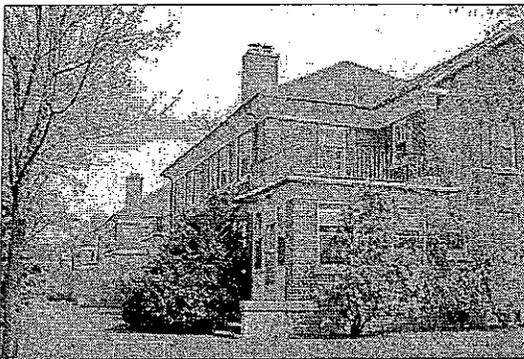


CPED MULTIFAMILY HOUSING DEPARTMENT
Affordable Housing Inventory Project Data Worksheet



Project Status	
Proposed:	12/31/2001
Approved:	<input checked="" type="checkbox"/>
Closed:	
Complete:	

Impact	
<input checked="" type="radio"/> Non-Impacted	
<input type="radio"/> Impacted	

Occupancy	
<input checked="" type="radio"/> Rental	
<input type="radio"/> Ownership	

Project Name:	Veterans Housing
Main Address:	5475 Minnehaha Ave
Project Aliases:	Veterans & Community Housing Initiative
Additional Addresses:	
Ward:	Neighborhood: Outside City Limits

Housing Production and Affordability									
UNIT COMPOSITION	UNIT	QTY	UNIT AFFORDABILITY	UNIT	<30%	<50%	<60%	<80%	MKT
	0BR	140		0BR	50	85	0	0	5
	1BR	0		1BR	0	0	0	0	0
	2BR	0		2BR	0	0	0	0	0
	3BR	0		3BR	0	0	0	0	0
4+BR	0	4+BR	0	0	0	0	0		
TOT	140	TOT	50	85	0	0	5		

Shelter Units:		+ Conversion Units:	
Section 8:			

Project Activity	
<input checked="" type="checkbox"/> New Construction	
<input checked="" type="checkbox"/> Rehabilitation	
<input type="checkbox"/> Stabilization	
<input type="checkbox"/> Preservation	
Year Built:	

Development	
<input checked="" type="radio"/> Apartment/Condo	
<input type="radio"/> Townhome	
<input type="radio"/> Coop	
<input type="radio"/> Shelter	
<input type="radio"/> Transitional	
<input type="radio"/> Scattered Site/Other	

Household	
<input type="checkbox"/> General	
<input type="checkbox"/> Family w/Children	
<input type="checkbox"/> Senior	
<input checked="" type="checkbox"/> Single	
<input type="checkbox"/> Special Needs	
<input checked="" type="checkbox"/> Homeless	

GENERAL INFORMATION

Proposed development of 140 efficiency units (18 rehab, 122 new construction) to provide permanent housing for homeless and near-homeless single adults. Approximately half of the units will be reserved for qualifying low income veterans with the remaining units serving members of the community.

The development site is a 3.58 acre parcel within the Minneapolis VA Medical Center Campus located at 5475 Minnehaha Ave. The majority of the site is vacant land however there are 4 existing buildings that will also be rehabilitated as part of the overall project. The property is Federal land located in an unincorporated section of Hennepin County just outside of Minneapolis' city limits. It is located adjacent to the 12th ward and the Minnehaha Neighborhood.

It is anticipated that a majority of tenants will be employed at low wage jobs. Given this tenant demographic, the site's proximity to the Hiawata LRT promises a significant benefit to the project and its residents promoting an easy commute to downtown Mpls, the Mall of America and the airport.

Partnership:

Developer:

CHDC
710 S 2nd St Suite 603
Minneapolis, MN 55401-
Phone: (612) 332-6264 ext
Fax: (612) 332-2627

Contractor:

BJ Mariotti
Frana & Sons
633 2nd Ave S
Hopkins, MN 55343-7779
Phone: (952) 908-2679 ext-
Fax:
bmariotti@frana.com

CPED Coordinator:

Jerry LePage
CPED
105 5th Ave S Suite 200
Minneapolis, MN 55401
Phone: (612) 673-5240 ext-
Fax: (612) 673-5248
jerry.lepage@ci.minneapolis.mn.us

Owner:

Carol Kelleher
Hennepin County HRA
417 N 5th St Suite 320
Minneapolis, MN 55401-1362
Phone: (612) 348-2270 ext-
Fax: (612) 348-2920
Carol.Kelleher@co.hennepin.mn.us

Architect:

Peter Kramer
Roark Kramer Kosowski DESIGN
2929 4th Ave S
Minneapolis, MN 55408-
Phone: (612) 822-4200 ext-
Fax: (612) 822-4298

CPED Legal:

Shelley Roe
Phone: (612) 673-5086 ext-
Fax: (612) 673-5112

CPED Support Coordinator

Scott Ehrenberg
Phone: (612) 673-5067 ext-
Fax: (612) 673-5259

Contact Information:

Consultant:

Barb Broen
Broen Housing Consultants
1437 Marshall Ave., #201
Saint Paul, MN 55104-
Phone: (651) 645-8474 ext-
Fax: (651) 645-8497
bbroen@mm.com

Property Manager:

BDC Management
Phone: (612) 371-0766 ext-
Fax: (612) 371-1834

Support Services:

