

# HRA Agenda Item



Originator Housing and Redevelopment Authority	Item <b>Public Hearing - Approval of Contract for Private Development and Sale of 10040 Pleasant Avenue South</b>
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Date 6/28/2016
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Description

As required by Minnesota Statute, the HRA must conduct a public hearing in order to enter into a Contract for Private Development. Staff is proposing to enter into a Contract for Private Development with Corey and Kathryn Malczewski, for the HRA owned lot at 10040 Pleasant Avenue South. The sales price is \$104,000. Mr. & Ms. Malczewski are proposing to build a four bedroom single family home on the site with a value of \$410,000. They will be contracting with Country Joe Homes to construct the home, which they will occupy.

The builder and the buyers will be in attendance to answer questions about the project. Staff has reviewed the attached floor plans and elevations and has determined that the home will meet or exceed program requirements. If approved, the buyer intends to close on the sale quickly and begin construction in July or August, with the home completed by the end of 2016.

The HRA acquired the property in 1994 and it was included as a rental property for the HRA's Rental Homes for First Time Home Buyers Program. In 2006 it was determined that the structure no longer could be maintained economically and the HRA removed the home and garage and placed the lot for sale. The HRA used Community Development Block Grant (CDBG) funding to acquire the property in 1994. The net proceeds of the sale must be returned to the CDBG program and re-programmed into approved activities.

Purchase Price	\$72,850
Demo Cost	13,330
Legal and Miscellaneous	39
Holding Costs, Assessments, 1 <sup>st</sup> Year Property Taxes, etc.	7,324
<u>Total</u>	<u>\$83,543</u>

Sales Price	\$104,000
<u>Gain to CDBG Program</u>	<u>\$ 22,457</u>

2016 Lot Assessed Value	\$103,400
List Price:	\$109,000
Lot Size	24,782 (Sqft)

Requested Action

Approval of the Contract for Private Development for 10040 Pleasant Avenue South with Corey and Kathryn Malczewski in the Amount of \$104,000.

Attachments:

Contract for Private Redevelopment: 10040 Pleasant Avenue South

Draft Plans: 10040 Pleasant Avenue South