

METROPOLITAN INTERFAITH COUNCIL ON AFFORDABLE HOUSING*"Do justice, love mercy, walk humbly with your God." Micah 6:8*

August 18, 2003

Minneapolis City Council
 350 S. 5th St., Room 307
 Minneapolis, MN 55415

Dear Members of the Minneapolis City Council:

On behalf of MICAH I am writing to state our support for the development of the River Run Apartments on Marshall Street, proposed by Sherman Associates Inc. The creation of 101 units of rental housing, a majority of them affordable, located in a "non-impacted" neighborhood is exactly the kind of development that MICAH wants to promote. We also value that this proposal includes higher density housing that is more cost effective by making the best use of scarce land and existing infrastructure.

We are especially pleased to note that this development includes 16 project-based Section 8 units that will be affordable to households earning below 30% of the Metropolitan Median Income (MMI). As you are aware, housing for people at this income level is in the greatest demand in Minneapolis, while also being the most difficult to produce. (The Minneapolis Consolidated Plan for 1998-2003 estimated a shortage of 14,776 units at this affordability level. That number is expected to increase over the next 15 years.)

We appreciate Sherman Associate's commitment to manage and maintain this property as affordable housing for at least 30 years, ensuring its long-term affordability for people on fixed incomes as well as for people in the workforce. And, the healthy mix of one, two and three bedroom units seems appropriate to meet the housing needs of both larger families, seniors, and others who work in the community. A well-built and managed development like the proposed River Run Apartments can play an important role in maintaining neighborhood stability, while also strengthening the City's economic vitality.

We understand that Sherman Associates has worked closely with several organizations in the community over the past year, and that many changes have been made in response to neighborhood requests. We applaud this responsiveness, but at the same time we hope that the project will move forward as planned with full Council support. We believe this development deserves support because of the degree to which it meets broader public goals that benefit Minneapolis residents and the City as a whole.

Thank you for your consideration and anticipated support of the Marshall Street River Run Apartments.

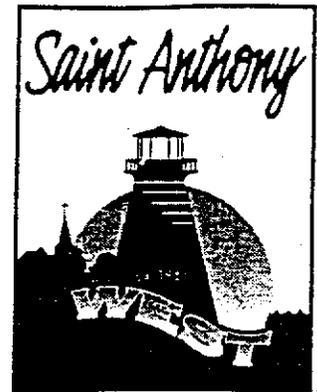
Sincerely,

Joan Pearson
 Joan Pearson
 Congregational Organizer

St. Anthony West Neighborhood Organization

909 Main Street Northeast
Minneapolis, MN 55413

Telephone: 378-8886
Fax Number: 378-7986



July 10, 2003

Jim Voll
Minneapolis Planning Department
250 S. 4th St., Room 300
Minneapolis, MN 55415

Dear Mr. Voll:

On behalf of the Board of Directors of the St. Anthony West Neighborhood Organization, I am writing to express our frustration with the proposed development at 1424 and 1448 Marshall St. NE.

We have met countless times with the developers to inform them of the vision of the Above the Falls Plan and our concerns about having that vision carried out. They have refused to listen to our concerns, especially regarding the height variance, design and the relationship the proposed project has to the Above the Falls Plan. We do not support the requested variances or the zoning application dated June 30, 2003.

We also feel that there should be no use of city bond funding to fund a project that will have such a negative impact on the Upper River. In fact, we have asked our council member, Don Samuels, to propose a one-year moratorium on Upper River development in order to get all city agencies to coordinate development on the Upper River. We cannot allow the Above the Falls Plan to be "varianced" into mediocrity.

Clearly the business model the developer is using for this unique site on the Mississippi River is flawed. At this point in time, the developer will make his profit while the city of Minneapolis and the neighborhoods of the Eastside get a substandard project shoved down their throats.

I know the language of this letter is strong, but we feel we have not been listened to and are very frustrated with being treated as second-class citizens.

Respectfully,


Michael P. Rainville Sr.

President

St. Anthony West Neighborhood Organization

MR/gab

cc: ✓ Jim Bartlett, Marchant Investments
Loren Brugerman, Sherman Development
R.T. Rybak, Mayor
Minneapolis City Council

August 18, 2003

Council Member Don Samuels
Ward 3
City Hall
350 South 5th Street, Rm 307
Minneapolis, MN 55415

Council President Paul Ostrow
Ward 1
City hall
350 South 5th Street, Rm 307
Minneapolis, MN 55415

Re: Support for River Run Apartments
Northeast Minneapolis

Dear Council Member Samuels and Council President Ostrow:

As a Northeast resident I am very pleased to state my support of Sherman Associates proposed development on Marshall Street, River Run Apartments.

