



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: Lot Division - Land Sale Public Hearing
GMHC Century Homes Program

Recommendation:

1. Approve the lot division of 409 33rd Avenue North.
2. Approve the sale of 407 - 33rd Avenue North and approximately the East half of 409 - 33rd Avenue North for \$20,500 to The Greater Metropolitan Housing Corporation, 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 per parcel from the date of approval to the date of closing if land sale closing does not occur on or before 30 days from the date of approval. The sale conditions may be waived or amended with approval of the CPED Director.
3. Approve the sale of 411 - 33rd Avenue North and approximately the West half of 409 - 33rd Avenue North for \$20,500 to The Greater Metropolitan Housing Corporation, 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 per parcel from the date of approval to the date of closing if land sale closing does not occur on or before 30 days from the date of approval. The sale conditions may be waived or amended with approval of the CPED Director.

Previous Directives: CPED acquired 407 - 33rd Avenue North on March 3, 1999 (Parcel TF-426), 409 - 33rd Avenue North on June 3, 1994 (Parcel NH-662) and 411 33rd Avenue North on March 3, 1999 (Parcel TF-425).

Prepared or Submitted by: William Koncak, Senior Project Coordinator
Phone 612-673-5233

Approved by: Chuck Lutz, Deputy CPED Director _____
Elizabeth Ryan, Director, Housing Policy _____
& Development

Permanent Review Committee (PRC) Approval _____ Not Applicable X

Presenters in Committee: William Koncak, 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.
- 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: 3

Neighborhood Notification: The McKinley Neighborhood Community reviewed these proposals and recommended they be approved at their January 10, 2006 meeting.

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: These land sales were reviewed and approved by the Minneapolis Planning Commission's Committee of the Whole for consistency with the Comprehensive Plan on April 27, 2006.

Zoning Code: R2B

Other: Planning staff reviewed the proposals on March 27, 2006 and concurred that the proposed lot division and new construction is appropriate at these locations.

Background/Supporting Information Attached

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
GC-280	407 - 33rd Avenue North	\$20,500
GC-281	411 - 33rd Avenue North	\$20,500

PURCHASER

The Greater Metropolitan Housing Corporation (GMHC)
15 South Fifth Street, Suite 710
Minneapolis, MN 55402

PROPOSED DEVELOPMENT:**407 - 33rd Avenue North**

GMHC proposes to build a two-story single family home with 3 bedrooms, 2 ½ bathrooms with approximately 1,420 square feet of finished living space. There will be a detached two car garage. The developer's after construction value is estimated at \$195,000.

This parcel is 40' x 92' or 3,680 total square feet. The East half of 409 -33rd Avenue North will be combined with this lot. This will create a new lot of approximately 62' x 92' or 5,730 total square feet.

411 - 33rd Avenue North

GMHC proposes to build a two-story single family home with 3 bedrooms, 2 ½ bathrooms with approximately 1,510 square feet of finished living space. There will be an attached two car garage. The developer's after construction value is estimated at \$195,000.

This parcel is 38' x 92' or 3,496 total square feet. The West half of 409 -33rd Avenue North will be combined with this lot. This will create a new lot of approximately 58' x 92' or 5,360 total square feet.

LAND DISPOSITION POLICY:

The combination of these properties will create two larger buildable lots as defined by City policy are being sold for development of two single family homes.

FINANCING*:

GMHC has private financing through US Bank Corporation.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The sale price of these properties does reflect the full re-use value.

COMMENTS:

The McKinley Community group had concerns about the original plan to build one house on each of the three original 40' X 92' lots. Since only the lot at 411 33rd Avenue North had alley access along its westerly boundary, the other two lots would require driveways with street curb cuts for garage access. Also it should be noted the existing dwelling on the lot to the east of the 407 33rd Avenue North lot is only 8 inches from their common property line. Most houses in the neighborhood have detached garages

that are to the rear of the houses. With the size of the original lots, coupled with two of the lots having no alley access and therefore the long driveways for vehicular access to the detached garages would result in minimal green space for children to play. This would not be suitable for family oriented housing that the neighborhood is seeking.

The developer and staff agree with the neighborhood that these three shallow lots be divided into two new lots and only a single family home be built on each of the two new lots. This layout would allow more green space and be more family oriented.

