



Legislation Text

File #: HRA Res. 2017-003, **Version:** 1

DATE: February 9, 2017

TO: Members of the Housing & Redevelopment Authority

FROM: Janine Atchison, Housing Coordinator

Cannon River Community Land Trust Land Sale - 101 Orchard St N

SUMMARY AND ACTION REQUESTED:

Approve Housing & Redevelopment Authority (HRA) Resolution # 2017-003 for the sale of land at 101 Orchard St N to homeowners David & Nancy Foster formerly owned by the Cannon River Community Land Trust (CRCLT).

BACKGROUND:

David and Nancy Foster, homeowners at 101 Orchard St N, have requested to purchase the land from the HRA. Per professional appraisal services obtained by staff in December of 2016, the value of the land associated with this Land Trust property was appraised at \$25,000.

In July of 2016, the HRA Board approved the sale of the almost identical lot next door at 103 Orchard Street North to homeowners Joachim and Gitta Reppmann for \$15,300. In this situation, the evaluation of the land was set by an appraisal obtained by the Reppmann's. Following this appraisal process, the HRA Board approved a motion to have staff obtain appraisals for any future sales to ensure accuracy of the appraisal process.

In October of 2016, a request was received from David & Nancy Foster to purchase the land at 101 Orchard Street North, which is the attached twin home of 103 Orchard Street North. Based on the HRA policy, a real estate appraisal was obtained by the housing coordinator and paid for by the Foster's. The appraisal, received in December, listed the value of the land at \$25,000. This information was shared with the Foster's.

Mr. & Mrs. Foster, after communication with the Reppmann's about the price they paid for their lot, were concerned about the price discrepancy between the two adjacent parcels. The Foster's requested the HRA Board sell the lot at 101 Orchard St N to them for \$15,000 to \$18,000.

At the January 12, 2017 meeting, the HRA Board considered this request and determined that it was consistent with the intent of the original conveyance of the property to CRCLT and the purposes of the land trust program for HRA to sell its interest in the property to the homeowners for \$20,000. The HRA stated that a purchase price of \$20,000 was an acceptable compromise between the value indicated in the independent appraisal of the property and the price for which the HRA sold the neighboring parcel.

RECOMMENDATION:

Staff recommends the HRA Board approve HRA Resolution 2017-003 and authorize staff to complete the sale

of the land at 101 Orchard St N to homeowners David & Nancy Foster.