I understand there is some opposition to the project because it provides rental housing rather than home ownership. Frankly, I am very satisfied with the amount of ownership opportunities that have been developed on both sides of the river and in the St. Anthony Main area over the past few years. I believe a mix of both ownership and quality rental opportunities is essential to the long-term vitality of the neighborhoods northeast.

I moved to Northeast Minneapolis 10 years ago because I had an opportunity to rent an affordable two-bedroom apartment. Two years later my husband and I bought our house just two blocks from the apartment because we loved the neighborhood so much. Since then I have been very involved and committed to the northeast community, serving on my neighborhood board and volunteering in many capacities on Central Avenue revitalization efforts.

It simply is not true that rental housing destabilizes neighborhoods. The opposite is true. It provides opportunities for people to live, work and raise families in the city. The fact is, *any* property whether rental, owner occupied, or private business, if poorly managed and maintained negatively impacts the community. Well-maintained and managed properties add value and strengthen communities.

I understand the proposed development will add 101 units of high quality rental housing to the Sheridan neighborhood in Northeast Minneapolis. As you are both aware, Sherman Associates is an award-winning developer, owner and manager of multifamily rental projects such as the one proposed. Over the years, I have known Sherman Associates to

provide responsible, quality management and, as an owner, they have demonstrated accountability to both the residents of the housing and communities in which they are located.

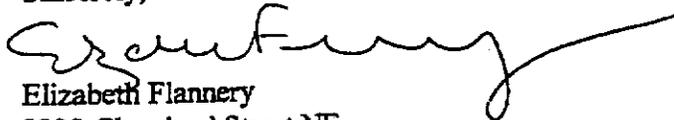
By providing mixed-income rental housing, the project meets both City of Minneapolis and Hennepin County goals in the area of housing production. In addition, the project is consistent with the objectives of the Upper River Master Plan, including remediation of a contaminated site.

Providing high quality rental housing for individuals and families of all income levels is good public policy and strengthens the economic vitality of our city. Strategically increasing housing density and positive conversion of land use from industrial to residential on the river is also good policy. This project represents all of the above and has been designed with considerable positive community input.

Given the current economic outlook for the City, it would be a great loss to pass up this opportunity to increase the quality of housing available northeast and dramatically improve the river front.

I urge you to support the development of River Run Apartments and thank you both for all of your work toward strengthening Minneapolis neighborhoods.

Sincerely,



Elizabeth Flannery
2238 Cleveland Street NE
Minneapolis, MN 55418



Lutheran Social Service
for changing lives

August 10, 2003

Minneapolis City Council
350 South 5th Street, Room 307
Minneapolis, MN 55415

Lutheran Social Service
of Minnesota

Minneapolis Area Office
2414 Park Avenue
Minneapolis, MN 55404
612.871.0221
Fax 612.871.0354

www.lssmn.org

Dear Minneapolis City Council Members:

I am writing this letter in support of Sherman Associates' plan to develop Marshall Street River Run Apartments. Lutheran Social Service of Minnesota (LSS) has been a partner with Sherman Associates over the past seven years in the Phillips-Park Initiative (PPI) in South Minneapolis. PPI is a collaborative effort between Phillips residents, LSS, Phillips Eye Institute, Sherman Associates, and neighborhood institutions to redevelop a four block area in West Phillips and provide mixed income housing opportunities. Phase I is complete and successful and Phase II is currently under construction.

The partnership with Sherman Associates has been exceptional. When PPI began planning in 1995 to develop housing in Phillips, Sherman Associates was the only developer interested. When very few contractors were interested in bidding the construction of Phase I, Sherman Associates again stepped up and Craftsman Construction (a subsidiary of Sherman Associates) bid the project and kept us on budget. The joining of non-profits and neighbors with a for-profit developer to improve a neighborhood area has resulted in very successful outcomes. Sherman's expertise has been a key to the success of the Phillips-Park Initiative.

River Run Apartments is a much needed development for Minneapolis, particularly for residents in the workforce. According to 2000 Census data, the Sheridan neighborhood has lost 113 rental units since 1990, or 14.2% of total renter-occupied housing units. This development will replace those lost units with decent, affordable, and well-managed housing that will add value to the neighborhood and the City of Minneapolis. Sherman has also worked with neighborhood groups to modify the development to meet neighbor's concerns. It is important to note that Sherman Associates currently owns and successfully manages over 4000 units of rental housing, as well as commercial properties.

