

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: 3014 Logan Ave. N. to Twin Cities Habitat for Humanity, Inc.

Description:

Passage of a Resolution approving the sale of the property at 3014 Logan Ave. N., TF-900, to Twin Cities Habitat for Humanity, Inc. for \$12,000, subject to conditions, and if Twin Cities Habitat for Humanity, Inc. fails to close, approving the sale of the property at 3014 Logan Ave. N., TF-900, to Homes Minnesota LLC for \$12,000, 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 3014 Logan Ave. N. on October 23, 2015.

Ward/Address:

Ward 5
3014 Logan Ave. N.

Background/Analysis:

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-900	3014 Logan Ave. N.	\$12,000

PURCHASER

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

ALTERNATE PURCHASER

Homes Minnesota LLC
5601 Indiana Ave. N.
Brooklyn Center, MN 55429

PROPOSED DEVELOPMENT:

The property was constructed in 1918 and is a 2,304 square foot, three-bedroom, one-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 40' x 126' = approximately 5,048 total square feet.

Purchaser proposes to rehabilitate 3014 Logan Ave. N. as a three-bedroom, one-bath single family home and sell for homeownership.

Alternate Purchaser proposes to rehabilitate 3014 Logan Ave. N. as a three-bedroom, one-bath single family home and sell for homeownership.

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: Cash, documented with financial statement dated within 30 days of application.

Alternate Purchaser: Line of credit, documented with financial statement 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 is 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 six offers received for the property.

Staff recommends Twin Cities Habitat for Humanity, Inc. (TCHFH) as the Purchaser. TCHFH intends to rehabilitate the property to meet VHRP rehabilitation standards.

Staff recommends Homes Minnesota LLC (Homes MN) as the Alternate Purchaser. Homes MN intends to rehabilitate the property to meet VHRP rehabilitation standards.

Notification was provided to the Jordan 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): \$8,009
- 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. 3014 Logan Ave. N. Land Sale_Resolution
2. 3014 Logan Ave. N. Land Sale_Ward Map
3. 3014 Logan Ave. N. Land Sale_Cost Sheet
4. 3014 Logan Ave. N. Land Sale_Example TC Habitat for Humanity Property
5. 3014 Logan Ave. N. Land Sale_Example Homes Minnesota LLC Property