



**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: Tiffany Glasper, Project Coordinator III, Phone 612-673-5221
Presenter in Committee: Tiffany Glasper, Project Coordinator III

Approved by Chuck Lutz, Deputy CPED Director _____

Subject: Land Sale – Public Hearing
GMHC Century Homes Program

RECOMMENDATION: Approve sale of 1218 25th Avenue North and 1400 25th Avenue North to The Greater Metropolitan Housing Corporation with payment of the purchase prices made at the land sale closing.

Previous Directives: MCDA acquired 1218-25th Avenue North on June 5, 1996 and acquired 1400-25th Avenue North on November 16, 1993.

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): Sale of these parcels will eliminate future property management expenses.
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Ward: 3

Neighborhood Notification: Jordan Area Community Council's Housing Committee reviewed the proposals presented by The Greater Metropolitan Housing Corporation on July 6, 2004 and recommended approval of those proposals.

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. 1218 25th Avenue North is zoned R2B. 1400 25th Avenue North is zoned R1A.

Living Wage/Job Linkage: NA

Other: Elevations and house plans were submitted to CPED’s Planning and Zoning staff for their review and comment.

BACKGROUND/SUPPORTING INFORMATION:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
JOR 93-11/GC-271	1218 25th Avenue North	\$18,000
JOR 36-14/GC-272	1400 25 th Avenue North	\$23,500

PURCHASER

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

MCDA acquired 1218 25th Avenue North from FBS Mortgage Corporation via foreclosure donation on June 5, 1996. The parcel contained a vacant and blighted dwelling. The lot size is 40’ x 100’ = 4,000 sq. ft.

MCDA acquired 1400 25th Avenue North from First Bank (now US Bank) via foreclosure on November 16, 1993. The parcel contained a vacant and blighted duplex. The lot size is 43’ x 217’ = 9,331 sq. ft.

PROPOSED DEVELOPMENT:

The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC) is proposing the following developments:

1218 25th Avenue North

The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC) is proposing construction of a two-story, single family home with a detached, two-car garage. The home will contain three bedrooms, two and a half bathrooms and a total of

approximately 1,500 sq. ft. of finished living space. They have estimated the home's value upon completion at \$195,000 and it will be sold to an owner-occupant.

1400 25th Avenue North

The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC) is proposing construction of a two-story, single family home with a detached, two-car garage. The home will contain three bedrooms, two and a half bathrooms and a total of approximately 1,500 sq. ft. of finished living space. They have estimated the home's value upon completion at \$200,000 and it will be sold to an owner-occupant.

The Greater Metropolitan Housing Corporation of the Twin Cities (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. Per the above development proposal, budget projections indicate an estimated net profit as follows:

	1218 25th Ave N	1400 25th Ave N
Development Costs	\$195,000.00	\$200,000.00
Est. Sales Price	\$195,000.00	\$200,000.00
Total Loss/Profit	\$0.00	\$0.00
CPED Loss/Profit	\$0.00	\$0.00

LAND DISPOSITION POLICY:

These lots are buildable as defined by CPED's policy.

FINANCING:

The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC) has demonstrated sufficient financing for the proposed new construction projects. The developer has requested to defer the purchase prices until the sale of the homes. This request is in compliance with CPED's disposition policy.

OFFERING PROCEDURE:

Public advertisement. The sale prices reflect the appraised reuse values for these parcels.

COMMENTS:

1218-25th Avenue North has been available to the public via our web site since May 2003. 1400-25th Avenue North has been available to the public via our web site since approximately June 2003.

CPED staff received development proposals from The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC) for the redevelopment of 1218 and 1400 25th Avenue North. Proposals were received on June 7, 2004 in response to a public advertisement. There were no competing proposals.

The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC) has an established and successful relationship with CPED/MCDA as a partner in the Century Homes Program. Through the Century Homes program, CPED/MCDA is committed to

providing 100 lots per year to GMHC for the development of market rate single family homes. GMHC has a long history of building quality single-family homes in the City of Minneapolis.

