



Request for City Council Committee Action from the Department of Community Planning & Economic Development - CPED

Date: June 9, 2015

To: Council Member Lisa Goodman, Chair, Community Development & Regulatory Services Committee

Subject: Land Sale Public Hearing
Vacant Housing Recycling Program

Recommendation:

1. Approve the sale of 3522 Aldrich Ave. N. to Hashim Yonis for \$28,000 subject to the following conditions; a) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City, and b) payment of holding costs of \$300.00 per month if the land sale closing does not occur on or before the closing deadline. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.
2. If Hashim Yonis fails to close, approve the sale of 3522 Aldrich Ave. N. to Northside Home LLC for \$28,000 subject to the following conditions; a) land sale closing must occur on or before 30 days from date of City notification, and b) payment of holding costs of \$300.00 per month from the date of notification to the date of closing if the land sale closing does not occur on or before 30 days from the date of City notification. The sale conditions may be waived or amended with approval of the Community Planning & Economic Development (CPED) Director.

Previous Directives: The City acquired this property through Hennepin County Tax Forfeited Land on January 21, 2015.

Prepared by: Roxanne Young Kimball, Senior Project Coordinator, Phone 612-673-2794
 Approved by: D. Craig Taylor, Director CPED _____
 Charles T. Lutz, Deputy Director CPED _____
 Presenter(s) in Committee: Roxanne Young Kimball, Senior Project Coordinator

Financial Impact

- Action is within the Business Plan
- Elimination of future property management costs estimated at \$3,600 per year.
- Proposed Net Sale Proceeds (see attached table): \$23,229
- Proposed Re-Use Value Write-Down (see attached table): \$0

Community Impact

- Neighborhood Notification: The McKinley Community was notified of the sale and supports sale for rehab by an owner occupant.
- City Goals: LIVING WELL Minneapolis is safe and livable and has an active and connected way of life.
- Comprehensive Plan: On June 4, 2015, the Planning Commission Committee of the Whole reviewed this proposal and recommended approval for consistency with the Comprehensive Plan.
- Zoning Code: It complies.
- Other: On May 15, 2015, the Planning Staff completed the land sale review process.

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>SALE PRICE</u>
TF-859	3522 Aldrich Ave. N.	\$28,000

PURCHASER

Hashim Yonis
3458 James Ave. N.
Minneapolis, MN 55412

ALTERNATE PURCHASER

Northside Home LLC
1035 East Franklin Avenue
Minneapolis, MN 55404

PROPOSED DEVELOPMENT:

The property was constructed in 1924 and is a 1,200 sq. ft. three bedroom, one bath single family home that will be rehabilitated to meet the Vacant Housing Recycling Program's rehabilitation standards, including addressing all code deficiencies. It was registered as a vacant building in August 2009.

The lot size is 40' x 126' = approximately 4,976 total square feet.

Hashim Yonis proposes rehab by Villamil Construction Company, a general contractor that has 10 years of experience completing rehab of single family homes. Mr. Yonis intends to sell his current residence at 3458 James Ave. N. and owner-occupy 3522 Aldrich Ave. N.

Northside Home LLC is a partnership between Urban Homeworks and Project for Pride in Living. They propose a complete rehab of the property for marketing and sale to an owner occupant or rented short term until the home occupant is prepared to purchase.

LAND DISPOSITION POLICY:

This property is being sold for development and will be improved by rehabilitation as defined by City policy.

FINANCING*:

Purchaser: Cash, documented with bank statements provided within the past 30 days.
Alternate Purchaser: Foundation financing.

OFFERING PROCEDURE:

Public Advertisement. The sales price of this property is a restricted appraisal performed by an independent fee appraiser.

COMMENTS:

This tax forfeited property was publicly advertised on the City of Minneapolis website and through e-mail notification to a list serve of 200+ developers and homebuyers. Two informational meetings were held to inform potential developers and homebuyers about the City's disposition process and the information was 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. Two complete offers were received. Mr. Yonis is recommended by staff due to his intention to owner-occupy the property as his primary residence. The City is selling this property in its as-is condition and is conveying clear title.

