

# ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CRYSTAL

## **2013 Annual Report**

The Economic Development Authority of the City of Crystal ("the EDA") formulates and implements the city's redevelopment and housing improvement programs. It operates under the provisions of Minnesota Statutes Chapter 469, and has powers similar to a Housing & Redevelopment Authority.

For residential property, EDA activities generally involve using voluntary acquisitions to replace blighted, structurally substandard or functionally obsolete houses; or providing assistance to homeowners to help them make improvements to their houses. Multi-family and commercial/industrial redevelopment are typically accomplished in larger, more complex projects made possible by a combination of different funding sources; they also sometimes require participation by multiple government agencies, non-profit organizations and businesses.

As in previous years, the EDA recommended and the Council approved an EDA levy to provide funding for redevelopment activities.

The following are specific descriptions of 2013 EDA activities:

### **1. Single Family Residential - Scattered Site Redevelopment**

12 lots were sold in 2013. As of December 31, 2013 seven houses have been completed and sold, two are nearly complete, two are under construction and one is scheduled to start construction in spring 2014.

- a) Lots Sold in 2013:
1. 4330 Zane (acquired 1999)
  2. 5527 Xenia (acquired 2007)
  3. 4343 Xenia (acquired 2007)
  4. 5657 Adair (acquired 2007)
  5. 6529 50<sup>th</sup> (acquired 2009)
  6. 4633 Douglas Dr (acquired 2009)
  7. 5548 Yates (acquired 2009)
  8. 4553 Yates (acquired 2009)
  9. 3548 Welcome (acquired 2010)
  10. 3556 Welcome (acquired 2010)
  11. 3564 Welcome (acquired 2010)
  12. 6516 Brentwood (acquired 2012)

- b) Lots Available as of December 31, 2013:
1. 4326 Zane (acquired 2002) – currently under option by MT Builders
  2. 5626 Vera Cruz (acquired 2007)
  3. 3533 Lee (acquired 2008)
  4. 4331 Vera Cruz (acquired 2008)
  5. 5824 Regent (acquired 2008)
  6. 5700 Regent (acquired 2009) – currently under option by Berger
  7. 5255 Edgewood (acquired 2009)
  8. 5715 Regent (acquired 2009)
  9. 4901 Vera Cruz (acquired 2009)
  10. 4349 Xenia (acquired 2012) – currently under option by MT Builders
  11. 4720 Douglas Dr (acquired 2012)
  12. 6601 62<sup>nd</sup> (acquired 2012)
  13. 5335 Corvallis (acquired 2012)
  14. 5332 50<sup>th</sup> (acquired 2012)
  15. 5924 Elmhurst (acquired 2012)

Lot sales from 1998-2013 are summarized in the attached Exhibits A (map) and B (chart), with detailed information about 2010-2013 lot sales in Exhibit C.

## **2. Single Family Residential - Scattered Site Acquisition and Rehabilitation**

The EDA does not acquire and renovate houses because city-managed rehab projects are not a very cost-effective way of advancing the city's housing goals when compared with other approaches. Instead, the city utilizes a combination of regulatory tools, rehab incentives, and other agencies' programs to encourage home renovations by homeowners, investors, contractors and others in the private sector.

## **3. Single Family Residential - Home Improvement Incentive Rebates**

In 1998, Crystal and four other communities partnered with the Greater Metropolitan Housing Corporation (GMHC) to provide an incentive rebate for improvements to owner occupied homes. Households up to 120% of Twin Cities metropolitan area median income are eligible. Funding for this program initially came from the Minnesota Housing Finance Agency and the Metropolitan Council. After these outside agencies' funds were exhausted, the EDA approved the use of local funds including available increment from expiring TIF districts to maintain the program.

144 Crystal homeowners used the rebate program in 2013. The approximate locations are mapped in Exhibit D.

The total and average 2013 rebates are as follows:

TOTAL 2013 REBATES \$219,220	+	TOTAL PAID BY HOMEOWNERS \$1,345,041	=	TOTAL COST OF ALL 2013 PROJECTS \$1,564,261
AVERAGE 2013 REBATE \$1,522	+	AVERAGE PAID BY HOMEOWNER \$9,341	=	AVERAGE COST PER 2013 PROJECT \$10,863

#### **4. Single Family Residential – Deferred Home Improvement Loans**

Since 1982, Crystal has used part of its federal Community Development Block Grant (CDBG) allocation to provide interest-free home improvement loans to households up to 50% of regional median income. Repayment is deferred for 15 years and then forgiven if the recipient continues to own and occupy the property throughout that time. Households from 50% to 80% of regional median income are also eligible but those loans are interest-bearing. Hennepin County administers this program for Crystal as it does for nine other cities.

