



## Request for City Council Committee Action from the Department of Community Planning & Economic Development - CPED

**Date:** March 20, 2012

**To:** Council Member Lisa Goodman, Chair, Community Development Committee

**Subject:** Authorization to grant a twelve-month extension of exclusive development rights to Alliance Housing Incorporated

**Recommendation:** It is recommended that the 12-month exclusive development rights on the city-owned properties at 2600 and 2606 – 17<sup>th</sup> Ave. S granted to Alliance Housing Incorporated be extended for an additional 12 months, through March 2013, to finalize the implementation of a redevelopment plan on four residential parcels at 2600 – 2606 17<sup>th</sup> Avenue South.

**Previous Directives:** On December 8, 2009, January 18, 2011, the City Council granted exclusive development rights to Alliance Housing Incorporated for 12 months to formulate and begin implementation of a redevelopment plan on the residential parcels at 2600 – 2606 17<sup>th</sup> Avenue South.

### Department Information

Prepared by:	Edie Oliveto-Oates, Senior Project Coordinator, 612-673-5229
Approved by:	Charles T. Lutz, Interim CPED Director _____ Thomas A. Streitz, Director Housing Policy & Development _____
Presenters in Committee:	Edie Oliveto-Oates, Senior Project Coordinator

### Financial Impact

- Other financial impact - Eliminates all future property management expenses

### Community Impact

- Neighborhood Notification – Notice was sent to the East Phillips Improvement Council on December 28, 2010.
- City Goals - Livable Communities, Healthy Lives - Our built and natural environment adds character to our city, enhances our health and enriches our lives. High-quality, affordable housing for all ages and stages in every neighborhood.
- Comprehensive Plan - As the project proceeds to development, additional review will be necessary to ensure consistency with the Comprehensive Plan and the Zoning Code.
- Zoning Code – Not Applicable
- Other – Not Applicable

## Supporting Information

In 1993, AHI purchased the duplex located at 2602-04 17<sup>th</sup> Avenue South and has successfully operated the property as housing for very low-income adults. The City of Minneapolis owns an adjacent parcel to the south at 2606 – 17<sup>th</sup> Avenue South (approximately 30' X 123' = 3,690 square feet) and a parcel to the north at 2600 – 17<sup>th</sup> Avenue South (approximately 24' X 123' = 2,952 square feet). In December 2009, the City approved exclusive development rights for these parcels to AHI to allow them to conduct planning for the development of the combined site. The combined site will be approximately 101' x 123' = 12,423 square feet.

AHI has developed a project that will include 20 units of housing. Ten units will serve the long-term homeless population, eight units will serve homeless and near homeless individuals, one unit will be occupied by an on-site caretaker, and one unit is reserved for on-site staff. It is proposed that St. Stephen's Human Services will provide residents with rental assistance and support services.

AHI has received initial funding of \$750,000 in Local Housing Initiative Account grant funding from the Metropolitan Council for the project. On January 17, 2012, a loan of up to \$356,822 from the Affordable Housing Trust Fund and a grant of up to \$30,000 from the Non-Profit Fund for Alliance Housing Incorporated or an affiliated entity were approved by City Council for the project. Alliance is currently securing the remaining financing necessary to complete the project. Developer is confident that these funds will be secured and a fall 2012 construction start is anticipated.

Staff supports the request from AHI that the exclusive development rights are extended for one year to allow them to complete the fundraising for the project.