



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

Date: September 14, 2004

To: MCDA Board of Commissioners

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

Presenter in Committee: Jackie Nawalany, Project Coordinator II

Approved by Chuck Lutz, Deputy CPED Director _____

Subject: Land Sale-Public Hearing
GMHC Century Homes Program

RECOMMENDATION: Rescind the sale to Wisdom Builders, and approve the sale of 2411 Aldrich Avenue North to The Greater Metropolitan Housing Corporation of the Twin Cities for \$19,100 with payment of the purchase price to be paid at time of the land sale.

Previous Directives: MCDA acquired 2411 Aldrich Avenue North on December 18, 2000. On August 12, 2003 the MCDA Board of Commissioners gave approval to sell this parcel to Wisdom Builders under Resolution 2003-2798M.

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): Eliminates property management costs.
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Ward: 3

Neighborhood Notification: The Hawthorne Area Community Council met on August 13, 2004 and voted to support development of this parcel by The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC).

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: This development complies with the Minneapolis 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 Map.

Zoning Code: R2B

Living Wage/Job Linkage: Not applicable

Other: NA

Background/Supporting Information

Purchaser: The Greater Metropolitan Housing Corporation
of the Twin Cities (GMHC)
15 South 5th Street, Suite 710
Minneapolis, Mn. 55402

PROPOSED DEVELOPMENT

2411 Aldrich Avenue North is a buildable vacant lot. Dimensions are 35' x 157' = 5,495 total square feet. MCDA acquired this vacant parcel from Hennepin County. Prior to acquisition, a vacant duplex was on this parcel.

The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC) is proposing to construct an owner occupied, single family, 2-story home with three bedrooms, 2 1/2 bathrooms, and a 2- car detached garage. The home will have approximately 1,650 square feet of finished living area. The estimated value upon completion is \$195,000.

LAND DISPOSITION POLICY

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

FINANCING*

GMHC	
\$147,680	Private Financing
\$ 47,320	Developer Equity
\$ 0	Public Subsidy
<u>\$ 195,000</u>	Total Development Cost

Permanent end loans will be provided through the CityLiving mortgage programs or conventional lenders at market rates.

* Subject to lender application and underwriting approval.

OFFERING PROCEDURE

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

COMMENTS

Wisdom Builders withdrew their offer because they were unable to close on the construction financing.

GMHC has estimated the cost of development to be \$195,000 with an estimated sale price of \$195,000. Current budget projections indicate this development to break even. If the market softens and the house cannot be sold at the proposed price, a construction subsidy may be needed and would be funded from the Century Homes Program. GMHC and MCDA/CPED are partners in the Century Homes Program. Per this partnership agreement, GMHC and MCDA/CPED have agreed to split equally any profits or losses realized from the sale of properties. This parcel was publicly advertised in May 2004 in the Star Tribune and Finance and Commerce. No offers were received in response to the ad.

RESOLUTION

of the

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By _____

Authorizing Sale of Land
GMHC Century Homes
Disposition Parcel No. GC-269

WHEREAS, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcel GC-269, in the Hawthorne neighborhood, from The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC), hereinafter known as the Redeveloper, the Parcel GC-269, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

The south half of Lot 4 and the North 10 feet of Lot 5, Block 13, Highland Park Addition to the City of Minneapolis.

Being registered land as is evidenced by Certificate of Title No. 1061685.

WHEREAS, the Redeveloper has offered to pay the sum of \$19,100, for Parcel GC-269 to the Agency 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 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 August 27, 2004, a public hearing on the proposed sale was duly held on September 14, 2004, following the regularly scheduled Community Development Committee meeting of the City Council, at the Minneapolis City Hall, 350 South 5th Street, Room 317, at 9:30 a.m., in the City of Minneapolis, County of Hennepin, State of Minnesota.

