2006, 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 \$19,200 for Parcel JOR 72-7.

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.