



Waiver of the Model Block Disposition policy for sale of Site D

May 19, 2008





Waiver of the Model Block Disposition Policy for sale of Site D

- The CRA collaborated with the National Trust for Historic Preservation Inner City Venture Fund to secure funding through a \$300,000 line of Credit. The CRA purchased five vacant and historic homes for rehabilitation and five vacant lots for new infill construction. The goal of the program was to focus on home ownership, affordable housing and new construction on vacant lots. The program has been very successful, two of the completed homes have sold within the bid timeframe and are owner occupied.



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- The first house located at 408 NW 4th St, received 3 bids. The accepted bid was \$145,000 and well exceed the minimum bid of \$126,000. The house sold for \$159,00, including a \$25,000 forgivable second mortgage.



Site A - 408 NW 4th Street



Site A - 408 NW 4th Street





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- The second house located at 408 NW 4th Avenue, minimum bid was \$158,000 with a \$25,000 forgivable mortgage. The accepted bid was \$169,100 with a \$25,000 forgivable mortgage.

Site B – 408 NW 4th Avenue





Site B 408 NW 4th Avenue



408 NW 4th Avenue
Minimum Bid: \$158,000

Bid does not include \$25,000 second mortgage



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- The model block home at 418 NW 4th Avenue (site D) is the third of the five homes for rehabilitation.
- The house was completed in November of 2007 and had a minimum bid of \$216,192.00 with a \$25,000 forgivable mortgage with a total minimum bid of \$241,192.
- The minimum bid amount was determined by the current disposal procedure that was approved on December 19, 2005. In the plan each property would be open for bid with actual cost of construction being the minimum bid.



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- To date, two bid periods have taken place on Site located at 418 NW 4th Avenue. The first bid period was after the completion of the home with no bid offers at the end of the 30 day deadline. Two open houses also took place.
- The second bid period lasted 60 days with two open houses, also no bids were offered at the deadline.
- After no successful bids an appraisal was completed to determine the fair market value.



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- Based on the difference of the home's construction cost and the home fair market value; and the pending debt service of \$129,402 to the National Trust for Historic Preservation Inner City Venture Fund Line of Credit. Staff is requesting that the current bid requirement be waived for Site D and the minimum bid be reduced to reflect the \$170,000 sale price which includes a forgivable second mortgage of \$25,000.



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- All previously approved disposition plan procedure would remain.
- Offers to bid on the house will be accepted for a period of ten days.
- A firm date will be established and advertised in the Gainesville Sun and other vehicles as well.

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- Recommendation:
- Executive Director to the CRA: Waive the minimum bid requirement contained in the model block disposition policy with respect to Site D and set a minimum bid amount for Site D of \$170,000 (inclusive of the \$25,000 second forgivable mortgage)