Authorizing sale of land Vacant Housing Recycling Program Disposition Parcel TF-859.

Whereas, the City of Minneapolis, hereinafter known as the City, has received an offer to purchase and develop disposition Parcel TF-859, in the McKinley neighborhood, from Hashim Yonis, hereinafter known as the Redeveloper and another offer to purchase and develop Parcel TF-859 from Northside Home LLC hereinafter known as the Alternate Redeveloper, the Parcel TF-859 being the following described land situated in the City of Minneapolis, County of Hennepin, State of Minnesota to wit:

LEGAL DESCRIPTION

TF-859; 3522 Aldrich Ave. N.

Lot 21, Block 1, Hilltop Addition to Minneapolis

Whereas, the Redeveloper has offered to pay the sum of \$28,000, for Parcel TF-859; the offer included a development plan and commitment to improve by rehabilitating the existing structure. This offer is in accordance with the applicable Redevelopment Plan and/or Program; and

Whereas, the Alternate Redeveloper has offered to pay the sum of \$28,000 for Parcel TF-859; the offer included a development plan and commitment to improve by rehabilitating the existing structure. This offer is in accordance with the applicable Redevelopment Plan and/or Program; and

Whereas, both the Redeveloper and the Alternate Redeveloper have submitted to the City statements of financial responsibility and qualifications; and

Whereas, the City 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 City in determining a re-use value for the Parcel; and

Whereas, pursuant to due notice thereof published in *Finance and Commerce* on May 29, 2015, a public hearing on the proposed sale was duly held on June 9, 2015, at the regularly scheduled Community Development & Regulatory Services 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 by The City Council of The City of Minneapolis:

That the re-use value for uses in accordance with the Vacant Housing Recycling Program plan, as amended, is hereby estimated to be the sum of \$28,000 for Parcel TF-859.

Be It Further Resolved that the acceptance of the offers and proposals are both hereby determined to be in accordance with the City's approved disposition policy and it is further determined that both the Redeveloper and the Alternate Redeveloper possess the qualifications and financial resources necessary to acquire and develop the parcel in accordance with the Redevelopment Plan and/or Program, but that the City prefers the Redeveloper's proposal over the Alternate Redeveloper's proposal.

Be It Further Resolved that the Redeveloper's proposal is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions;

1) land sale closing must occur on or before 90 days from the date this Resolution is approved by the City and 2) payment of holding costs of \$300.00 per month if the land sale closing does not occur on or before the closing deadline.

