

NORTHEAST COMMUNITY DEVELOPMENT CORPORATION



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Ms. Bernadette Hornig
Project Coordinator
Community Planning and Economic Development
Multifamily Housing Development
105-5th Avenue South, Suite 200
Minneapolis, MN 55401-2534

Dear Ms. Hornig:

Thank you for the City's interest in working with the Northeast community to implement a successful development project in the Beltrami Neighborhood. This letter is to formally request \$30,000 from the Non-Profit Housing Development Assistance Fund for the purpose of successfully completing a community-based design and developer selection process for the "Beltrami Site."

The Northeast Community Development Corporation (NE CDC) has formed a partnership with the Beltrami Neighborhood Council (BNC). Please see the attached letter from BNC. What follows is a narrative description of the project and a budget for how NE CDC intends to manage the funds.

Together, NE CDC and BNC hope to make a significant contribution to the City as a whole that is consistent with the City's Affordable Housing Policy. Since the site in question is 2.25 acres, with the possibility of a total of up to 5 acres being developed, it is almost certain that over 30 units will be produced. Thus, as I understand it, \$30,000 is potentially available from this fund.

Background

The Beltrami site is located on the eastern side of Buchanan Street mostly between Spring and Winter Streets. It is excess freeway right-of-way owned by MNDOT. The Beltrami Community garden occupies the northern tip of the site.

Throughout the past ten years at least three plausible developments have been proposed, the most recent being for senior housing built by a company called Real Life. None, obviously, have reached fruition.

Real Life, however, got the process to the point of the City actively seeking deed via conveyance from MNDOT. MNDOT remains open to this and CPED is willing to pay for an appraisal from MNDOT's approved list.

Initial pollution testing has been completed. Some has been found, the extent of which is not known yet pending the MPCA's involvement.

Several months ago, Council President Paul Ostrow suggested that CPED contact NE CDC to explore a possible role for NE CDC as a catalyst for development. NE CDC consequently met with BNC and reached an agreement to form a partnership for this purpose. It was decided that the partners and the neighborhood would conduct a community visioning and design process and then choose a developer. Please note that an important component of this process is the involvement of a housing finance consultant to insure that the results are wholly feasible. Jim Gabler, former MCDA Multifamily Director, was chosen for this role.

John Vaughn, NE CDC Executive Director will be the primary NE CDC staff for this project. A design firm has not been chosen yet.

Project Milestones

July, 2004. July 12th – Beltrami Neighborhood Council OKs moving ahead in partnership with NE CDC. BNC creates a committee to work with NE CDC. NE CDC board signs off on partnership. **DONE**

October/November. Begin doing organizing in Beltrami to build neighborhood-wide support for moving ahead on that site (Please note that door-to-door work has already begun.). Hold a **Development Education Session** on Monday, November 1st for local neighbors – work with BNC on organizing and content.

December. At a large facilitated public meeting, get the neighborhood centered on a general vision for the site. At this meeting, see if the neighborhood wants to push for a 5 acre development by adding an alley on the southern border, the adjacent CPED owned lot, an existing duplex, and an existing nine unit apartment to the plan. Make sure preserving community garden is a priority. Please note that the owners of each rental property have been spoken with and are potential willing sellers.

After meeting, NE CDC and BNC committee will meet with City staff to make sure City can back vision and rough plan and to discuss any participation the City may possibly wish. Also, Check on zoning issues.

Bring in Jim Gabler and an architect/designer (BNC committee chooses) after the meeting to start working with BNC Project Committee on implementing the vision, e.g.: type of housing, site lay out, number of units, income mix, etc. They will develop at least three options based on what the community articulates.

Then, begin organizing another big community meeting/charette.

January/February 2005. Hold Charette public meeting led by design consultants. The neighborhood has to then close on what they want more specifically. This will be done

by vote at the next BNC membership meeting. At this point the cost can be projected. Jim Gabler will then recommend financing. Check back in with City after this to make sure that we are still aligned.

March – May. Go “developer shopping.” A BNC committee with immediate neighbors included will recommend choice to BNC board. The NE CDC project team will manage the proposal process. BNC will vote on the final choice at their May 2nd, 2005 membership meeting.

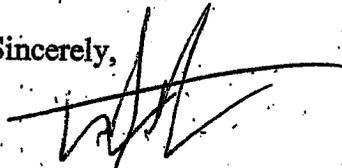
Result

The result of this process will be high quality development on the Beltrami site that improves the community, is helpful to the City’s affordable housing goals, and whose success is achieved effectively through the principal interested parties being aligned and well-prepared.

I have attached a budget for the project that reflects the likely expenses directly associated with it. NE CDC will, of course, treat this funding as restricted to the project.

Please give this proposal your greatest consideration. Northeast is very appreciative of the CPED’s support and the quality staff people we work with on regular basis. Thank you. If you or any Council Members have any questions or concerns regarding this proposal, please do not hesitate to contact me 612-627-9366. Thank you again.

Sincerely,



John Vaughn
Executive Director

Beltrami Development Project Expense Budget

Housing finance consulting – Jim Gabler (80 hours at \$95/hour)	\$7,600
Architectural design firm TBD no less than 3 concept drawings, 2 public meetings facilitation including one community charette, final drawings and participation in developer selection process	\$15,000
Project management, administration, and outreach – NE CDC	\$5,200
Printing (800 4 page pieces in newsletter form X 3)	\$1,300
Distribution	\$600
Meeting Expenses (non-food supplies; e.g. flyers, flip charts, 2 additional easels, participant feedback forms, etc.)	\$300
TOTAL \$30,000	