PROCEDURES FOR PURASHING LOTS FOR HOUSING PROPERTIES FROM THE C ITY OF MINNEAPOLIS, DEPARTMENT OF COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT (City CPED)

You may request future copies of the lot list by calling (612) 673-5225 or by visiting our office during normal working hours. Our office is located at 105 5th Avenue South, Crown Roller Mill Building, Suite 450, Minneapolis, Minnesota. The sale of properties to prospective buyers is based on conformance of their proposal with the objectives of the renewal plans or the community development programs and approval by the Minneapolis City Council.

FINANCING

Prior to submitting your proposal, contact the lending institution of your choice. The lender will help to determine your mortgage affordability. Ask your lender to prepare a mortgage commitment letter that you will include with the City of Minneapolis Department of Planning and Economic Development (City CPED) offer documents. Having your financing in place prior to submitting the offer documents will expedite the purchase process.

LOT LIST

Our lot list includes the address of the property, lot dimensions and selling price. Prices are determined by appraisals and are not negotiable. Payment for lots must be in cash at the time of closing. A ten percent (10%) good faith deposit is collected at the time the redevelopment contract is signed unless otherwise specified. The good faith deposit will be returned to you upon completion of the development, and the issuance of Completion Certificate and Release of Forfeiture. **Those lots marked "Offer Pending" are not available. Offers for lots marked "Offer Pending" will not be accepted.**

New properties available from City CPED for development are initially offered for sale by advertising their availability in the Minneapolis Star Tribune, on Sundays in the classified section #717 and in Finance and Commerce. If after the advertised deadline no acceptable proposals received, the lot is added to the Lot List on the CPED web site and is available for sale. Processing of offers takes approximately 90 days.

SELECTING A CONTRACTOR

After you and your lender have determined your affordability, you can begin contacting general contractor(s) to discuss the design and cost of your proposed new home. The general contractor can advise you on the house design and may have constructions plans that will meet your needs.

When you have worked out the specifics of the construction and have a set of preliminary building plans, call the Single Family Housing Development Unit of City CPED to arrange a meeting to review your proposal.

LOT SELECTION AND DESIGN COMPATABILITY

Many of the City's neighborhoods have suggested design criteria for the development of new homes. To receive a copy of the design criteria contact the local neighborhood group. City CPED policy is that new homes compliment the existing housing stock on the block and within the surrounding community.

Consideration of the design criteria and existing housing stock should be reflected in your final selection.

Note: City CPED may have copies of the neighborhood design criteria. Contact the City CPED Marketing Line at (612) 673-5225 to request a copy.

PROPOSAL

Once you have made your decision, in order for your proposal to be fairly considered you must submit the following documents with your offer to City CPED.

1. A site plan showing location of the house, garage, parking pad, sidewalks and direction of water drainage must be submitted. Surveys can be obtained from City CPED.

2. Schematic/concept plans of the proposed development in sufficient detail to promote fair review. Plans must include all four facades/elevation, all floor plans, and garage primary elevations.

3. Complete the City CPED "Offer to Purchase" document. Once a proposal to purchase a lot is approved by the City Council the buyer of the lot cannot be changed, nor can the ownership of the lot be changed until the new home is completed. Therefore, you should discuss with your general contractor who will own the lot during construction. Some general contractors, because of their construction financing, will purchase the lot in the contractor's name and upon completion; they then sell the home to you. Other contractors will have you buy the lot and then build on your lot. REMEMBER that offering documents must be completed for each lot you are proposing to purchase.

4. Copy of Lender Commitment letter. The letter must state the terms of your financing and indicate your loan has been **pre-approved by the underwriter.**

5. A copy of the Purchase Agreement between the general contractor and the future homebuyer should be included if applicable. Please note that proposals that have a proposed owner/occupant receive preference over houses being built on speculation.

NOTE: The City of Minneapolis has the right to refuse any and all proposals received.

EVALUATION: NEIGHBORHOOD REVIEW AND BOARD ACTION

Upon receiving a proposal City CPED staff will review the proposal for completeness. Incomplete proposals will be returned/rejected. Complete proposals will be forwarded to the applicable neighborhood group to schedule a review of the proposed new home design. You will be notified of the date, time and location of the neighborhood review. It is suggested t hat you and a representative of the general contractor attend this meeting to discuss the proposed development. Once the neighborhood review is complete, City CPED staff will formulate a recommendation and submit a report on the proposal(s) to the CPED/Community Development Committee of the City Council for a public hearing.

The Community Development Committee meeting is open to the public and public comments are welcome.

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DEVELOPMENT CONTRACT

If the City Council and the Mayor authorize the sale of the lot to you, the City CPED will enter into a Redevelopment Contract (the City CPED's form of a Purchase Agreement). The Redevelopment Contract you will outline all the specific requirements needed to develop the property including construction start and completion dates. When you return the Redevelopment Contract you will be asked to include a Good Faith Deposit which is usually ten percent (10%) of the purchase price. After the Redevelopment Contract and Good Faith Deposit are returned to City CPED the closing will be scheduled. The Redevelopment Contract requires construction to begin within 30 days of closing, and construction completed within six (6) months (weather permitting). Once construction is completed the City CPED Completion Certificate and Release of Forfeiture will be issued and the Good Faith Deposit will be returned, exclusive of interest.

CERTIFICATE OF COMPLETION AND RELEASE OF FORFEITURE

City CPED staff will monitor the construction progress on unannounced visits. All material changes, or changes with cost implications, to the approved construction plans must be submitted and approved by City CPED staff prior to implementation. When all work has been completed, the contractor must contact City CPED no less than five (5) working days before closing to schedule a final inspection of the property by a City CPED representative. This final inspection is in addition to inspections conducted by the Minneapolis Department of Inspections. You must also submit to City CPED a copy of the Code Compliance Certificate issued by the Department of Inspections. When all the work is completed, City CPED will issue a Certificate of Completion and Release of Forfeiture, which documents compliance with all the terms of the Redevelopment Contract and will allow the sale and/or final mortgage to be placed against the property. At this point, the 10% Good Faith Deposit will be refunded within 15 working days. The Certificate of Completion will be necessary for the future sale or re-financing of the property.

SELECTING A GENERAL CONTRACTOR

The City of Minneapolis will not recommend or warranty the work of contractors. Possible general contractor's names may be found by asking for referrals from friends and relatives. We suggest that you check the background of your general contractors and ask about their references, licenses, bonding, and job experience.

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