WHEREAS, the Agency on August 22, 2003, by its Resolution No. 2003-2798M, authorized the sale of Parcel TF-588 (GC-269); and

WHEREAS, Wisdom Builders has withdrawn their offer to purchase; and

NOW, THEREFORE, BE IT RESOLVED, that the action taken by the Agency in its Resolution No. 2003-2798M, authorizing the sale of Parcel TF-588 (GC-269) to Wisdom Builders be rescinded; and

BE IT FURTHER RESOLVED, that the re-use value for uses in accordance with the GMHC Century Homes plan, as amended, is hereby estimated to be the sum of \$19,100 for Parcel GC-267, 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 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 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,							
Niziolek							chair							
Vote: NV - Not Voting			Abs - Absent			Ovrd - Vote to Override			Sust - Vote to Sustain					

ADOPTED _____ **Chairperson**

APPROVED _____

NOT APPROVED _____ **Mayor**

Address: 2411 Aldrich Avenue North

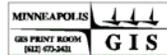
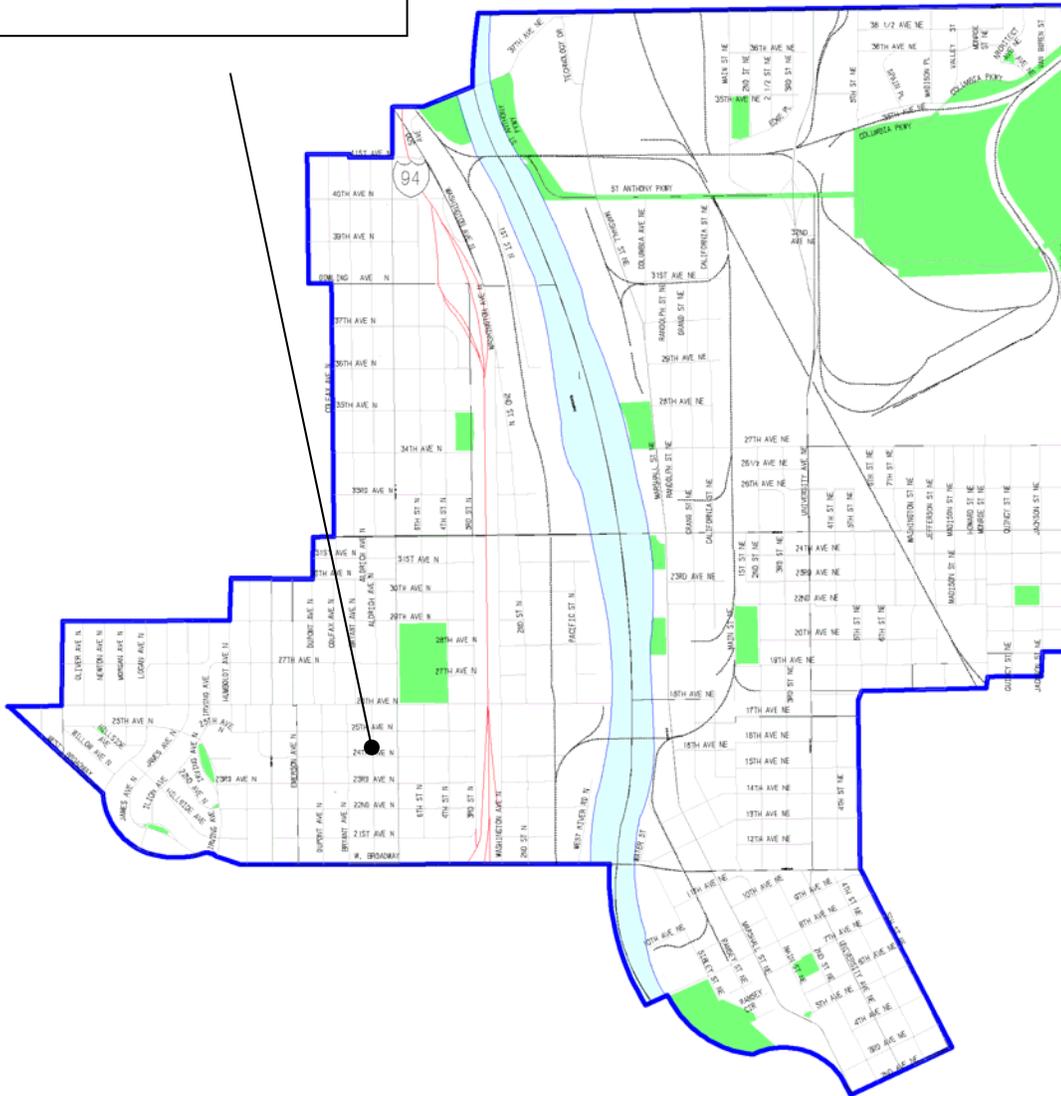
Parcel: GC-267

Purchaser: The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC)

Sq. Footage: 5,495

Zoning: R2B

WARD 3



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