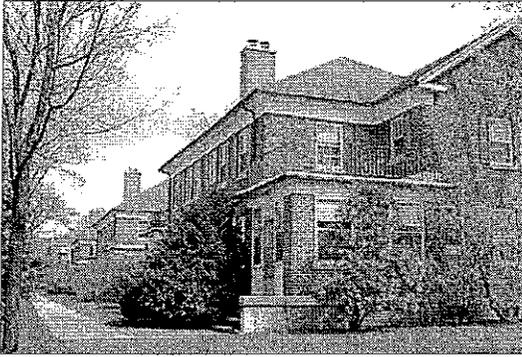
Minnesota Assistance Council for Veterans
Phone: (612) 726-9375 ext-
Fax: (612) 726-1138

CPED Rehab:

Dalene Lenneman
Phone: (612) 673-5254 ext-
Fax: (612) 673-5207

MPLS Affirmative Action

Pat Behrend
Phone: (612) 673-2583 ext-
Fax: (612) 673-2599



Project Status	
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Approved:	<input checked="" type="checkbox"/>
Closed:	
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Project Name:	Veterans Housing
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Housing Production and Affordability

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<input checked="" type="checkbox"/> Single	
<input type="checkbox"/> Special Needs	
<input checked="" type="checkbox"/> Homeless	

Shelter Units: + Conversion Units:
Section 8:

USES AND SOURCES

Project Uses:	
Land:	\$300,000.00
Construction:	\$9,079,671.00
Construction Contingency:	\$390,487.00
Construction Interest:	\$0.00
Relocation:	\$38,997.00
Developer Fee:	\$1,111,000.00
Legal Fees:	\$85,000.00
Architect Fees:	\$320,066.00
Other Costs:	\$280,779.00
Reserves:	\$264,000.00
Non-Housing:	\$0.00
TDC:	\$11,870,000.00
TDC/Unit:	\$89,924.00

Project Sources:					
Source / Program	Amount	%	Term	Committed	
State Planning Funds	\$221,811.00		Grant	1/1/2003	
Ramsey County CDBG	\$200,000.00		Grant	5/1/2003	
State of Minnesota General Obligation Bonds	\$10,200,000.00			1/1/2003	
CPED CDBG	\$660,000.00	1.00%	30 yrs Deferred	5/1/2003	
MHFA/FHF	\$200,000.00			1/1/2003	
Hennepin County	\$400,000.00			1/1/2003	
TDC:	\$11,881,811.00				

Financing Notes:

Community
Housing
Development
Corporation

612-332-6264 Fax 612-332-2627

710 South Second Street • Suite 603 • Minneapolis, Minnesota 55401

April 18, 2005

Mr. Jerry LePage
Community Planning and Economic Development
105 Fifth Avenue South
Suite 200
Minneapolis, Minnesota 55401

Dear Mr. LePage:

We hereby request that you delete the requirement that the CDBG Loan be secured by a mortgage on CHDC's leasehold interest on the VA property. As you know the property is owned by the VA and the VA and the Hennepin County Housing & Redevelopment Authority are close to finalizing an Enhanced Use Lease for the property. Because of the G.O. bond financing, negotiating that lease has been a difficult process. The VA is reluctant to permit mortgages on the leasehold interest and the Enhanced Use Lease contains the following provisions related to mortgages.

First, Section 18.A.2 of the Enhanced use Lease provides as follows:

The HRA covenants that it shall not create or cause to be created a mortgage, lien, encumbrance to be placed upon the Property, other than such mortgage, lien, or encumbrance to be placed on The HRA Leasehold Interest therein pursuant to Paragraph B of this Article. The creation of any mortgage, lien, or encumbrance, other than permitted by Paragraph B of this Article, shall be deemed an event of default on the date of its execution of filing of record in accordance with the provisions of Articles 20 and 21 of this Lease.

In addition, Section 18B provides as follows:

The HRA may encumber its Leasehold Interest to the extent necessary to provide financing for the costs of construction, operation, and maintenance of the Property as specified in this Lease. However, any loan involving a security interest in the Leasehold, other than the MHFA Loan Agreement, may not be closed until the Department has approved the financing.

Mr. Jerry LePage
April 18, 2005
Page 2

Finally, Section 18 of the Enhanced Use Lease provides that:

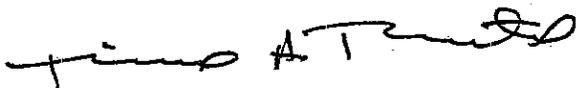
Such loan documents and other documents establishing a security interest shall also require that the rights of any holder of any obligation secured by the HRA's Leasehold Interest through a security interest, including a mortgage or deed of trust, shall provide the Department; prior to any termination sale or transfer; notice of the intent to terminate the loan and give the Department the opportunity to redeem the Leasehold for an amount not in excess of the fair value of the Leasehold, less expenses associated with the termination of the Leasehold, less expenses associated with the termination of that loan or the total indebtedness allowable, pursuant to local law, which ever is less. Such an offer shall remain open for twenty-one (21) days following written notice to the Department. If the Department takes advantage of the option, the Department shall acquire an interest in the Leasehold equivalent to the HRA's interest, which would have been extinguished by the loan termination. If the Department does not elect to redeem the Leasehold Interest being foreclosed, through failure to act within twenty-one (21) days or through written notice of an intent not to redeem, then the loan holder will be permitted to proceed with loan termination.

As you can see the Enhanced Use Lease is restrictive as to mortgages on the property. The terms of the Enhanced Use Lease are still being negotiated and these provisions may change. However, it is clear that the VA will want to review and approve all secured loans. Because we believe that getting that approval could be time consuming and difficult to obtain we request that you delete the requirement that the loan be secured by a mortgage.

Please contact me if you have any questions or comments.

Sincerely,

COMMUNITY HOUSING DEVELOPMENT CORPORATION



Richard A. Brustad