



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

Date: November 19, 2013

To: Council Member Lisa Goodman, Community Development Committee

Subject: Authorize appropriate City officials to sign an Acknowledgement of Receptivity to an LCA Funding Award in the event that the Metropolitan Council awards Livable Communities Local Housing Incentive Account grant funds to certain projects located in the City of Minneapolis

Recommendation: That the appropriate City officials be authorized to sign an Acknowledgement of Receptivity to an LCA Funding Award form for projects recommended for Livable Communities Local Housing Incentive Account grant awards.

### Previous Directives:

**PPL DECC Recapitalization:** On November 5, 2012 the City Council approved \$1,165,000 of AHTF for the PPL DECC Recapitalization project; on October 18, 2013 the City Council approved \$744,459 of Low Income Housing Tax Credits for the PPL DECC Recapitalization project.

**The Cameron:** On August 5, 2011, the City Council authorized the submission of a brownfield investigation grant application to the Metropolitan Council’s Tax Base Revitalization Account [TBRA] program on behalf of this project. On September 23, 2011, the City Council accepted a TBRA investigation grant in the amount of \$15,200. On November 2, 2012, the City Council approved an AHTF loan of up to \$430,000. On August 2, 2013 the City Council authorized submission of a DEED Redevelopment Grant application for the project.

### Department Information

Prepared by: Paula Mazzacano, Development Grants Coordinator, 612 673-5129  
Approved by: Jeffrey Streder, Director, Development Finance \_\_\_\_\_  
Presenters in Committee: Paula Mazzacano, 612 673-5129

### Reviews

- Permanent Review Committee (PRC): Approval n/a Date \_\_\_\_\_
- Civil Rights Approval Approval n/a Date \_\_\_\_\_
- Policy Review Group (PRG): Approval n/a Date \_\_\_\_\_

**Financial Impact** Other financial impact – If grant funds are awarded to these projects, staff will return to City Council for permission to accept and appropriate the grant funds. CPED staff are actively engaged in the efforts to secure funding for these projects. If grant funds are awarded to these projects, they will be subject to the 3% grant administration fee.

## Community Impact

Neighborhood Notification:

**PPL DECC Recapitalization** (multiple sites): The Central neighborhood and the Ventura Village neighborhood have both issued letters (dated September 6, 2012 and September 14, 2012, respectively) that support this project's overall building rehabilitation plans.

**The Cameron** (756 N 4<sup>th</sup> Street): The North Loop Neighborhood Association has issued letters of support dated August 1, 2011 and September 26, 2012.

- City Goals - A Safe Place to Call Home – Healthy homes, welcoming neighborhoods; Homelessness eliminated.
- Sustainability Targets – Affordable Housing Units
- Comprehensive Plan - Section 4.9: Minneapolis will grow by increasing its supply of housing. Section 4.10: Minneapolis will increase its housing that is affordable to low and moderate income households. Section 4.11: Minneapolis will improve the availability of housing options for its residents.
- Zoning Code – **PPL DECC Recapitalization** - complies. **The Cameron** - This project will require the rezoning of a portion of the project site; that rezoning was approved by the Planning Commission on October 3, 2011 and by the City Council on November 4, 2011.
- Other – n/a

## Supporting Information

Since 1996, the Metropolitan Council has awarded grants through its Local Housing Incentive Account Program. The Local Housing Incentive Account (LHIA) helps expand lifecycle and affordable rental and ownership housing development and preservation in the region. Grants awarded from this account must be matched on a 1:1 ratio by the recipient community with local dollars for affordable housing activities, and may be used for costs associated with projects that help municipalities meet their negotiated LCA housing goals. In Minneapolis, the match is usually provided by the developer-applicant. Through 2012, twenty (20) projects located in the City of Minneapolis have received a total of \$4,073,000 from LHIA. Recent Minneapolis projects awarded LHIA funds include Greenway Heights Townhomes, Snelling Apartments and West Broadway Curve.

The LHIA program is conducted in coordination with Minnesota Housing through their semi-annual RFP common application process. Multi-Family Housing applications were due in June of 2013. Developers apply directly to Minnesota Housing. There is little or no City staff involvement in the application process, and, unlike other Metropolitan Council grant programs, a resolution of City support is not a required component of the RFP LHIA application. Minnesota Housing and Metropolitan Council staff review each RFP and decide which agency will participate in the project financing for selected projects. The Council's Livable Communities staff recommendations are then presented to the Metropolitan Council for consideration and final approval. The staff report must include an Acknowledgement of Receptivity to an LCA Funding Award form signed by the City for each project recommended for LHIA funding. The form states that the recipient community "supports the affordable and life cycle objectives of the Livable Communities Act" and will "accept and make available in a timely manner to RFP applicant any LCA award to the city to assist the housing program or activity proposed in the application if such an award is made."

