



City of Duluth

411 West First Street
Duluth, Minnesota 55802

Master

File Number: 19-016-O

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**Agenda
Section:**

Committee: Planning and
Economic
Development

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Final Action: 05/13/2019

Title: AN ORDINANCE AUTHORIZING THE CONVEYANCE OF CERTAIN REAL PROPERTY IN THE CODY NEIGHBORHOOD TO WESTERN LAKE SUPERIOR HABITAT FOR HUMANITY FOR \$1.

Internal Notes: JC:sl

Sponsors:

Enactment Date: 05/13/2019

Attachments: Exhibit 1, Exhibit 2

Enactment Number: 10621

Recommendation:

Hearing Date:

Drafter: slapaugh@duluthmn.gov

Effective Date:

History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council	04/22/2019	read for the first time				
1	City Council	05/13/2019	adopted				

Text of Legislative File 19-016-O

AN ORDINANCE AUTHORIZING THE CONVEYANCE OF CERTAIN REAL PROPERTY IN THE CODY NEIGHBORHOOD TO WESTERN LAKE SUPERIOR HABITAT FOR HUMANITY FOR \$1.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1.

(a) Pursuant to Section 2-176(a) of the Duluth City Code, 1959, as amended (the "Code"), the city council stated its intention to sell or convey certain property as set forth in Resolution 17-0567, legally described as Lots One (1), Two (2), Three (3), and Four (4), Block Seventy-eight (78), West Duluth, Sixth Division, St. Louis County, Minnesota, and depicted on the attached Exhibit 1 (the "Property").

(b) Pursuant to Section 2-176(b) of the Code, the city's planning department reviewed the proposed conveyance of the Property for conformity to the city's comprehensive plan and reported that the conveyance of the Property conforms with said comprehensive plan and the Property is surplus to the city's current or future needs.

(c) Pursuant to Section 2-176(c) of the Code, the city determined that the estimated market value of the property is \$12,900.

Section 2.

(a) Pursuant to Section 2-177.4 of the Code, the city may convey property to a non-governmental entity at less than market value if the city council finds that such conveyance will further other important city interests or objectives and that such conveyance is necessary to the accomplishment of such interests.

(b) In Resolution No. 18-0240, the city council adopted the Imagine Duluth 2035 Update to the Comprehensive Plan. The plan included policies that stated the need to provide affordable, attainable housing opportunities and improve the quality of the city's housing stock and neighborhood.

(c) Western Lake Superior Habitat for Humanity ("Habitat") is a Minnesota non-profit corporation that creates affordable housing ownership opportunities for income qualifying families. Habitat wishes to construct a single family home on the Property for the purpose of providing stable housing for a family and will fund the construction of the home through monetary and volunteer contributions.

(d) The city council finds that a conveyance of the Property to Habitat for the purpose of providing stable housing furthers the city's priority of creating housing opportunities for low- to moderate-income individuals. The city desires to use the Property to assist with Habitat's housing development by conveying the Property at less than market value. By redeveloping the Property, new taxable value will be added to the city through infill development.

Section 3. That the property city officials are hereby authorized to enter into a purchase agreement, substantially in the form of that attached as Exhibit 2, with Habitat for the sale of the Property, which purchase agreement requires Habitat to complete construction of a single family home on the Property and a sale to an income-eligible single family homeowner within 24 months of the date of the deed, unless extended by the director of planning and economic development.

Section 4. Further, that upon Habitat's fulfillment of all contingencies, terms, and conditions in the purchase agreement, the proper city officials are hereby authorized to execute the deed and all other documents necessary to effectuate the conveyance of the Property to Habitat for the sum of \$1; funds to be deposited into 110-700-1420-4640 (General Fund, Transfers and Other Functions, Capital Program, Sale of Land).

Section 5. That this ordinance shall take effect 30 days after its passage and publication.

STATEMENT OF PURPOSE:

The purpose of this ordinance is to authorize the conveyance of real property located at 5706 West 8th Street in the Cody neighborhood of Duluth to Western Lake Superior Habitat for Humanity, a Minnesota non-profit corporation, under the terms and conditions in the Purchase Agreement, including to complete the construction of a single family home and sell it to an income-eligible single family homeowner within 24 months of the date of the deed, unless extended by the director of planning and economic development. Habitat agrees to purchase the Property for \$1 and bear all costs incurred with the conveyance, including deed tax and recordation filing fees.

The City originally acquired the Property as a voluntary donation, intending to have it redeveloped and integrated into the Cody neighborhood. The conveyance of the Property to Habitat will

assist in implementing Housing Policies 2 (Provide affordable, attainable housing opportunities) and 4 (Improve the quality of the city's housing stock and neighborhoods) in Imagine Duluth 2035 Update to the Comprehensive Plan.