By reducing and eventually eliminating the use of CDBG funds for scattered site redevelopment, the city increased funding for deferred loans in 2000-2002 and since then has maintained a relatively stable annual funding level of \$80,000-\$90,000. In addition to the annual allocation, the program also recaptures previously loaned funds in cases where the homeowner sells or moves out within the 15 year term.

During the twelve months ending September 30, 2013, \$34,000 was spent on rehab projects and \$60,000 was committed for additional projects. Three projects were started and four projects were completed, with no properties on the waiting list.

#### **5. Single Family Residential – Tax Increment Districts for Housing Renewal**

In 2013 the EDA provided \$5,000 in down payment assistance for a buyer of a vacant house using an FHA 203K purchase-rehab loan. The funds will be recaptured if the homeowner moves out or sells the property within five years. This program is being discontinued due to low level of interest (only one project in each of the last three years).

These funds are now being used for an interest rate write-down for the Community Fix-Up Fund which provides home improvement loans to Crystal homeowners.

**6. Multi-Family Residential Redevelopment**

The Cavanagh (5401 51<sup>st</sup> Avenue North). In October 2012 the EDA acquired the 8.3 acre Cavanagh property from Robbinsdale Area Schools which had determined that it no longer needed the property. In December 2012 the EDA transferred the east 4 acres to the city for park purposes. In April 2013 the EDA completed the demolition of the school with funding from Metropolitan Council for asbestos abatement and Hennepin County for demolition. The EDA has approved the sale of the west 4.3 acres to a private developer (Dominium) for construction of affordable senior housing ("The Cavanagh"). It will be a four story, 130 unit, age-restricted rental building addressed as 5401 51<sup>st</sup> Avenue North. Unit sizes will range from 1BR-1BA to 2BR-2BA and all units will be affordable to households at or below 60% of Twin Cities metropolitan area median income. Construction of The Cavanagh will begin in spring 2014 and be completed in summer 2015. The approved plan for The Cavanagh is attached as Exhibit E.

**7. Commercial and Industrial Redevelopment**

No EDA-involved development activity in 2013.

**8. Land Banking for Future Redevelopment**

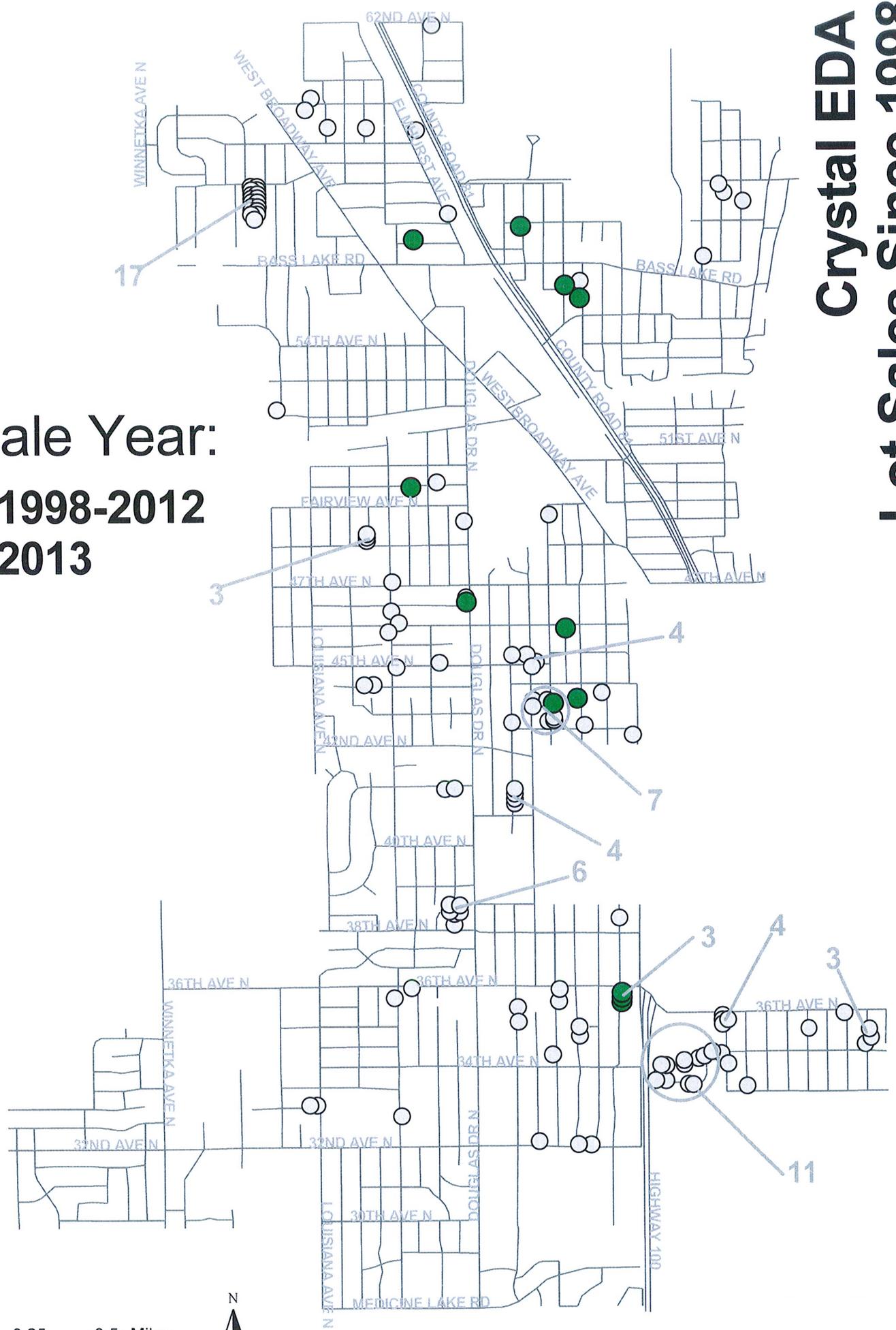
In addition to the more immediate redevelopment activities discussed in Section 1, the EDA also takes advantage of opportunities to acquire and hold property for future development. These parcels will be sold depending on market conditions, site characteristics and the status of adjacent properties. As of December 31, 2013 the EDA is holding the following vacant parcels for future development:

