



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

**Date:** April 18, 2006  
**To:** Council Member Lisa Goodman, Community Development Committee  
**Subject:** Augustana Chapel View: Approve Resolution for Bond Refunding

**Recommendation:** Approve the attached City Council Resolution Granting Approval to Refund up to \$7,200,000 in Tax Exempt Multifamily Housing Development and Health Care Facility Bonds for Augustana Chapel View Homes, Inc., Augustana Park Center Apartments

**Previous Directives:** On April 14, 1997, the City Council approved \$10,100,000 in Tax Exempt Multifamily Housing Development and Health Care Facility Bonds for Augustana Chapel View Homes, Inc.

**Prepared by:** Dollie Crowther **Phone: 673-5263**

**Approved by:** Elizabeth Ryan, Directory of Housing Policy & Development \_\_\_\_\_

**Permanent Review Committee (PRC)** Approval  Not Applicable x

**Note:** To determine if applicable see <http://insite/finance/purchasing/permanent-review-committee-overview.asp>

**Presenter in Committee:** Dollie Crowther, Principal Coordinator

### Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the  Capital Budget or  Operating Budget.
- Action provides increased revenue for appropriation increase.
- Action requires use of contingency or reserves.
- Business Plan:  Action is within the plan.  Action requires a change to plan.

X Other financial impact (Explain): Annual bond fees will be collected when the bonds are issued.

- Request provided to department's finance contact when provided to the Committee Coordinator.

### Community Impact (use any categories that apply)

Neighborhood Notification: N/A

City Goals: Foster the development and preservation of a mix of quality housing types that are

available, affordable, meets current needs and promotes future growth.

Comprehensive Plan:

Section 4.1: Minneapolis will encourage reinvestment along major urban corridors as a way of promoting growth in all neighborhoods.

Section 4.9: Minneapolis will grow by increasing its supply of housing;

Section 4.12: Minneapolis will reasonably accommodate the housing needs of all of its citizens;

Section 4.15: Minneapolis will carefully identify project sites where housing redevelopment or housing revitalization are the appropriate response to neighborhood conditions and market demand;

Policy 35: Within the constraints imposed by state and federal regulations, the City should continue to sell tax-exempt revenue bonds to provide below market rate housing development financing.

Zoning Code: In compliance.

Other: N/A

### **Background/Supporting Information**

Augustana Park Apartments is a 218 unit elderly independent facility located at 1020 East 17<sup>th</sup> Street and 1509 10<sup>th</sup> Avenue South and is a part of the Augustana Chapel View Homes, Inc., a combination housing development and health care facility project. The health care facility houses those residents whose income meets the City's affordable housing policy. There is a campus in both Minneapolis and Hopkins. The Minneapolis campus is comprised of a nursing facility and has a population that is approximately 57% Medical Assistance residents. The nursing facility is adjacent to four high rise apartments for the elderly and meet the City's affordable housing guidelines. Augustana also provides over 6,000 meals each month through participation in the Meals on Wheels Program.

### Financial Summary/HRB Information

In 1997 Augustana Chapel View was issued \$10,000,000 in revenue bonds to refinance and rehabilitate Augustana Park Center Apartments. They are requesting to refinance up the outstanding balance of the bonds of up to \$7,200,000 for a lower interest rate. The term of the bonds remains the same. The cost savings of the refinance will enable the facility to minimize potential rent increases, and contribute to the financial viability of the organization.

Attachments:

Data Worksheet

Resolution