Representatives from The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC) presented their proposals at the July 6, 2004 meeting of the Jordan Area Community Council's (JACC) Housing Committee. Members of JACC's Housing Committee recommended approval of GMHC's proposals.

CPED staff conducted a formal professional review of the proposals and supports the neighborhood's recommendation.

CPED staff also sought professional opinions from Planning and Zoning staff on the proposed new construction developments. Planning staff concurred that the proposed new construction homes are appropriate at these locations.

FOR COMMISSIONERS USE ONLY

TOTAL ACQUISITION COSTS INCURRED BY MCDA ATTRIBUTABLE TO THE FOLLOWING PROPERTIES:

Date: September 14, 2004

Subject: Land Sale - Public Hearing

Address: 1218 25th Avenue North
1400 25th Avenue North

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

Dispo/Acq Parcel No. Date Acq.	Address	Total MCDA Cost	Less Sales Price	Write-off
JOR 93-11/ GC-271 6/5/96	1218 25th Ave N	\$ 8,585	(-) \$ 18,000	(+) \$1,415
JOR 36-14/ GC-272 11/16/93	1400 25 th Ave N	\$ 9,320	(-) \$23,500	(+) \$14,180

Reuse Value Opinion	Less Sales Price	Write-Down
\$18,000	(-) \$18,000	\$0.00
\$23,500	(-) \$23,500	\$0.00

Write-Down

None

Developer History with MCDA: The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC) has an established and successful relationship with CPED/MCDA as a partner in the Century Homes Program. Through the Century Homes program, CPED/MCDA is committed to providing 100 lots per year to GMHC for the development of market rate single family homes. GMHC has a long history of building quality single-family homes in the City of Minneapolis.

Developer Information:

- Single Individual(s)
- Family with ___ Dependents (one or more adults with dependents)
- General Partnership
- Limited Partnership
- Non Profit Corporation of the State of Minnesota

RESOLUTION

of the

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By _____

Authorizing Sale of Land
GMHC Century Homes
Disposition Parcel No's GC-271 & 272

WHEREAS, the Minneapolis Community Development Agency, hereinafter known as the Agency, has received an offer to purchase and develop Disposition Parcels GC-271 & 272, in the Jordan neighborhood, from The Greater Metropolitan Housing Corporation of the Twin Cities (GMHC), hereinafter known as the Redeveloper, the Parcels GC-271 & 272, being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

(See Exhibit A Attached Hereto)

WHEREAS, the Redeveloper has offered to pay the sum of \$18,000 (1218-25th Av N), and \$23,500 (1400-25th Av N), for Parcels GC-271 & 272, to the Agency for the land, and the Redeveloper's proposals are 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 values reviewed by an appraisal expert, stating that the re-use value opinions are consistent with the accepted methods in aiding the Agency in determining re-use values for the Parcels; 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 values for uses in accordance with the GC-271 & 272 plan, as amended, is hereby estimated to be the sum of \$18,000 (1218-25th Av N), and \$23,500 (1400-25th Av N) for Parcels GC-271 & 272, and

BE IT FURTHER RESOLVED, that the acceptance of the offers and proposals are 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 parcels in accordance with the Redevelopment Plan and/or Program; and

BE IT FURTHER RESOLVED, that the proposals be and the same are 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 _____.