1. 3240 Hampshire (acquired 2000)
2. 3556 Major (acquired 2002 - private donation)
3. 3409 June (acquired 2003 - tax forfeit)
4. 3122 Douglas Dr (acquired 2003)
5. 5901 56<sup>th</sup> (acquired 2008)
6. 4824 56<sup>th</sup> (acquired 2009)
7. 4741 Welcome (acquired 2009)
8. 3401, 3415 and 3443 Douglas Dr (acquired 2009)
9. 5417 35<sup>th</sup> (acquired 2010)
10. 5565 Vera Cruz (acquired 2011 - tax forfeit)
11. 3354 Douglas Dr and 6213 34<sup>th</sup> (acquired 2011)
12. 3443 Edgewood (acquired 2012 - tax forfeit)

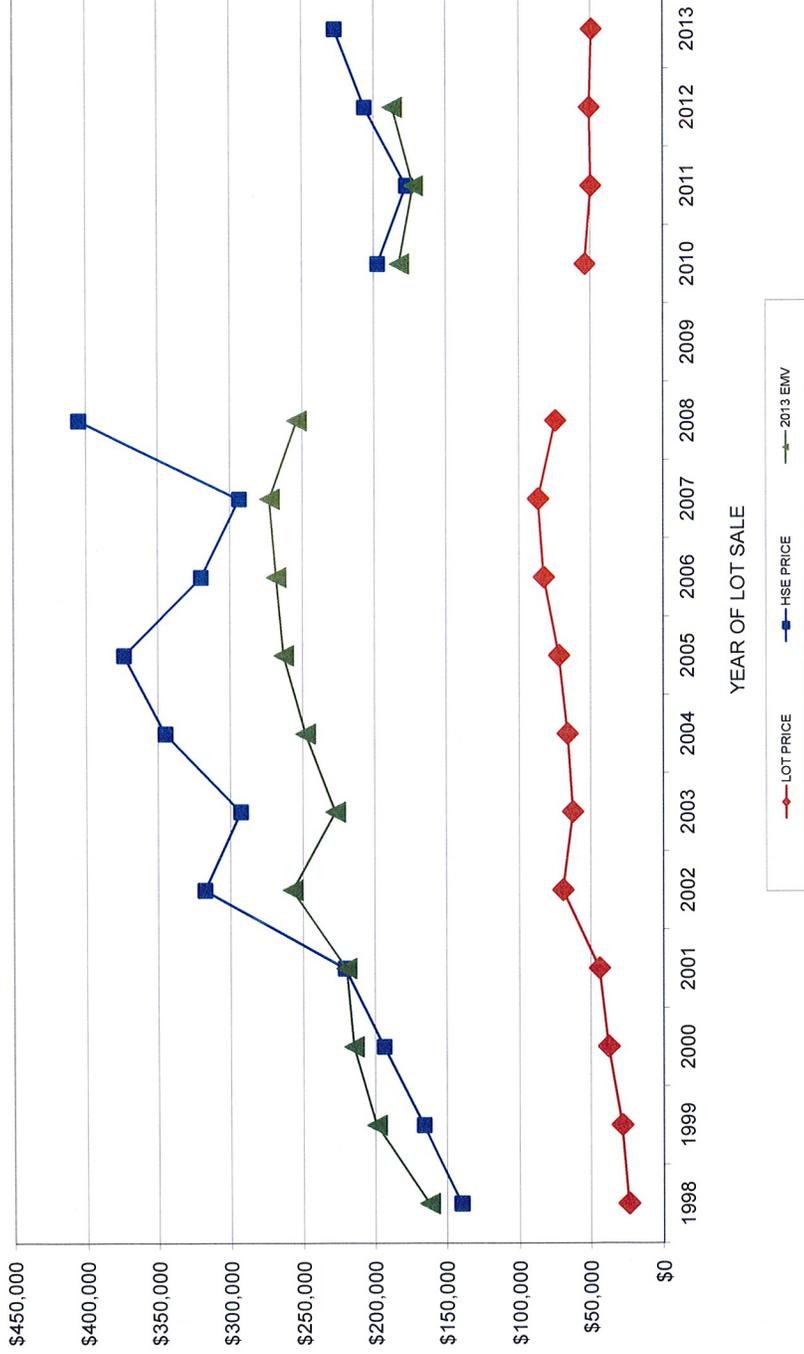
A map of city and EDA-owned property as of December 31, 2013 is attached as Exhibit F.

