

City of Minneapolis
Request for Committee Action

To: Community Development & Regulatory Services
Date: 4/19/2016
Referral: N/A
From: Community Planning & Economic Development
Prepared by: Roxanne Young Kimball
Presented by: Roxanne Young Kimball
File type: Resolution
Subcategory: Land Sale

Subject:

Land Sale: 1715 Oliver Ave. N. to DBH Homes, LLC

Description:

Passage of a Resolution approving the sale of the property at 1715 Oliver Ave. N., TF-899, to DBH Homes, LLC for \$29,000, subject to conditions.

Previous Actions:

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 1715 Oliver Ave. N. on October 23, 2015.

Ward/Address:

Ward 5
1715 Oliver Ave. N.

Background/Analysis:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-899	1715 Oliver Ave. N.	\$29,000

PURCHASER

DBH Homes, LLC
10412 Oregon Ave. N.
Brooklyn Park, MN 55445

PROPOSED DEVELOPMENT:

The property was constructed in 1922 and is a 2,907 square foot, three-bedroom, two-bath single family home that will be rehabilitated to meet the Vacant Housing Recycling Program's (VHRP) rehabilitation standards, including addressing all code deficiencies.

The lot size is 41' x 123' = approximately 5,043 total square feet.

Purchaser proposes to rehabilitate 1715 Oliver Ave. N. as a three-bedroom, two-bath single family home and sell the property for owner-occupancy.

LAND DISPOSITION POLICY:

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

FINANCING:

Purchaser: Financing, documented with a pre-approval letter dated within 30 days of application.

COMMENTS:

On October 23, 2015, the City acquired this single family home from the State of Minnesota as tax-forfeited land. The City is in the process of clearing title and closing will take place after title has been cleared.

This property was publicly advertised on the City's website and through e-mail notification to a list of over 600 developers and homebuyers. The City is selling this property in its as-is condition. An informational meeting was held in December 2015 to inform potential developers and homebuyers about the City's disposition process and VHRP program information is posted on the City's website. An open house was held to allow potential purchasers to inspect the property and a two-week application period was provided after the open house. There were two offers received for the acquisition and rehabilitation of the subject property.

Staff recommends DBH Homes, LLC (DBH) as the Purchaser. DBH intends to rehabilitate the property to meet VHRP rehabilitation standards.

Notification was provided to the Willard-Hay neighborhood.

Financial Review:

No additional appropriation required, amount included in current budget.

- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Net Sale Proceeds (see attached table): \$23,681
- 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. 1715 Oliver Ave. N. Land Sale_Resolution
2. 1715 Oliver Ave. N. Land Sale_Ward Map
3. 1715 Oliver Ave. N. Land Sale_Cost Sheet
4. 1715 Oliver Ave. N. Land Sale_Example of DBH Homes LLC Property