



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

June 6, 2006

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

Subject: Lot Division - Land Sale Public Hearing
Tax Forfeiture Program

Recommendation:

1. Approve the lot division of 1910 24th Avenue North.
2. Approve the sale of 1912 Hillside Avenue North and the Westerly 22.50 feet of 1910 24th Avenue North (hereinafter referred to as "1912 Hillside Avenue North") to Twin Cities Habitat for Humanity, Inc., for \$1, subject to the following conditions; a) land sale closing must occur on or before 30 days from date of approval, and b) 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.
3. Approve the sale of 1910 24th Avenue North, less the Westerly 22.50 feet of 1910 24th Avenue North (hereinafter referred to as "1910 24th Avenue North") for \$20,000 to Renewed Dwellings, Inc., subject to the following conditions; a) land sale closing must occur on or before 30 days from date of approval, and b) 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.
4. If Renewed Dwellings, Inc. fails to close, approve the sale of 1910 24th Avenue North less the Westerly 22.50 feet of 1910 24th Avenue North (herein after referred to as "1910 24th Avenue North") to Twin Cities Habitat for Humanity, Inc., for \$1, subject to the following conditions; a) land sale must occur on or before 30 days from date of CPED notification, and b) 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 approval of the CPED Director.

Previous Directives: CPED acquired 1910 and 1912 Hillside Avenue North on May 1, 1996.

Prepared or Submitted by: Earl S. Pettiford, Senior Project Coordinator
Phone 612-673-5231

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

Permanent Review Committee (PRC) Approval _____ Not Applicable X

Policy Review Group (PRG) Approval ___ Date of Approval ___ Not Applicable X

Presenters in Committee: Earl 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.
- 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 these proposals and recommended the proposal from Twin Cities Habitat for Humanity, Inc. for 1912 Hillside Avenue North, and recommended the proposal from Renewed Dwellings, Inc. for 1910 24th Avenue North.

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 by the Planning Commission for consistency with the Comprehensive Plan on April 10, 2006.

Zoning Code: R2B

Other: Elevations and site plans were submitted to planning and zoning staff for comments.

Background/Supporting Information Attached

<u>PURCHASER:</u>	<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
Twin Cities Habitat For Humanity, Inc. (TCHFH) 3001 4th Street SE Minneapolis, MN 55414	TF301 & 302B	1912 Hillside Av N	\$1

<u>PURCHASER:</u>	<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
Renewed Dwellings, Inc. 7005 52 nd Av N Crystal, MN 55428	TF-302A & JOR 78-7B	1910 24 th Av N	\$20,000

<u>ALTERNATE PURCHASER:</u>	<u>SALE PRICE</u>
Twin Cities Habitat For Humanity, Inc. (TCHFH) 3001 4th Street SE Minneapolis, MN 55414	\$1

PROPOSED DEVELOPMENT:

1912 Hillside Avenue North

Twin Cities Habitat for Humanity, Inc. (TCHFH) proposes to build a 2 story single family home with 4 bedrooms, 2 baths and approximately 1,500 square feet of finished space and a one car garage. This home will be sold for owner occupancy to a buyer whose income is at or below 50% of the metropolitan median income.

This parcel is irregularly shaped with a total area of 3,506 square feet. The West 22.50 feet of 1910 24th Avenue will be combined with this lot. This will create a new irregularly shaped lot of approximately 6,462 square feet.

1910 24th Avenue North

Renewed Dwellings, Inc. proposes to build a two story single family home with 1,544 square feet of finished living space with three bedrooms, two baths, full basement and a double car garage. This home will be sold for owner occupancy at an estimated sales price of \$215,000.

Twin Cities Habitat for Humanity, Inc. (TCHFH) proposes to build a two story single family home with 1,496 square feet of finished living space with three bedrooms, two baths, full basement and a single car garage. This home would be sold to a buyer

whose income is at or below 50% of the median income. The buyer must be owner occupant.

This parcel is irregularly shaped with a total area of 8,410 square feet. The West 22.50 feet will be split off and combined with the adjacent lot. This will create a new lot of approximately 50' x 125' or 6,206 square feet.

LAND DISPOSITION POLICY:

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

FINANCING*:

Renewed Dwellings, Inc has secured a financial commitment from Alpine Capital, LLC.

Twin Cities Habitat For Humanity, Inc. has its internal financing for each of these projects.

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The sales price of these properties does not reflect the full re-use value if sold to Twin Cities Habitat for Humanity, Inc. The sale price of 1910 24th Av N does reflect the full re-use value if sold to Renewed Dwellings, Inc.

COMMENTS:

1910 24th Avenue North:

Both proposals from Renewed Dwellings, Inc. and Twin Cities Habitat for Humanity, Inc. (TCHFH) are two story homes that fit with the architecture of this area. Both proposers have structured their proposals to sell for owner occupancy. Both developers have performed well on all of their previous purchases for development from the City of Minneapolis. TCHFH also proposed to purchase the adjacent lot at 1912 Hillside Avenue North; the neighborhood organization is recommending Renewed Dwellings, Inc. for this parcel expressing their desire to have a variety of housing choices developed within the Jordan neighborhood.

1912 Hillside Avenue North:

Twin Cities Habitat for Humanity, Inc. (TCHFH) proposes to construct a compatible in fill design on this parcel. This proposal was submitted in keeping with the Memorandum of Understanding (MOU) between TCHFH and the City of Minneapolis, which was extended on September 29, 2005. The language of this MOU supports the lot purchase price of \$1.00. Since 1998, the City has sold parcels to TCHFH for \$1.00 each, and TCHFH has provided housing opportunities to low and moderate income households. To date, 54 parcels have been sold to TCHFH and an additional 3 parcels have been approved but have not yet closed.