# Crystal EDA Lot Sales Since 1998

Sale Year:  
 ○ 1998-2012  
 ● 2013



**Crystal EDA - Residential Redevelopment  
Annual Averages by Year of Lot Sale  
1998-Present**



YEAR	LOTS SOLD	AVERAGE LOT PRICE	AVERAGE HSE PRICE	AVERAGE 2013 EMV
1998	1	\$24,000	\$140,000	\$162,000
1999	7	\$28,600	\$165,789	\$199,143
2000	10	\$37,760	\$194,004	\$215,100
2001	5	\$44,100	\$221,028	\$220,200
2002	7	\$69,643	\$317,891	\$257,429
2003	9	\$62,734	\$292,980	\$227,667
2004	13	\$66,479	\$345,242	\$248,308
2005	2	\$72,500	\$373,861	\$263,500
2006	20	\$83,015	\$320,258	\$268,474
2007	3	\$87,000	\$293,667	\$273,000
2008	1	\$75,000	\$405,000	\$254,000
2009	0			
2010	13	\$54,231	\$197,682	\$182,615
2011	5	\$50,000	\$177,667	\$172,600
2012	14	\$51,111	\$206,606	\$187,429
2013	12	\$49,545	\$227,340	*

\* Data not yet available.

"Lot Price" is the amount the builder paid for the vacant lot.

"House Price" is the amount the homeowner paid for the finished house; this includes land value & new house value.

"EMV" is the Estimated Market Value from the Henn Co Assessor. It provides an apples-to-apples comparison of the estimated value of the completed houses.

## 2010 EDA Lot Sales

FUNDING	BLDG STREET	BUILDER	LOT AREA SQ. FT.	LOT PRICE	LOT SALE DATE	HOUSE STYLE	FINISHED SQ. FT.	HOUSE PRICE	HOUSE SALE DATE	ASSESSOR EMV
TIF (2150)	4813 Idaho	Novak-Fleck	8,023	\$55,000	Apr-10	split	1,230	\$177,310	Jun-10	\$163,000
TIF (2150)	4801 Idaho	Novak-Fleck	8,648	\$55,000	Apr-10	split	1,230	\$182,436	Jun-10	\$178,000
REDEVEL	5309 34th PI	Novak-Fleck	10,026	\$60,000	Apr-10	split	2,000	\$203,255	Jun-10	\$191,000
REDEVEL	5101 35th	Novak-Fleck	11,707	\$55,000	Apr-10	split	2,000	\$186,000	Jun-10	\$179,000
REDEVEL	5132 34th PI	Novak-Fleck	9,929	\$55,000	Apr-10	split	2,000	\$222,365	Jun-10	\$209,000
REDEVEL	3549 Regent	Novak-Fleck	10,500	\$50,000	May-10	split	1,447	\$189,690	Aug-10	\$179,000
REDEVEL	5918 Idaho	Novak-Fleck	8,004	\$45,000	Jun-10	split	1,230	\$178,065	Aug-10	\$165,000
TIF (2150)	3440 Regent	Novak-Fleck	10,492	\$55,000	Jun-10	split	1,447	\$205,088	Sep-10	\$198,000
REDEVEL	4612 Hampshire	Novak-Fleck	8,610	\$60,000	Jul-10	split	2,000	\$231,268	Sep-10	\$199,000
TIF (2150)	4807 Idaho	Novak-Fleck	8,023	\$55,000	Aug-10	split	1,447	\$198,000	Feb-11	\$175,000
REDEVEL	5225 35th	Novak-Fleck	10,026	\$55,000	Sep-10	split	1,447	\$203,000	Nov-10	\$191,000
TIF (2150)	6420 50th	Novak-Fleck	13,479	\$60,000	Sep-10	split	1,167	\$211,992	Dec-10	\$192,000
TIF (2150)	5708 Elmhurst	Novak-Fleck	12,800	\$45,000	Sep-10	split	1,447	\$181,400	Nov-10	\$155,000

