

Request for Committee Action

To: Community Development & Regulatory Services
Date: 3/22/2016
From: Community Planning & Economic Development
Prepared by: Earl S. Pettiford, Senior Project Coordinator
Presented by: Earl S. Pettiford, Senior Project Coordinator
File type: Resolution
Subcategory: Land Sale

Subject:

Land Sale: 2435, 2439 & 2441 16th Ave. S. to Twin Cities Habitat for Humanity, Inc.

Description:

Passage of a Resolution approving the sale of the properties at 2435, 2439 & 2441 16th Ave. S., MC 132-32, MC 132-33 & VH-654 to Twin Cities Habitat for Humanity, Inc. for \$25,100 (\$10,100, \$5,000 and \$10,000 respectively), subject to conditions.

Previous Actions:

On March 30, 2012, City Council authorized staff to begin marketing and selling properties acquired under the Land Bank strategy of the City's Neighborhood Stabilization Program (NSP 1, 2 and 3) using the City's normal disposition policies and procedures for development parcels.

On December 11, 2015, the City Council approved the Vacant Housing Recycling Program that defines the program guidelines for disposition of vacant buildings and lots for housing development.

The City acquired 2435, 2439 & 2441 16th Ave. S. on February 5, 1990, October 20, 1997 and November 17, 2010 respectively.

Ward /Address:

Ward 9
2435, 2439 & 2441 16th Ave. S.

Background/Analysis:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
MC 132-32	2435 16 th Ave S.	\$10,100
MC 132-33	2439 16 th Ave S.	\$ 5,000
VH 654	2441 16 th Ave. S	\$10,000

PURCHASER

Twin Cities Habitat for Humanity, Inc.
1954 University Ave W.
St Paul, MN 55104

PROPOSED DEVELOPMENT:

The three parcels as currently configured total approximately 13,284 square feet. However, 2439 16th Ave. S. is a non-buildable parcel due to its size (24' X 123'). Twin Cities Habitat for Humanity, Inc. (Habitat) proposes to reconfigure the three parcels into two 54' x 123' parcels.

Habitat proposes to build two single family homes. One is a 1,480 square foot, four-bedroom, two-bath and the other is a 1,700 square foot five-bedroom, two-bath home each having a two-car detached garage. The homes will be sold to two low and moderate income families.

LAND DISPOSITION POLICY:

The sale of these properties is in compliance with the City's Disposition Policy. The sales price of these properties reflects the full re-use value.

FINANCING*:

Cash reserves.

COMMENTS:

On November 17, 2010, the city acquired the vacant lot at 2441 16th Ave. S. from Wells Fargo Bank, NA for \$1.00 under the Neighborhood Stabilization Program (NSP), Land Banking activity. The vacant land is in the city's property inventory for housing development. In keeping with the program, all land sale proceeds, equal to the fair market value, will be returned to the NSP Program to cover ongoing program costs.

To expedite the development of the this project, City staff recommends selling the three parcels to Habitat and allow them the opportunity to reconfigure the parcels as opposed to the City of Minneapolis doing the reconfiguration before the sale.

Notification was provided to the East Phillips neighborhood.

Financial Review:

No additional appropriation required, amount included in current budget.

- Elimination of future property management costs estimated at \$3,600 per parcel per year.
- Proposed Net Sale Proceeds (see attached table): \$18,424
- Proposed Re-Use Value Write-Down (see attached table): \$0

Future budget impact anticipated.

Approved by the Permanent Review Committee.

Meets Small and Underutilized Business Program goals.

Attachments:

1. Twin Cities Habitat for Humanity Land Sale_Resolution
2. Twin Cities Habitat for Humanity Land Sale_Ward Map
3. Twin Cities Habitat for Humanity Land Sale Cost Sheet
4. Twin Cities Habitat for Humanity Land Sale_Schematics