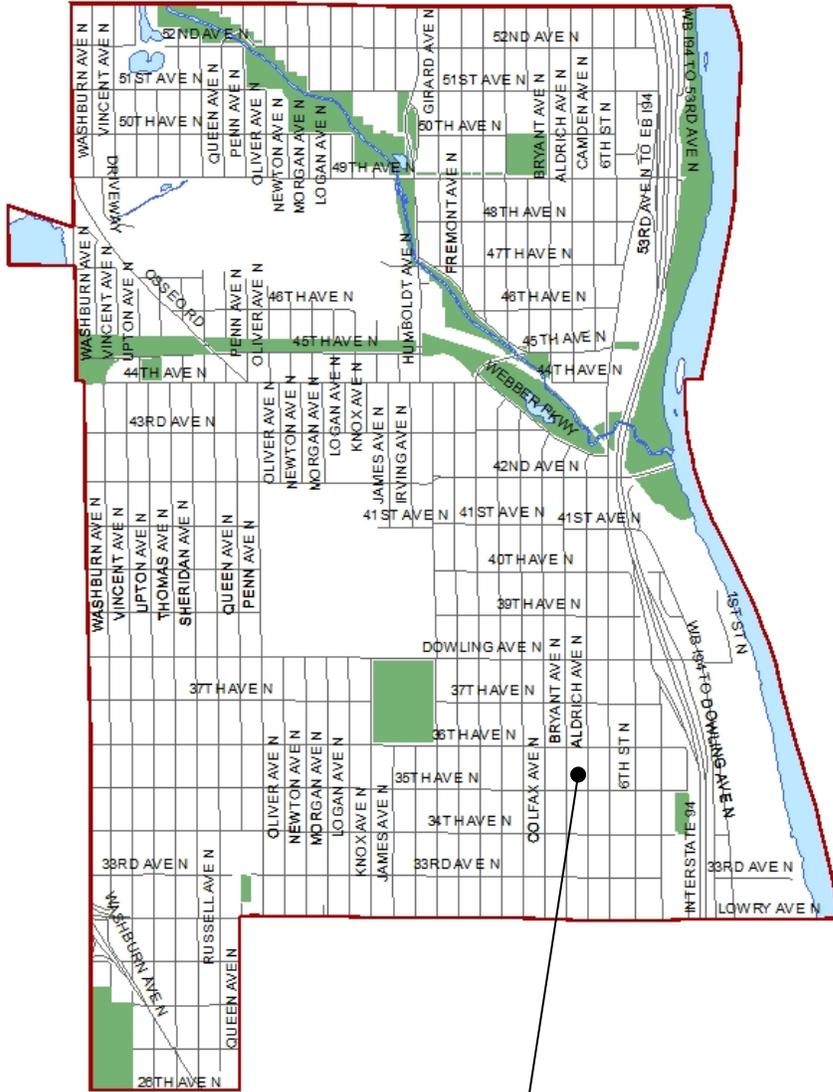
Be It Further Resolved that if and only if Redeveloper fails to close on the land sale pursuant to the conditions described above, the Alternate Redeveloper's proposal is hereby accepted, subject to the execution of a contract for the sale of land and further subject to the following conditions; 1) land sale closing must occur on or before 30 days from the date of City notification to the Alternate Redeveloper and 2) payment of holding costs of \$300.00 per month from the date of notification if the land sale closing does not occur on or before 30 days from the date of City notification to the Alternate Redeveloper.

Be It Further Resolved that the sale conditions described above may be waived or amended with the approval of the CPED Director.

Be it Further Resolved that upon publication of this Resolution, the Finance Officer or other appropriate official of the City be and the same is hereby authorized to execute and deliver the contract to the Redeveloper or Alternate Redeveloper, as appropriate; provided, however, that this Resolution does not constitute such a contract and no such contract shall be created until executed by the Finance Officer or other appropriate official of the City.

Be It Further Resolved that the Finance Officer or other appropriate official of the City is hereby to execute and deliver a conveyance of the land to the Redeveloper or the Alternate Redeveloper, as appropriate; in accordance with the provisions of the executed contract and upon payment to the City 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 and delivered by the Finance Officer or other appropriate City official of the City.

Ward 4



Address: 3522 Aldrich Ave N



Minneapolis
City of Lakes
Community Planning &
Economic Development



TOTAL ACQUISITION COSTS INCURRED BY CPED ATTRIBUTABLE TO THE FOLLOWING PROPERTY:

Date: June 9, 2015
 Subject: Land Sale – Public Hearing
 Vacant Housing Recycling Program
 Address: 3522 Aldrich Ave. N.
 Purchaser: Hashim Yonis

	A	B	C	D	E	F	G
Address	Purchase Price	Acquisition/ Demolition/ Other Costs	Total CPED Cost to Assemble (A+B)	Re-Use Value Opinion	Sale Price	CPED Cost Write-Off or Sale Proceeds (if > 0) (E-C)	Re-Use Value Write Down (if < 0) (E-D)
3522 Aldrich Ave N	\$3,000	\$1,771	\$4,771	\$28,000	\$28,000	\$23,229	\$0
Total	\$3,000	\$1,771	\$4,771	\$28,000	\$28,000	\$23,229	\$0

Developer History with CPED:

This is the developer's first proposal to purchase property from the City for development.

Developer Information:

- Single Individual(s)
- Married Individual(s)
- Limited Liability Partnership of the State of Minnesota
- Limited Liability Company of the State of Minnesota
- Corporation of the State of Minnesota
- Nonprofit Corporation of the State of Minnesota
- Other

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Developer History with CPED:

Northside Home LLC has previously purchased property from the City for development.

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