13 LOTS SOLD:

AVERAGE LOT AREA SQ. FT.	AVERAGE LOT PRICE	AVERAGE LOT PRICE PER SQ. FT.
10,021	\$54,231	\$5.41

13 HOUSES SOLD:

AVERAGE FINISHED SQ. FT.	AVERAGE HOUSE PRICE	AVG HSE PRICE PER FIN SQ. FT.
1,546	\$197,682	\$127.91

AVERAGE ASSESSOR EMV
\$182,615

## 2011 EDA Lot Sales

FUNDING	BLDG STREET	BUILDER	LOT AREA SQ. FT.	LOT PRICE	LOT SALE DATE	HOUSE STYLE	FINISHED SQ. FT.	HOUSE PRICE	HOUSE SALE DATE	ASSESSOR EMV
NSP	5906 Elmhurst	Habitat for Hum.	12,000	\$1	Jan-11 *	rambler	1,588	\$147,225	Dec-11 **	\$167,000
TIF (2150)	5325 35th	Novak-Fleck	10,026	\$30,000	Apr-11 *	split	1,230	\$170,000	Oct-11	\$170,000
REDEVEL	5401 35th	Novak-Fleck	10,026	\$25,000	Apr-11 *	split	1,230	\$170,000	Aug-11	\$171,000
NSP	4259 Vera Cruz	Habitat for Hum.	12,552	\$1	May-11 *	rambler	1,588	\$162,150	Apr-12 **	\$171,000
REDEVEL	5224 35th	Novak-Fleck	10,086	\$50,000	Nov-11	split	1,600	\$193,000	May-12	\$184,000

5 LOTS SOLD:

AVERAGE LOT AREA SQ. FT.	*AVERAGE LOT PRICE	*AVERAGE LOT PRICE PER SQ. FT.
10,086	\$50,000	\$4.96

5 HOUSES SOLD:

AVERAGE FINISHED SQ. FT.	**AVERAGE HOUSE PRICE	**AVG HSE PRICE PER FIN SQ. FT.
1,447	\$177,667	\$122.77

AVERAGE ASSESSOR EMV
\$172,600

Lot or house price excluded from average:

\*lot price excluded from avg; discounted due to soil correction or compliance with federal affordability rules

\*\*house price excluded from avg; does not reflect work completed by homebuyer, or similar factors

## 2012 EDA Lot Sales

FUNDING	BLDG STREET	BUILDER	LOT AREA SQ. FT.	LOT PRICE	LOT SALE DATE	HOUSE STYLE	FINISHED SQ. FT.	HOUSE PRICE	HOUSE SALE DATE	ASSESSOR EMV
REDEVEL	6620 46th	Novak-Fleck	9,840	\$60,000	Feb-12	split	1,600	\$198,800	Jun-12	\$182,000
REDEVEL	3541 Regent	Novak-Fleck	10,500	\$50,000	Apr-12	split	1,230	\$185,900	Jul-12	\$170,000
REDEVEL	3548 Regent	Novak-Fleck	10,500	\$50,000	Apr-12	split	1,326	\$188,800	Aug-12	\$180,000
REDEVEL	4310 Zane	MT Builders	9,851	\$45,000	May-12	two story	2,235	\$235,300	Aug-12	\$224,000
REDEVEL	4553 Hampshire	Novak-Fleck	7,488	\$60,000	Jun-12	split	2,076	\$229,755	Sep-12	\$206,000
REDEVEL	5918 Kentucky	Novak-Fleck	7,500	\$45,000	Jun-12	split	1,230	\$192,000	Sep-12	\$161,000
REDEVEL	7024 60th	Novak-Fleck	14,000	\$55,000	Aug-12	split	1,326	\$197,900	Nov-12	\$189,000
CDBG	4306 Zane	MT Builders	9,851	\$45,000	Sep-12	two story	1,581	\$236,000	Jun-13	not yet avail
REDEVEL	5533 Xenia	Novak-Fleck	8,040	\$50,000	Oct-12	split	1,230	\$195,000	Mar-13	not yet avail
NSP	3528 Noble	Habitat for Hum.	7,603	\$1	Dec-12	* rambler	1,442	\$192,821	Oct-13	** not yet avail
NSP	5116 35th	Habitat for Hum.	12,258	\$1	Dec-12	* rambler	1,348			** not yet avail
NSP	4312 Brunswick	Habitat for Hum.	7,686	\$1	Dec-12	* rambler	1,442	\$192,821	Nov-13	** not yet avail
NSP	5724 Perry	Habitat for Hum.	11,247	\$1	Dec-12	* rambler	1,404			** not yet avail
NSP	7041 60th	Habitat for Hum.	18,030	\$1	Dec-12	* rambler	1,414			** not yet avail