Staff supports the neighborhood's position and is recommending 1910 24th Avenue North to Renewed Dwellings and 1912 Hillside Avenue North to Twin Cities Habitat for Humanity, Inc.

Approving the subdivision of a lot at 1910 24th Avenue North.

Whereas, the City of Minneapolis' Department of Community Planning and Economic Development (CPED) has requested that a parcel of land located at 1910 24th Avenue North and legally described as:

Lot 16, Block 7, Forest Heights.

Being registered land as is evidenced by Certificate of Title No. 1142749.

be subdivided as follows:

PARCEL A: TF-302B; 1910 24th Avenue North

The westerly 22.50 feet of Lot 16, Block 7, Forest Heights.

PARCEL C: TF-302A; 1910 24th Avenue North

Lot 16, except the westerly 22.50 feet thereof, Block 7, Forest Heights

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

PARCEL A TF-302B to 1912 Hillside Avenue North

Lot 15, Block 7, Forest Heights.

Being registered land as is evidenced by Certificate of Title No. 1142814.

PARCEL C TF-302A to 1910 24th Avenue North

Lot 17; except that part of Lot 17 lying easterly of the following described line: commencing at the Southeast corner of said Lot 17 thence Westerly along the South line of said Lot 17 a distance of 19.03 feet to the actual point of beginning of the line to be described; thence Northerly to appoint in the North line of said Lot 17 a distance of 18.38 feet Westerly of the Northeast corner of said Lot 17 and said line there terminating, Block 7, Forest Heights.

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 26, 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., June 6, 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 Tax Forfeiture Program
Disposition Parcel No TF-301 & 302B.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop Disposition Parcel TF-301 & 302B, in the Jordan neighborhood, from Twin Cities Habitat for Humanity, Inc. (TCHFH), hereinafter known as the Redeveloper, the Parcel TF-301 & 302B, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-301 & 302B: 1912 Hillside Av N

Lot 15 and the Westerly 22.50 feet of Lot 16, Block 7 Forest Heights.

Being registered as evidenced by Certificate No. 1142814 and 1142749 which covers other land.

Whereas, the Redeveloper has offered to pay the sum of \$1, for Parcel TF-301 & 302B to the City for the land, and the Redeveloper's proposal is in accordance with the a Memorandum of Understanding between the City and TCHFH dated December 7, 1998, as amended September 29, 2005 (MOU); 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 26, 2006, a public hearing on the proposed sale was duly held on June 6, 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 of the parcel is estimated to be \$18,500; however, in accordance with and for such uses as described in the MOU, the City is selling TF-301 & 302B for the sum of \$1.

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.

**Authorizing sale of land Tax Forfeiture Program
Disposition Parcel No TF-302A & JOR 78-7B.**

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop disposition Parcel TF-302A & JOR 78-7B, in the Jordan neighborhood, from Renewed Dwellings, Inc., hereinafter known as the Redeveloper and another offer to purchase and develop Parcel TF-302A & JOR 78-7B, from Twin Cities Habitat for Humanity, Inc. (TCHFH) hereinafter known as the Alternate Redeveloper, the Parcel TF-302A & JOR 78-7B, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-302A & JOR 78-7B; 1910 24th Av N

Lot 16, except the Westerly 22.50 feet thereof, and all that part of Lot 17 lying westerly of the following described line: Commencing at the Southeast corner of said Lot 17; thence westerly along the south line thereof a distance of 19.03 feet to the actual point of beginning of the line to be described; thence northerly to a point in the North line of said Lot 17 distance 18.38 feet westerly of the Northeast corner thereof and there terminating; All in Block 7, Forest Heights.

Being registered property as is evidenced by Certificate of Title No. 1142749 which covers other land.

Whereas, the Redeveloper has offered to pay the sum of \$20,000, for Parcel TF-302A & JOR 78-7B 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 Alternate Redeveloper has offered to pay the sum of \$1, for Parcel TF-302A & JOR 78-7B to the City for the land, and the Redeveloper's proposal is in accordance with the a Memorandum of Understanding between the City and TCHFH dated December 7, 1998, as amended September 29, 2005 (MOU); and

Whereas, both the Redeveloper and the Alternate Redeveloper have submitted to the City statements 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 26, 2006, a public hearing on the proposed sale was duly held on June 6, 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 Tax Forfeiture Program plan, as amended, is hereby estimated to be the sum of \$20,000 for Parcel TF-302A & JOR 78-7B; however, in accordance with an for such uses described in the MOU, the City is selling Parcel TF-302A & JOR 78-7B for the sum of \$1 to TCHFH as the Alternate Redeveloper.

Be It Further Resolved that the acceptance of the offers and proposals are both hereby determined to be in accordance with the City's approved disposition policy and it is further determined that both the Redeveloper and the Alternate Redeveloper possess the qualifications and financial resources necessary to acquire and develop the parcel in accordance with the Redevelopment Plan and/or Program, but that the City prefers the Redeveloper's proposal over the Alternate Redeveloper's proposal.

Be It Further Resolved that the Redeveloper's proposal 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 if and only if Redeveloper fails to close on the land sale pursuant to the conditions described above, the Alternate Redeveloper's proposal 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 of City notification to the Alternate Redeveloper and 2) payment of holding costs of \$150.00 per month from the date of notification if the land sale closing does not occur on or before 30 days from the date of City notification to the Alternate Redeveloper.

Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director. Furthermore, that the Finance Officer or other appropriate official of the City is hereby authorized consistent with the terms herein to execute and deliver the contract to the Redeveloper or Alternate Redeveloper, as appropriate; 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 consistent with the terms herein to execute and deliver a conveyance of the land to the Redeveloper or the Alternate Redeveloper as appropriate 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.