



**Request for MCDA Board of Commissioners Action
From the Department of Community Planning & Economic Development**

Date: June 22, 2004

To: MCDA Board of Commissioners

Prepared by: Jackie Nawalany, Project Coordinator II, Phone 612-673-5255

Presenter in Committee: Bill Koncak, Project Coordinator III

Approved by: Chuck Lutz, Deputy CPED Director _____
Lee Pao Xiong, Director, Housing _____

Subject: Land Sale – Public Hearing
HOME Program

RECOMMENDATION: Approve the sale of 3707 Newton Avenue North to David M. Kennedy-Logan and Jennifer A. Kennedy-Logan for \$173,000.

Previous Directives: The MCDA acquired 3707 Newton Avenue North on December 14, 2000.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- 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): Eliminate property management costs.
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 4

Neighborhood Notification: Folwell Neighborhood Association reviewed the proposal for acquisition, renovation and disposition under the HOW program on November 1, 2000, and recommended it be approved.

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: Chapter 4, Section 4.9 states “Minneapolis will grow by increasing its supply of housing” and Section 4.11 states “Minneapolis will improve the availability of housing options for its residents.” Also this area is designated for low density housing in accordance with the Land Use Policy Map.

Zoning Code: Complies; zoned R1A.

Living Wage/Job Linkage: N/A

Background/Supporting Information

| <u>PARCEL</u> | <u>ADDRESS</u> | <u>SALE PRICE</u> |
|---------------|--------------------------|-------------------|
| HOME - 41 | 3707 Newton Avenue North | \$173,000 |

PURCHASER

David M. Kennedy-Logan and
Jennifer A. Kennedy-Logan
821 Douglas Avenue, #204
Minneapolis, MN 55403

PROPOSED DEVELOPMENT:

The lot size is 40' x 127' = 5,080 total square feet. This house is totally renovated, has a total finished living area of 1,038 square feet and features three bedrooms, 1 ½ baths and a new detached double garage.

LAND DISPOSITION POLICY:

This property is a buildable lot as defined by MCDA policy.

FINANCING*:

| | |
|-----------------|---------------------|
| \$164,810 | Bremer Bank |
| \$ 3,000 | HOW Second Mortgage |
| <u>\$ 5,190</u> | Buyer Down Payment |
| \$173,000 | Total Sales Price |

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

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

COMMENTS:

This single family residence was a vacant property in extremely poor condition and acquired from HUD on December 14, 2000 for the Homeownership Works (HOW) program. The structure was totally renovated starting in January 2002 and completed January of 2003. The renovated included the construction of a complete second floor, using rehabilitation guidelines under the HOW program. This single family home features three bedrooms, 1 ½ baths with a total of 1308 square feet of finished living space. There is a new, detached double garage on the property.

| | |
|------------------------|---------------------|
| Acquisition cost | \$ 23,800.00 |
| Total renovation cost | <u>\$151,045.00</u> |
| Total development cost | \$174,845.00 |
| Sales Price | <u>\$173,000.00</u> |
| Home Funds Write-Down | \$ 1,845.00 |

The buyers meet all the HOW guidelines including being first time home owners and have an income less than 80% of the MMI. They have completed the required pre-purchase workshop at PRG and are scheduled to attend the maintenance workshop at Northside Neighborhood Housing Services prior to closing. The buyer anticipates closing by the end of July 2004. The number of people occupying this property complies with program policy. No other offers were received for this property.

RESOLUTION

of the

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By _____

Authorizing Sale of Land
HOME Program
Disposition Parcel No. HOME-41

WHEREAS, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcel HOME-41 in the Folwell neighborhood, from David M. Kennedy-Logan and Jennifer A. Kennedy-Logan, hereinafter known as the Redeveloper, the Parcel HOME-41, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 14, Block 3, Joseph Lowry's Addition to Minneapolis.

WHEREAS, the Redeveloper has offered to pay the sum of \$173,000, for Parcel HOME-41; the offer includes a development plan and commitment to improve by rehabilitating the existing structure. This offer is in accordance with the Redevelopment Plan and/or Program; and

WHEREAS, the Redeveloper has submitted to the Agency a statement of financial responsibility and qualifications; and

WHEREAS, the Agency 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 Agency in determining a re-use value for the Parcel; and

WHEREAS, pursuant to due notice thereof published in *Finance and Commerce* on Friday, June 11, 2004, a public hearing on the proposed sale was duly held on June 22, 2004, 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, that the re-use value, for uses in accordance with the HOME Program plan, as amended, is hereby estimated to be the sum of \$173,000, for Parcel HOME-41; and

BE IT FURTHER RESOLVED, that the acceptance of the offer and proposal is hereby determined to be in accordance with the Agency's approved disposition program 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; and

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. Furthermore, that the Executive Director or other appropriate official of the Agency be and 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 Executive Director or other appropriate official of the Agency; and

BE IT ALSO FURTHER RESOLVED, that the Chairman and Secretary, or any other two Commissioners of the Agency, are 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 Agency 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 Chairman and Secretary, or any other two Commissioners of the Agency.

| RECORD OF COMMISSIONER VOTE | | | | | | | | | | | | | |
|-----------------------------|-----|-----|--------------|-----|------|-------------------------|-------------------|-----|------------------------|----|-----|------|------|
| Commissioner | Aye | Nay | NV | Abs | Ovrd | Sust | Commissioner | Aye | Nay | NV | Abs | Ovrd | Sust |
| Benson | | | | | | | Ostrow | | | | | | |
| Colvin Roy | | | | | | | Samuels | | | | | | |
| Johnson | | | | | | | Schiff | | | | | | |
| Johnson Lee | | | | | | | Zerby | | | | | | |
| Lane | | | | | | | Zimmermann | | | | | | |
| Lilligren | | | | | | | Goodman, chair | | | | | | |
| Niziolek | | | | | | | | | | | | | |
| Vote: NV - Not Voting | | | Abs - Absent | | | Ovrd - Vote to Override | | | Sust - Vote to Sustain | | | | |

ADOPTED _____: _____
APPROVED _____: _____
NOT APPROVED _____: _____
VETOED _____: _____
Chairperson
Mayor

Address: 3707 Newton Ave N
Parcel: HOME-41
Purchaser: David M. Kennedy-Logan & Jennifer A. Kennedy-Logan
Sq. Footage: 5,098
Zoning: R1A

WARD 4

