

City of Minneapolis

Request for Committee Action

To: Community Development & Regulatory Services
Date: 5/17/2016
Referral: N/A
From: Community Planning & Economic Development
Lead Staff: Theresa Cunningham, Senior Project Coordinator (612.673.5237)
Presented by: Theresa Cunningham
File Type: Action
Subcategory: Contracts & Agreements

Subject:

Granting Exclusive Development Rights for the Minneapolis Public Housing Authority (MPHA) development of the Minnehaha Townhomes

Description:

Authorizing the granting of Exclusive Development Rights for twenty-four (24) months on four (4) City-owned parcels located at 5348, 5364, and 5368 Riverview Road and 5118 – 54th Street East to Minneapolis Public Housing Authority (MPHA) to develop the Minnehaha Townhomes and authorizing the appropriate City staff to draft and enter into an Exclusive Development Rights Agreement.

Previous Actions:

On March 27, 2009, the City Council approved the sale of Lot 1 (5348 Riverview Road) to Twin Cities Habitat for Humanity, Inc. or an affiliated entity, for \$11.59 per square foot, for the development of the Riverview Townhomes Project, and that the proper City officers were authorized to execute a redevelopment contract, in accordance with the terms contained in the CPED staff report by Resolution 2009R-101.

Ward/Address:

Ward 12 - Minnehaha Neighborhood

Parcel #	Property Address	PIN
1	5348 Riverview Road	17-028-23-34-0058
2P	5364 Riverview Road	17-028-23-34-0028
11M & 12M	5368 Riverview Road	17-028-23-34-0056
1P	5118 East 54 th Street	17-028-23-34-0034

Background/Analysis:

The initial development of this site by Twin Cities Habitat for Humanity, Inc. in 2009, in response to a previous Request for Proposals, was not realized due to the national collapse of the ownership housing market and the developer's inability to secure financing to complete the proposed development. On December 31, 2015, CPED released a second Request for Proposals (RFP) to redevelop the four City-owned vacant parcels of land located at 5348, 5364, and 5368 Riverview Road and 5118 E. 54th Street formerly collectively referred to as the 54th & Riverview Road Development Site. All of the subject parcels included in the development site were purchased and assembled over the last 10 years under the Higher Density Corridor Housing Program. Detailed information about the individual purchases and costs will be included in a

future land sale report when the selected developer has secured at least 75% of the proposed financing to complete the development.

Four proposals were received from the following developers: Twin Cities Habitat for Humanity, Aeon, Michaels Development Co. & CPM Companies, and the Minneapolis Public Housing Authority. All four proposals were forwarded to the Proposal Review Committee comprised of CPED housing, financial analysis and planning staff, and two neighborhood organization representatives in which one was an adjacent resident.

The Minneapolis Public Housing Authority's (MPHA) proposal to create the Minnehaha Townhomes development was selected as the preferred development receiving the highest points for adhering to the development objectives and selection criteria stated in the RFP. The development proposes to create sixteen (16) 2-story townhome style 2, 3, and 4 bedroom units targeted to serve families experiencing homelessness. As proposed, the townhomes will be constructed slab on grade, in four individual buildings with four townhome units in each. Surface parking will be provided for 17-vehicles including specially designated handicap van parking. Two of the units will be handicap accessible.

As proposed, the site will include community garden space, a play area for small children, rain garden space and patio areas for tenant outdoor recreational use. Attached are preliminary renderings, a site plan and unit floor plans for the proposed development. In addition, a project data worksheet is also attached which provides preliminary estimated sources and uses of funds to complete the development. No funds have been committed to this development.

The details of the selected development proposal was presented at a community meeting of the Nokomis East Neighborhood Association on March 22, 2016 after which they provided a letter of support for the development and committed to continue to work with the developer as the design is further refined and moves forward. Additionally, residents expressed concerns with onsite and street parking and the overall façade design of the proposed townhomes. The developer has committed to continue to work with the neighborhood as they further refine the design. In addition, Council Member Andrew Johnson (Ward 12) worked with Public Work staff to install signage to limit street parking along Riverview Road.

MPHA is now requesting and CPED staff is recommending the granting of exclusive development rights to MPHA for the development of the Minnehaha Townhomes development for a period of twenty-four (24) months in order to allow the developer adequate time to secure project financing. Once 75% of the financing has been secured, CPED staff will return to this committee to request land sale authorization.

Financial Review:

No financial impact.

Attachments:

1. Minnehaha Townhomes Renderings & Site Plan
2. Project Data Worksheet