



PLANNING AND DEVELOPMENT

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Memorandum

To: Community Development Committee

From: Dawn Reinhart

Date: 9/26/19

File ID: 19-1501

Re: Action on offer to purchase 1110 10th St S

List Price: \$20,000 to renovate or \$1.00 to demolish; must be a single-family owner-occupied home



Offer to purchase (OTP) #1: Purchase price \$20,000 to renovate property; cost of proposed scope of work \$29,280 for a total investment of \$49,280. Upon completion the property will be 2 bedrooms, 1 bathroom. Buyer is purchasing and renovating the property for family to live in. Staff has explained that in order to meet the owner-occupied deed restriction, the family will need to be on the deed to the property and occupy as their primary residence.

Proposal is to add an egress window in the basement for a bedroom and bring basement staircase up to code. Buyer will not reconfigure the layout of the home. They are proposing to reuse the existing kitchen cabinets and counter tops, to replace the bathroom subfloor (only) and will not install central air.

OTP #2: Purchase price \$1.00 to renovate property; cost of proposed scope of work \$118,400 for a total investment of \$118,401. Property will be 3 bedrooms, 2 bathrooms. Buyer is “flipping” the property. Buyer acknowledges that the property must be sold as owner occupied.

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Proposal is to remove the existing roof structure, plumbing, electrical and HVAC System. They will gut and remove all interior walls to reconfigure the main level. The main level would consist of 1 bedroom 1 bathroom, eat in kitchen and living room. They will install new interior stair cases. A true second story will be added that will contain 2 bedrooms and a bathroom. Buyer will also install a parking pad for off street parking.

OTP #3: Purchase price \$1.00; to demolish structure and construct single-family owner-occupied home. OTP is contingent upon approval of La Crosse County's Acquisition and Demolition Grant. Construction would start no later than May 1, 2020. Home would be 2 bedrooms, 2 ½ baths, full basement with 2 egress windows for future expansion, a single car attached garage and a parking area in the rear of the property. Estimated new home value \$175,000-225,000.

Staff Recommendation: OTP #2 has agreed to perform all items listed in the proposed scope of work. Buyer will be required to provide \$5,000 good faith deposit which will be returned upon completion of the scope of work. Counter offer OTP #2, purchase price to be \$10,000 which the City will provide as a 0% deferred mortgage loan (1st or 2nd position), that will be payable in full upon the sale of the property or refinance of the property. The Buyer's total investment will be \$128,400. The home is in the La Crosse Promise Boundaries and would be eligible for a \$50,000 college scholarship, if the Buyer applies.