River Run Apartments is designed to meet the Upper River Master Plan objectives:

- Provide public access to the river
- Create a system of Riverway Streets



- Enhance the ecological function of river corridors
- Establish urban design guidelines
- Clean up brownfield contaminated areas

Last, River Run Apartments helps meet Minneapolis' Comprehensive Plan goals of furthering fair housing. The development adds 67 new long-term affordable housing units in a non-impacted area. Sherman Associates is committed to manage and maintain this affordable housing for 30 years, which is an incredible asset to the community.

In summary, LSS supports Sherman Associates' plan to develop Marshall Street River Run Apartments. The City of Minneapolis needs this development for the economic base it adds to the city, for the value it adds in furthering the Upper River Master Plan, and the progress it adds in meeting Comprehensive Plan goals. Minneapolis residents need this development for the decent, good quality, and long term affordable housing it provides for people living and working in the community. Sherman Associates has demonstrated many times a long-term commitment to enhance and improve the great quality of life in Minneapolis.

Sincerely,



Bill Vanderwall
Director, Housing Services

CC: Loren Brueggemann
George Sherman



MINNESOTA SUPPORTIVE
HOUSING CONSORTIUM

<http://www.mshc.org>

2801 21st Avenue South, Suite 220
Minneapolis, MN 55407

August 18, 2003

Council Member Don Samuels
Ward 3
City Hall
350 South 5th St. Room 307
Minneapolis, MN 5415

Dear Council Member Samuels

The Minnesota Supportive Housing Consortium is a membership organization of over 40 nonprofit housing organizations and social service providers that collectively own, and operate thousands of rental units and provide services to poor, disabled and homeless citizens in Minnesota. A number of our members provide essential human services and housing to residents in your ward.

I am writing on their behalf and as a member of the City's Community Advisory Board on Homelessness to support the proposed Marshall Street River Run Apartments in the Sheridan neighborhood. This development meets the overall affordability goals and development objectives contained in the Minneapolis Plan. It was also designed to meet many of the objectives of the Upper River Master Plan, ranked first for housing revenue bonds through the City's CPED Department and cleans up a blighted and polluted industrial area adjacent to the Mississippi River.

In following the development process of this project, it is clear that Sherman Associates has appropriately engaged, listened to and modified their development plans to accommodate neighborhood concerns. And yet, a small, vocal minority of residents continues to threaten the development of this much needed housing resource. City leaders, such as yourself, are once again confronted with finding the balance between self-interested opposition and the greater community good.

I hope you recognize that the role of neighborhoods is to set conditions for various uses in their neighborhoods, not vote development projects up or down. Submitting to this sort of opposition effectively renders the City's global development objectives, based on well-documented community needs, meaningless. Mixed income housing developments with long-term commitments to affordability, developed by high quality developers like Sherman Associates are essential to meeting the housing needs of all Minneapolis residents and will ultimately contribute to the economic vitality and stability of the Sheridan neighborhood. This development has met every test for a high quality project.

Please demonstrate your understanding of the housing needs in Minneapolis by supporting this project and by accepting your leadership role as a voice for a balanced approach to rental and ownership housing opportunities for the residents in your Ward.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Farmer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jonathan Farmer
Executive Director
Minnesota Supportive Housing Consortium



Council Member Don Samuels
City of Minneapolis
350 South Fifth Street, Room 307
Minneapolis, MN 55415

Re: River Run Apartments
14xx Marshall St NE, Minneapolis

Dear Council Member Samuels,

I am writing to voice the support of the Minneapolis Public Housing Authority for the above referenced project.

In April, the MPHA Board approved Sherman Associates, Inc. application for Project Based Section 8 Assistance for sixteen (16) units in the River Run Apartment.

This project meets MPHA's goals in numerous ways, including:

1. The project is located in a non-impacted census tract.
2. The project is mixed-income, offering units affordable at a range of income levels.
3. The project is located directly on the Mississippi River, which will offer affordable housing in a location not currently available to those seeking affordable housing.
4. The project will contribute to increasing and upgrading the supply of affordable housing in the city.
5. The project will offer affordable housing with long-term viability (Sherman Associates, Inc. is committed to maintaining the affordability of the housing for thirty years.)

In short, we at MPHA feel this is an extremely important project for the City of Minneapolis and support Sherman Associates' plan to develop the River Run Apartments.