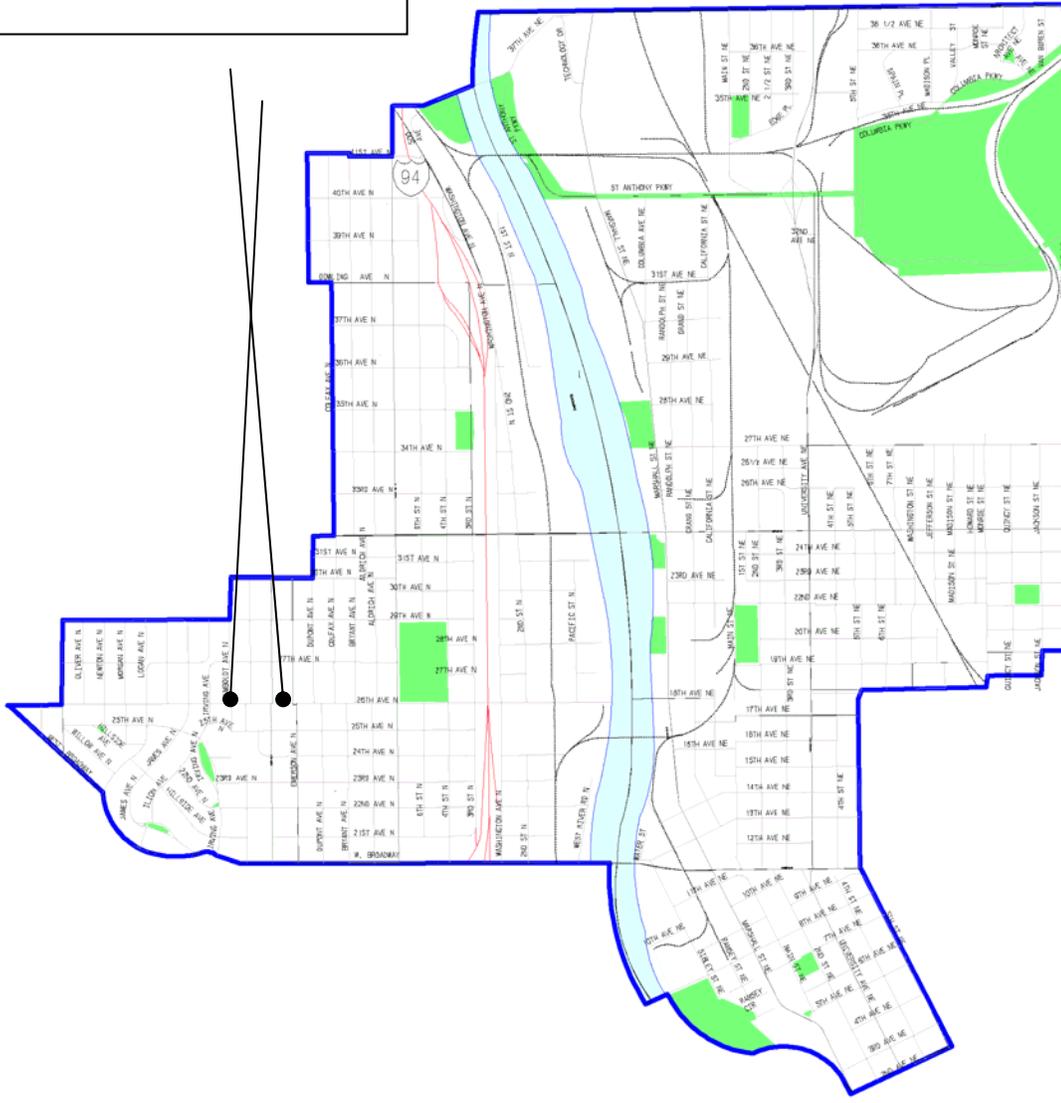
Mayor

Address: 1218-25th Ave N; (JOR 93-11), 4,000 sf,
zoned: R2B

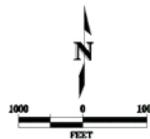
1400-25th Av N; (JOR 36-14), 9,331 sf, zoned: R1A

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

WARD 3



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for the information represented here.



1218-25th Avenue North (JOR 93-11/GC-271)

1400-25th Avenue North (JOR 36-14/GC-272)
Lot 14, Block 1, Forest Heights.