Lot or house price excluded from average:

\*lot price excluded from avg; discounted due to soil correction or compliance with federal affordability rules

\*\*house price excluded from avg; does not reflect work completed by homebuyer, or similar factors

14 LOTS SOLD:

AVERAGE LOT AREA SQ. FT.	*AVERAGE LOT PRICE	*AVERAGE LOT PRICE PER SQ. FT.
9,730	\$51,111	\$5.25

9 HOUSES SOLD:

AVERAGE FINISHED SQ. FT.	**AVERAGE HOUSE PRICE	**AVG HSE PRICE PER FIN SQ. FT.
1,492	\$206,606	\$138.50

AVERAGE ASSESSOR EMV
\$187,429

## 2013 EDA Lot Sales

FUNDING	BLDG STREET	BUILDER	LOT AREA SQ. FT.	LOT PRICE	LOT SALE DATE	HOUSE STYLE	FINISHED SQ. FT.	HOUSE PRICE	HOUSE SALE DATE	ASSESSOR EMV
TIF (2150)	6529 50th	Novak-Fleck	11,610	\$60,000	Feb-13	split	1,728	\$212,000	Jun-13	not yet avail
TIF (2150)	4633 Douglas Dr	Novak-Fleck	9,963	\$50,000	Apr-13	split	1,772	\$212,000	Aug-13	not yet avail
REDEVEL	5527 Xenia	Novak-Fleck	8,040	\$50,000	Apr-13	split	1,230	\$202,685	Jul-13	not yet avail
TIF (2150)	5548 Yates	Novak-Fleck	10,575	\$50,000	May-13	split	2,105	\$236,900	Nov-13	not yet avail
CDBG	4330 Zane	MT Builders	9,851	\$40,000	Jun-13	two story	1,581	\$240,000	Sep-13	not yet avail
REDEVEL	4343 Xenia	MT Builders	10,825	\$50,000	Jul-13	two story	1,678	\$246,000	Oct-13	not yet avail
TIF (2150)	3548 Welcome	Novak-Fleck	8,960	\$55,000	Jul-13	split	1,401	\$246,220	Dec-13	not yet avail
TIF (2150)	3556 Welcome	Novak-Fleck	8,308	\$50,000	Sep-13	split	1,209	\$222,912	Dec-13	not yet avail
TIF (2150)	3564 Welcome	Novak-Fleck	8,875	\$27,000	Sep-13	split	1,230			not yet avail
TIF (2150)	5657 Adair	Novak-Fleck	9,949	\$50,000	Oct-13	split	1,209			not yet avail
REDEVEL	6516 Brentwood	Novak-Fleck	10,125	\$50,000	Dec-13	split	1,230			not yet avail
TIF (2150)	4553 Yates	Berger	6,470	\$40,000	Dec-13	two story	1,536			not yet avail

Lot or house price excluded from average:

\*lot price excluded from avg; discounted due to soil correction or similar factors

\*\*house price excluded from avg; does not reflect work completed by homebuyer, or similar factors