GMHC and CPED are partners in the Century Homes Program. Per this partnership agreement, GMHC and CPED have agreed to split equally any profits or losses realized from the sale of properties. Per the above development proposals, budget projections indicate an estimated net profit as follows:

	407 33rd Av N	411 33rd Av N
Development Costs	\$207,090.00	\$207,090.00
Est. Sales Price	\$195,000.00	\$195,000.00
Total Loss/Profit	(\$12,090)	(\$12,090)
CPED Loss/Profit	(\$6,045)	(\$6,045)

Approving the subdivision of a lot at 409 - 33rd Avenue North

Whereas, the City of Minneapolis' Department of Community Planning and Economic Development (CPED) has requested that a parcel of land located at 409 – 33rd Avenue North and legally described as:

That part of Lots 1 and 2, Block 32, "Baker's 4th Addition To Minneapolis" lying West of the East 79 feet and East of the West 38 feet of said Lots 1 and 2. Being registered land as is evidenced by Certificate of Title No. 1142767.

be subdivided as follows:

NH662-A ; 409 - 33rd Avenue North (West 1/2)

The West 20 feet of that part of Lots 1 and 2, Block 32, "Baker's 4th Addition To Minneapolis" lying West of the East 79 feet and East of the West 38 feet of said Lots 1 and 2.

NH662-B; 409 - 33rd Avenue North (East 1/2)

That part of Lots 1 and 2, Block 32, "Baker's 4th Addition to Minneapolis" lying West of the East 79 feet and East of the West 38 feet of said Lots 1 and 2, EXCEPT the West 20 feet thereof.

Whereas, the City of Minneapolis intends to convey the subdivided parcels listed above to the purchasers of the adjacent CPED properties with the following descriptions:

NH662-A to 411- 33rd Avenue North

The West 38 feet of Lots 1 and 2, Block 32, Baker's 4th Addition to Minneapolis Being registered land as is evidenced by Certificate of Title No. 1142768.

NH662-B to 407- 33rd Avenue North

The West 40 feet of the East 79 feet of Lots 1 and 2, Block 32, Baker's 4th Addition to Minneapolis. Being registered land as is evidenced by Certificate of Title No. 1142766.

Whereas, the proposed subdivision conforms with Minnesota Statutes Section 462.358 and Land Subdivision Regulations adopted by the Minneapolis City Council on July 14, 1995; and

Whereas, pursuant to due notice thereof published in Finance and Commerce on May 5, 2006, a public hearing on said subdivision and proposed sale was duly held in a meeting of the Community Development Committee of the City Council at 1:30 p.m., May 16, 2006, in Room 317, Minneapolis City Hall, 350 South 5th Street, 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 division of the above described property be approved and the requirement of a subdivision plat be waived.

Be It Further Resolved that a certified copy of this resolution shall be attached to the deeds conveying the subdivided parcels.

**Authorizing sale of land GMHC Century Homes Program
Disposition Parcel No GC-280 & GC-281**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel GC-280 and Parcel GC-281, in the McKinley neighborhood, from The Greater Metropolitan Housing Corporation, hereinafter known as the Redeveloper, the Parcel GC-280 and Parcel GC-281, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

GC-280; 407 - 33rd Avenue North

The West 40 feet of the East 79 feet of Lots 1 and 2, Block 32, "Baker's 4th Addition To Minneapolis". Being registered land as is evidenced by Certificate of Title No. 1142766.

and

That part of Lots 1 and 2, Block 32, "Baker's 4th Addition To Minneapolis" lying West of the East 79 feet and East of the West 38 feet of said Lots 1 and 2, EXCEPT the West 20 feet thereof. Being registered land as is evidenced by Certificate of Title No. 1142767, which covers other land.

GC-281; 411 - 33rd Avenue North

The West 38 feet of Lots 1 and 2, Block 32, "Baker's 4th Addition to Minneapolis". Being registered land as is evidenced by Certificate of Title No. 1142768.

and

The West 20 feet of That part of Lots 1 and 2, Block 32, "Baker's 4th Addition To Minneapolis" lying West of the East 79 feet and East of the West 38 feet of said Lots 1 and 2. Being registered land as is evidenced by Certificate of Title No. 1142767, which covers other land.

Whereas, the Redeveloper has offered to pay the sum of \$20,500 each, for Parcel GC-280 and Parcel GC-281 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 GMHC Century Homes Program plan, as amended, is hereby estimated to be the sum of \$20,500 each for Parcel GC-280 and Parcel GC-281.

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.