Sincerely,

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

Dean E. Carlson
Housing Development Coordinator

August 15, 2003

Walter Dzedzic
2727 Cleveland ST NE
Mpls., MN 55418

Council Member Don Samuels
#310 City hall
350 S 5th St
Mpls., MN 55415

Re: River Run Apartment Project/ 14th & Marshall St NE

Dear Council Member Samuels:

I am writing at this time to express my support for this project. I have lived in North East Minneapolis for many years and during that time have seen many changes. A lot of them may not have been supported at the time by some people but as time past they ended up being best for the community. Some people have trouble seeing into the future. I believe this to be one of those situations. The walking path to the river will be a benefit to everyone.

Times are changing all over this city and especially in North East. Property values are skyrocketing and good housing both for sale and fore rent is getting tighter all the time. Thank you for your time and consideration of my comments.

Yours truly,

Walter Dzedzic



August 18, 2003

Paul Ostrow, President
Minneapolis City Council
350 South 5th Street, Room 307
Minneapolis, MN 55415

Dear President Ostrow and City Council Members:

Please accept this letter of support for the proposed Marshall Street River Run Apartments as submitted by Sherman Associates. Through my work with the Lyndale Neighborhood Development Corporation, The City of Lakes Community Land Trust, and the Northeast Community Development Corporation, I have had several opportunities to work with Sherman Associates and have been particularly impressed by their capacity and willingness to work closely with neighborhood residents and businesses to ensure successful partnerships and provide quality housing.

As a non-impacted community, Northeast Minneapolis has emerged within the City as an area with potential for siting lower income housing, but as is typical when confronted by that reality, neighborhood residents and businesses are reluctant to agree that such placement should take place in their "backyards." While that sentiment is often loudly proclaimed and first heard, data suggests that the placement of lower income housing does not reduce property values of nearby properties. Lower income housing does not cause problems; poor management of any housing – low income or not – causes problems. Rental property owned and operated by Sherman Associates has a consistent track record of good business and good neighbor practices.

This proposed development is not solely low income housing; 67% of the units are proposed to be affordable at 60% of AMI or less. If my calculations are even close to accurate, that suggests a maximum "low income" of approximately \$45,000. If my information is even close to accurate, first year teachers in the Minneapolis Public School system, beginning City police officers and fire fighters will qualify for such "low income" housing. One-third of the units proposed will be available at "market" rate, open to a large population of persons desiring to live near the Mississippi River but unable to access the half million dollar properties nearer downtown.

Sherman Associates has indicated a willingness to work with residents and neighborhood organizations as well as spokespersons for the upper River Master Plan to ensure careful consideration of all concerns. From my experience, staff from Sherman Associates has been very good at attending meetings when invited and providing as much information as possible. They have also consistently "heard" resident concerns and attempted to respond appropriately to those concerns.

Thank you for your consideration of my opinions.

Sincerely,

Carol J. Mork



11 August 2003

Your Independent
Community Bank

77 Broadway N.E.
Minneapolis, MN 55413
612-379-3811
FAX: 612-362-3262

Member F.D.I.C.

Council Member Don Samuels
Minneapolis City Hall # 310
350 S 5th St
Minneapolis, MN 55415

Dear Council Member Samuels:

This letter is to let you know that Northeast Bank has seen the plans for the new project known as River Run being proposed at 14th and Marshall St NE. This project along with the recent completion of the RSP Grain Belt MCDA project and the new Bottineau Library are examples of the growth and successes that are taking place in the area.

The River Run rental project along with the proposed for-sale housing at the Grain Belt site will offer a wide variety of housing choices for the neighborhood. We welcome projects such as this.

Thank you for your representation of the Third Ward and your time and consideration of our comments.

Yours truly,

A handwritten signature in black ink, appearing to read "Robert A. Jensen", with a long horizontal flourish extending to the right.

Robert A. Jensen
Senior Vice President



August 8, 2003

Council Member Don Samuels
Minneapolis City Hall
350 South 5th Street
Room 310
Minneapolis MN 55415

RE: Apartment project: 14th & Marshall St. NE

Dear Council Member Samuels:

I am writing you to express support for the River Run apartment project. We recently purchased the B&B Adcrafters building two blocks to the north of the proposed development.

As a new owner of property in the neighborhood I am concerned about the economic future of the area. The revitalization of Marshall St. is an exciting opportunity for everyone. I have attended several SNO meetings, and based on my understanding of their project, I believe that the developers of River Run have worked very hard to address the concerns of the neighborhood. They have ended up with a development that will be an asset to area and enhance its future vitality.

Thank you for your attention to my comments.

Yours truly,

A handwritten signature in black ink, appearing to read "AVolna", with a long horizontal line extending to the right.

Andrew Volna
Noiseland Industries