12 LOTS SOLD:

AVERAGE LOT AREA SQ. FT.	*AVERAGE LOT PRICE	*AVERAGE LOT PRICE PER SQ. FT.
9,463	\$49,545	\$5.21

8 HOUSES SOLD:

AVERAGE FINISHED SQ. FT.	AVERAGE HOUSE PRICE	AVG HSE PRICE PER FIN SQ. FT.
1,492	\$227,340	\$143.16

AVERAGE ASSESSOR EMV
\$0

# 2013 Crystal Housing Improvement Rebates (● Approximate Locations)

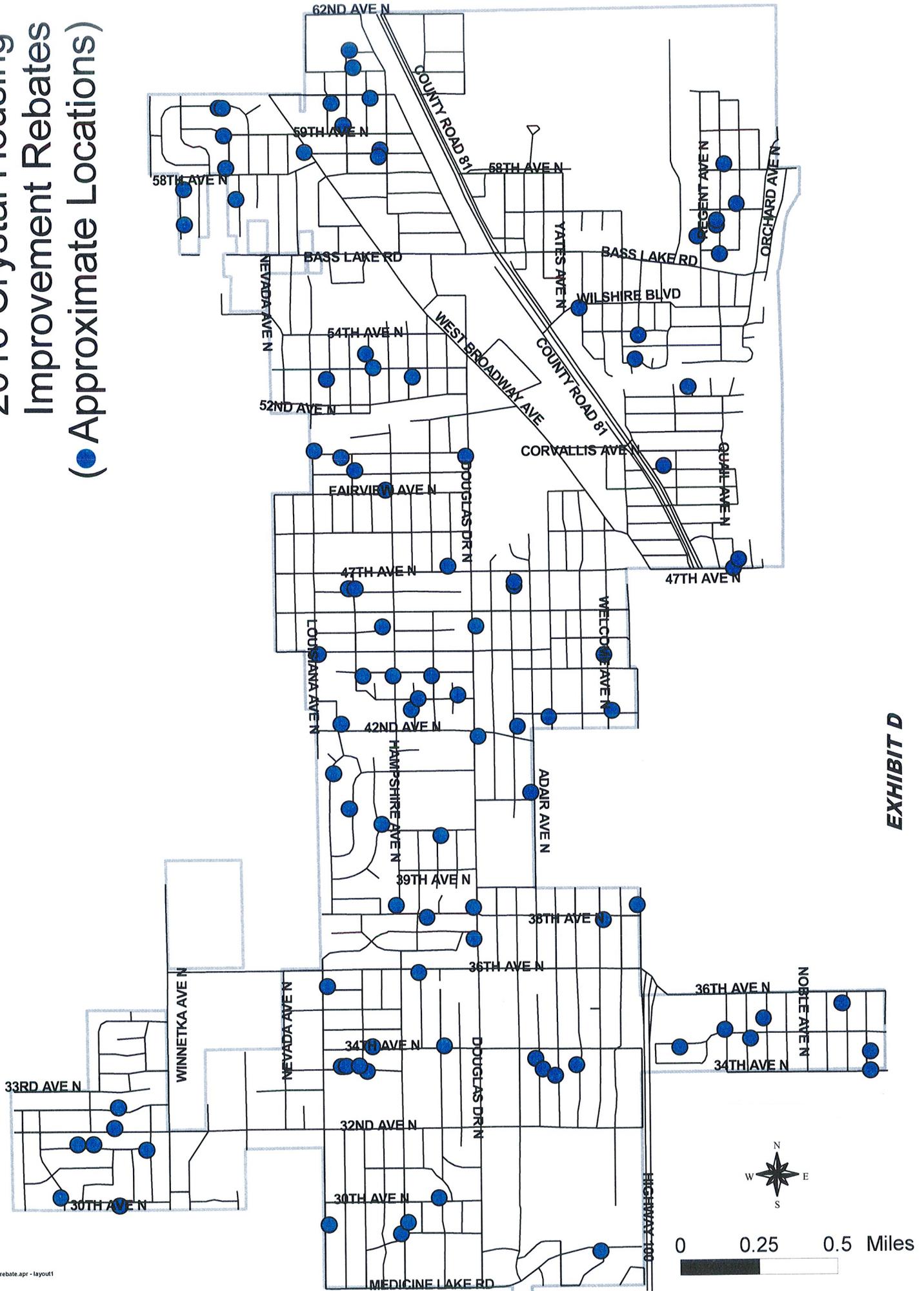
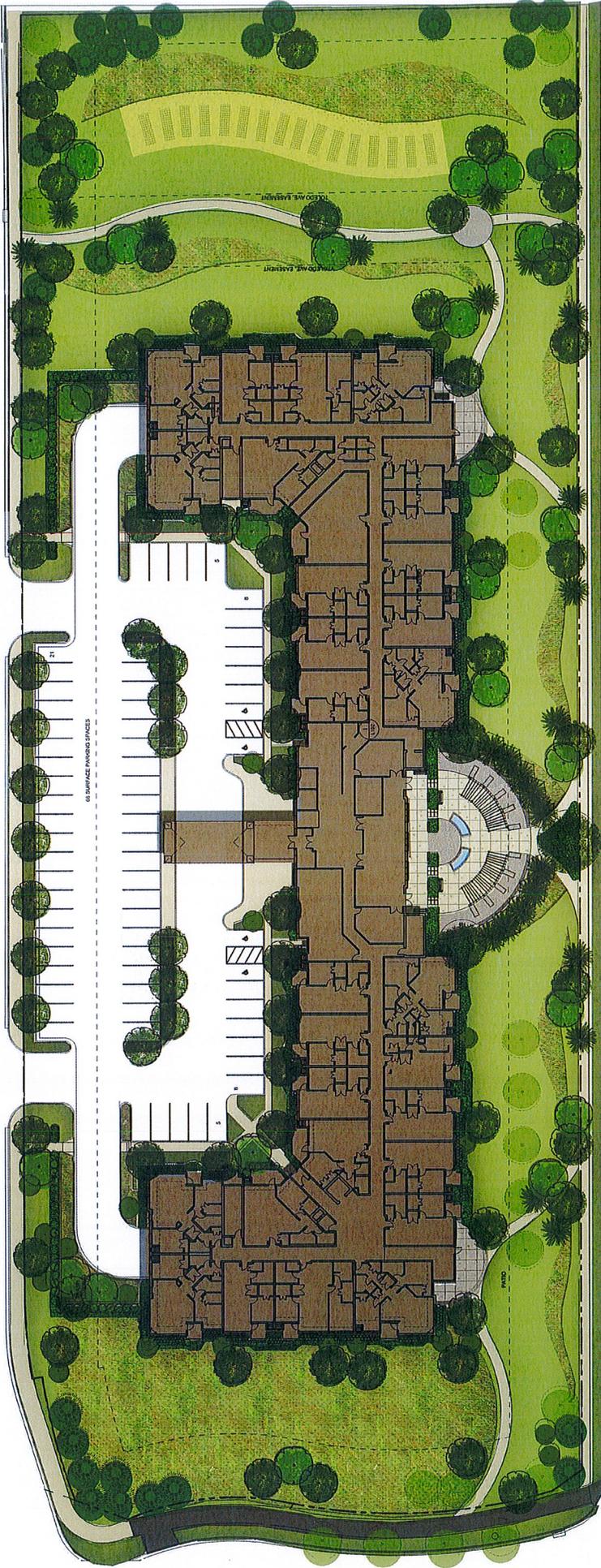


