



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

Date: September 14, 2004

To: MCDA Board of Commissioners

Prepared by: Earl Pettiford, Housing Project Coordinator, Phone 612-673-5231

Presenter in Committee: Earl Pettiford

Approved by: Chuck Lutz, Deputy CPED Director _____

Subject: Land Sale – Public Hearing
Model Cities Urban Renewal Program

RECOMMENDATION: Approve the sale of 2830 - 12th Avenue South for \$21,000 to The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC).

Previous Directives: The MCDA acquired 2830 - 12th Avenue South on July 23, 1996.

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: 6

Neighborhood Notification: Midtown Phillips reviewed this proposal on June 9, 2004, and recommended it be approved.

City Goals: The construction of this home will create a new ownership opportunity for a family at or below 80% of MMI.

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".

Zoning Code: R2B, It conforms.

Living Wage/Job Linkage: N/A

Background/Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
MC 250-14/GC-270	2830 - 12th Ave. S.	\$21,000

PURCHASER

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

PROPOSED DEVELOPMENT:

2830 - 12th Ave. S.

New construction of a 3-bedroom, 1,496 square foot single family home. The lot size is 32' x 128' = 4,212 total square feet.

LAND DISPOSITION POLICY:

These properties are buildable lots as defined by MCDA policy and are being sold for development.

FINANCING*:

Private Lender \$148,000

Cash on Hand \$50,000

*Subject to application and underwriting requirements.

OFFERING PROCEDURE:

Public Advertisement. The sales price of this parcel reflects the full re-use value.

COMMENTS:

This lot was advertised in the Star Tribune and Finance and Commerce in April 2004. GMHC was the only developer to submit an offer. The total development cost is estimated at \$198,065. 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. The home is expected to sell for \$210,000. GMHC has estimated a profit of \$11,935 of which CPED will receive 50%. GMHC has requested that payment of the \$21,000 land sale price be deferred until they close on the sale to an owner occupant.

RESOLUTION

of the

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By _____

Authorizing Sale of Land
GMHC Century Homes Program
Disposition Parcel No. GC-270

WHEREAS, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcel GC-270, in the Phillips neighborhood, from The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC), hereinafter known as the Redeveloper, the Parcel GC-270, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

Lot 11, Block 1, Avery's Chicago Avenue Addition to Minneapolis.

WHEREAS, the Redeveloper has offered to pay the sum of \$21,000, for Parcel GC-270 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 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 Model City Urban Renewal Project plan, as amended, is hereby estimated to be the sum of \$21,000 for Parcel GC-270, 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 _____

APPROVED _____

NOT APPROVED _____

VETOED _____

Chairperson

Mayor

Address: 2830-12th Avenue South

Parcel: GC-268

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

Sq. Footage: 4,212

Zoning: R2B

WARD 6

