



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

**Date:** October 21, 2014

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

**Subject:** Extend Exclusive Development Rights for Project for Pride in Living for  
the Hawthorne EcoVillage Apartments project

### Recommendation:

Extend Exclusive Development Rights for 24 months on five (5) City-owned parcels located at 617 Lowry Avenue North, 3110 and 3116 Lyndale Avenue North and 3113 and 3117 6<sup>th</sup> Street North.

### Previous Directives:

On April 26, 2013 the Minneapolis City Council approved exclusive development rights for 12 months with the option for a 6-month administrative extension for Project for Pride in Living on five City-owned parcels located at 617 Lowry Avenue North, 3110 and 3116 Lyndale Avenue North and 3113 and 3117 6<sup>th</sup> Street North.

### Department Information

<b>Prepared by:</b> Tiffany Glasper, Sr. Project Coordinator, 673-5221
<b>Approved by:</b> Cathy Polasky, Director, Economic Development _____ Charles T. Lutz, CPED Deputy Director _____
<b>Presenters in Committee:</b> Tiffany Glasper, Senior Project Coordinator

### Financial Impact

- Other financial impact: The developer will pay for property management expenses during the holding period, thereby eliminating the City's cost.

## Community Impact

- Neighborhood Notification: The Hawthorne Community Council's input and engagement has been established through an ongoing series of meetings.
- City Goals: A Safe Place to Call Home; Jobs & Economic Vitality; Livable Communities, Healthy Lives
- Sustainability Targets: Affordable Housing
- Comprehensive Plan: Future redevelopment will comply with all applicable City approved plans
- Zoning Code: Will Comply

## Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>	<u>PIN</u>
WL-13	617 Lowry Avenue North	10-029-24-32-0193
WL-14	3110 Lyndale Avenue North	10-029-24-32-0161
WL-15	3116 Lyndale Avenue North	10-029-24-32-0059
WL-1	3113 6 <sup>th</sup> Street North	10-029-24-32-0051
WL-2	3117 6 <sup>th</sup> Street North	10-029-24-32-0050

In 2010, CPED acquired these and other parcels from Hennepin County with the intent to facilitate the multifamily rental housing project known as Hawthorne EcoVillage Apartments.

The initial financing plan for the project called for the use of 9% low income housing tax credits, but due to the competitive nature of this financing mechanism, this project was unsuccessful in securing an award of credits after several attempts. The developer has restructured the financing and made significant progress in attaining commitments for funding that now make this project well suited for housing revenue bonds and 4% tax credits.

Since the initial granting of exclusive development rights in April of 2013, Project for Pride in Living has secured more than \$3.3 million in financing for the Hawthorne EcoVillage Apartments project. The \$3.3 million is in the form of a \$1.875 million commitment of City Affordable Housing Trust Funds, a \$1 million LCDA grant from Met Council and \$150,000 grant from the Home Depot Foundation, \$250,000 from the Mississippi Watershed Management Organization, and other funding through various rebate sources.

PPL currently has applications pending with Minnesota Housing, Hennepin County (TOD) and Federal Home Loan Bank. They will also be submitting applications to Hennepin County ERF and AHIF as well as Metropolitan Council TBRA.

Continuing to support the project by demonstrating a degree of site control will assist the project in securing additional financing in 2014 and 2015.

The Hawthorne EcoVillage Apartments project is proposed to consist of 75 units of affordable rental housing in a mix of 1, 2 and 3-bedroom units with underground parking, bicycle parking for the residents and the public, a play area for kids and a landscaped gathering area for the residents. In addition to these highlights, we

are also talking with PPL about the inclusion of public art, an integrated transit shelter and other public pedestrian scale elements.

CPED staff are excited about this project's progress over the last year. The Hawthorne EcoVillage Apartments will be the first higher density housing project on Lowry Avenue since the roadway reconstruction several years ago. We are looking to this project to act as a catalyst for other redevelopment along Lowry Avenue.

There has been significant population loss on the Northside over the last several years. Increased housing density and more quality housing options will be a positive draw which will also facilitate the future success of the business districts.

Project for Pride in Living is requesting and we are recommending extending the exclusive development rights for the properties at 617 Lowry Avenue North, 3110 and 3116 Lyndale Avenue North and 3113 and 3117 6<sup>th</sup> Street North for a period of 24 months. Project for Pride in Living will pay holding costs of \$2,000 per lot for the 24-month period.