EXHIBIT D



51<sup>st</sup> Avenue North



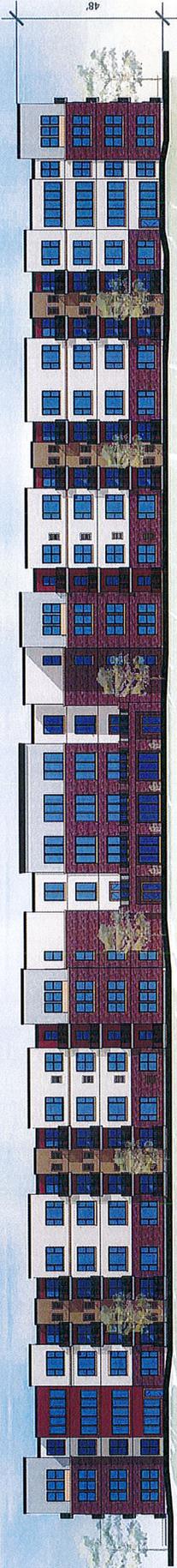
Corvallis Avenue North



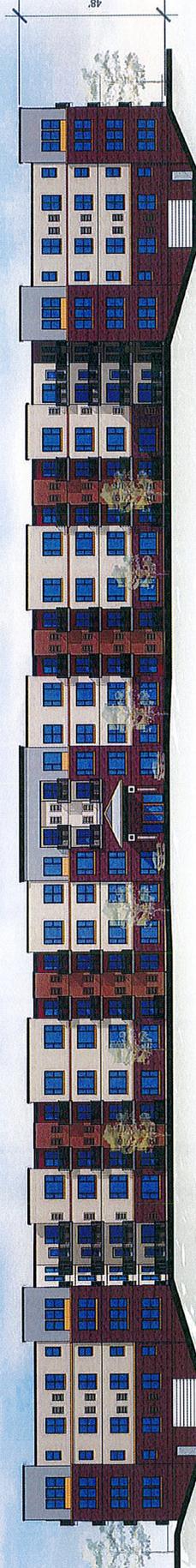
CAVANAGH SENIOR APARTMENTS  
5401 51<sup>ST</sup> AVENUE NORTH



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PROPOSED SOUTH ELEVATION



PROPOSED NORTH ELEVATION

# CAVANAGH SENIOR APARTMENTS



# City of Crystal Municipal Property December 31, 2013

