



Document No. 2004-016M

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

Date: February 17, 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 _____
Lee Pao Xiong, Director, Housing _____

Subject: Land Sale-Public Hearing 420-424 25th Ave. No.
Disposition Parcel: GC-254

RECOMMENDATION: Approve the sale of 420-424 25th Avenue North to The Greater Metropolitan Housing Corporation of the Twin Cities(GMHC) for \$20,000.

Previous Directives: MCDA acquired 420-424 25th Avenue North (HAW 44-9) on May 15, 1997 and 424 25th Avenue North (TF-678) on May 15, 2003.

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):
- 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 December 1, 2003 and voted to support development of this lot by The Greater Metropolitan Housing Corporation of the Twin Cities.

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 and section 4.11 states “Minneapolis will 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

Background/Supporting Information

Purchaser: The Greater Metropolitan Housing Corporation
of the Twin Cities
15 South 5th Street, Suite 710
Minneapolis, MN 55402

MCDa received 420-25th Avenue North as a donation. We demolished the existing structure and combined this lot with the tax forfeited parcel we acquired at 424-25th Avenue North for a buildable lot. Dimensions are 78.5 x 86.2 or 6,766.7 total square feet.

PROPOSED DEVELOPMENT

The Greater Metropolitan Housing Corporation of the Twin Cities is proposing to construct an owner occupied, single family, two-story home with 3 bedrooms, 2 ½ bathrooms, and a 2 car detached garage. A variance may be required for this garage. If a variance cannot be obtained, the garage will be attached to the house. The home will have approximately 1,700 square feet of finished living area.

LAND DISPOSITION POLICY

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

FINANCING

GMHC

\$148,000 Private Financing

\$ 47,000 Developer Equity

\$ 1,540 Public Subsidy

\$196,540 Total Development Cost

Permanent end loans will be provided through the Minneapolis / St. Paul mortgage programs or conventional lenders at market rates.

OFFERING PROCEDURE

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

COMMENTS

GMHC has estimated the cost of development to be \$196,540 with an estimated sale price of \$195,000. Current budget projections indicate a subsidy of \$1,540 is needed and would be funded through the Century Homes Program. The Century Homes

agreement requires any losses or profits to be split evenly between CPED and GMHC. With this proposed development each partner would provide \$770 for the subsidy. If the market changes and the house is not sold for the proposed sales price, there is the potential for either a greater subsidy, or possibly a profit.

No other offers were received for this property.

No. 2004-2876M

RESOLUTION

of the

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By _____

Authorizing Sale of Land
GMHC Century Homes Program
Disposition Parcel No. GC-254

WHEREAS, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcel GC-254, in the Hawthorne neighborhood, from The Greater Metropolitan Housing Corporation of the Twin Cities, hereinafter known as the Redeveloper, the Parcel GC-254, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

420-25th Avenue North (HAW 44-9) and 424-25th Avenue North (TF-678)
The West ½ of Lots 9 and 10, Block 2, Woodland Park.

WHEREAS, the Redeveloper has offered to pay the sum of \$20,000, for Parcel GC-254 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 February 6, 2004, a public hearing on the proposed sale was duly held on February 17, 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 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 GMHC Century Homes Project plan, as amended, is hereby estimated to be the sum of \$20,000 for Parcel GC-254, 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
VETOED _____.

Mayor

Address: 420-424 25th Avenue North

Parcel: GC-254

Purchaser: The Greater Metropolitan Housing Corporation of the Twin Cities

Sq. Footage: 6,766

Zoning: R2B

WARD 3