Metropolitan Council staff has provided the City with a roster of projects being recommended for LHIA funding. The staff recommendations will not be considered and approved by the Metropolitan Council until December. In the meantime, City staff is seeking authorization for the appropriate City officials to sign Acknowledgement of Receptivity to an LCA Funding Award forms on behalf of the following projects:

Project Name: PPL DECC Recapitalization  
Developer: Project for Pride in Living (PPL)  
Funding award: \$200,000 staff recommendation pending Metropolitan Council approval

Project Name: The Cameron  
Developer: Schafer Richardson  
Funding award: \$200,000 staff recommendation pending Metropolitan Council approval

Additional information for each of the candidate projects can be found on the attached [CPED Affordable Housing Inventory Project Data Worksheets](#).

### **PPL DECC Recapitalization**

The PPL DECC Recapitalization development is the aggregation, acquisition, and rehabilitation of 51 scattered site units currently owned by four separate entities controlled by Project for Pride in Living (PPL). The units are located in nine buildings in south Minneapolis, primarily in the Central and Ventura Village neighborhoods, and include 11 long term homelessness units. The buildings were constructed between 1887 and approximately 1950, and include 9 one-bedroom units, 25 two-bedroom units, and 8 four-bedroom units. There has been no extensive rehab or updating to any of these buildings for twenty years or more, and many of the buildings require extensive renovation of both interior and exterior systems and finishes. The rehabilitation will consist of new windows, roof replacement, landscaping, porch replacement, electrical upgrades, new doors, exterior and interior painting, repair, kitchens, and bathrooms.

The proposed LHIA funding award will be matched by the City's 2012 Affordable Housing Trust Fund award of \$1,165,000.

### **The Cameron**

The project is the rehabilitation and adaptive re-use conversion of a former cold storage warehouse facility into affordable apartments. The Cameron is located North Loop Neighborhood, west of Target Field in the Warehouse District. SHPO and NPS have approved the Part I historical analysis, and the property is in the process of being placed on the National Register of Historic Places. The existing building, which is located, was built in 1910 and is currently vacant. The building has historical significance for its ties to legendary engineer Claude Allen Porter (CAP) Turner. CAP Turner was the originator of the mushroom slab technique of reinforced concrete. Both the heavy timber and concrete structures in The Cameron are the only known example where both the "old" and "new" structural systems were incorporated into a single building.

The developer has received Part 1 approval for eligibility of listing on the National Historical Register and is in the process of submitting and application to the State Historic Preservation Office for Federal Part II and State Part A designation. When redeveloped, The Cameron will include 44 units of workforce housing, with rents restricted at 50% and 60% AMI. On-site surface parking will be available to the tenants for a monthly fee. This elevator building will be comprised of 23 studio apartments, 17 one-bedroom units and 4 two-bedroom units. The proposed property amenities include a fitness center, a bike storage room, extra storage for residents, an outdoor patio and grilling area, common laundry facilities, and surface parking.

The proposed LHIA funding award will be matched by the City's 2012 Affordable Housing Trust Fund award of \$430,000.

The Metropolitan Council is expected to finalize its 2013 LHIA grant awards in December 2013. The City Council will be asked to formally accept the grant awards and appropriate the grant funds soon thereafter.

**Authorizing the proper City officials to sign an Acknowledgement of Receptivity to an LCA Funding Award form in support of the award of Metropolitan Council Livable Communities Local Housing Incentive Account grant funds to certain projects located in the City of Minneapolis**

Whereas, the City of Minneapolis (the "City") was and is a participant in the Livable Communities Act's Housing Incentives Program as determined by the Metropolitan Council, and is therefore eligible to participate in the Local Housing Incentive Account grant program; and

Whereas, the Metropolitan Council has notified the City that the following projects applied for funds through the Minnesota Housing Common Application process: PPL DECC Recapitalization and The Cameron; and,

Whereas, the City intends to accept and make available in a timely manner to these applicants any Livable Communities Act award to the City to assist the housing program or activity proposed in the applications submitted for the above-mentioned projects in June of 2013, subject to final staff verification of each payment request's compliance with the Local Housing Incentive Account grant program's purposes and criteria; and

Whereas, the City has the institutional, managerial and financial capability to ensure adequate project administration; and

Whereas, upon approval of one or more of its applications, the City may enter into agreements with the Metropolitan Council for one or more of the above-reference projects and will comply with all applicable laws and regulations stated in such agreements;

Now, Therefore, Be It Resolved By The City Council of the City of Minneapolis:

That the City Council authorizes the appropriate City officials to sign an Acknowledgement of Receptivity to an LCA Funding Award in support of the award of Metropolitan Council Livable Communities Local Housing Incentive Account grant funds to certain projects located in the City of Minneapolis, and to execute such agreements as are necessary to implement the projects.