



Legislation Text

File #: 17-042-O, **Version:** 1

AN ORDINANCE AUTHORIZING THE CONVEYANCE OF CERTAIN REAL PROPERTY IN THE CODY NEIGHBORHOOD TO JOURNEY HOME MINNESOTA FOR \$3,310.

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 and legally described as Lots One (1), Two (2), Three (3), and Four (4), Block Seventy-eight (78), WEST DULUTH, SIXTH DIVISION (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 \$33,100.

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. 17-0435, the city council approved the Housing Action Framework, an interim policy framework to allow for more rapid development of new affordable housing options that would otherwise be possible through the Imagine Duluth 2035 plan. The Housing Action Framework states that: (i) further housing investment is needed to meet the community's basic needs; and (ii) through the creation of housing for all, income levels, but particularly for very low income, entry level, and low-to-moderate income, workforce individuals and families, Duluth will thrive as it progresses toward 2035. The Housing Action Framework allows the city to use its resources to assist housing developments that align with Comprehensive Plan principles and regulations to create more affordable units.

(c) Journey Home Minnesota is a non-profit corporation that creates housing opportunities for military veterans and their families experiencing difficulties and hardships. Journey Home Minnesota wishes to construct a single family home on the Property for the purpose of providing stable housing to a local military veteran and his or her family. Journey Home will fund the construction of said home by monetary and in-kind donations, while partnering with local non-profits.

(d) The city council finds that a conveyance of the Property to Journey Home Minnesota for the purpose of providing stable housing to a local military veteran 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 Journey Home Minnesota's housing development by conveying the Property at less than market value. The city also desires to reduce blighted properties in neighborhoods that are suitable for redevelopment. Reducing blight and adding new housing stock achieves the goals in Guiding Principles #1 and #5 in the City's 2006 Comprehensive Plan. By redeveloping the Property, new taxable value will be added to the city through infill development.

Section 3. That, upon Journey Home Minnesota's fulfillment of all contingencies, terms, and conditions in the purchase agreement approved in Resolution No. 17-0620, the proper city officials are hereby authorized to execute the deed and all other documents necessary to effectuate the conveyance of the Property to Journey Home Minnesota, a Minnesota non-profit corporation, for the sum of \$3,310. Funds to be

deposited into 110-700-1420-4640 (General Fund, Transfers and Other Functions, Capital Program, Sale of Land).

Section 4. 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 legally described as Lots One (1), Two (2), Three (3), and Four (4), Block Seventy-eight (78), WEST DULUTH, SIXTH DIVISION ("Property") to Journey Home Minnesota, a Minnesota non-profit corporation, under all the terms and conditions in the Purchase Agreement approved in Resolution No 17-0620.

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 Journey Home Minnesota will implement the principles in the Housing Action Framework and 2006 Comprehensive Plan and provide stable housing to a local military veteran and his or her family.

Journey Home Minnesota agrees to purchase the Property for \$3,310 and bear all costs incurred with the conveyance, including deed tax and recordation filing fees.