Request for City Council Committee Action from the Department of CPED

Date: July 7, 2009

To: Council Member Lisa Goodman, Chair

Community Development Committee

Subject: Adoption of Resolution approving Hennepin County Housing and Redevelopment Authority (HRA) Affordable Housing Incentive Fund (AHIF) financial assistance to eleven (11) projects located in Minneapolis

Recommendation: Adopt the attached resolution approving Hennepin County Housing and Redevelopment Authority (HRA) Affordable Housing Incentive Fund (AHIF) financial assistance to the eleven (11) projects located in Minneapolis listed in this report.

Previous Directives:

- 1. Alliance Northside Properties On March 27, 2009, the Council approved up to \$350,000 in Neighborhood Stabilization Program funds.
- 2. Alliance Scattered Site 8 Buildings -
- a) On December 7, 2007, the Council awarded up to \$300,000 of Affordable Housing Trust Funds and \$30,000 of Non-Profit Development Assistance funds.
- b) On September 26, 2008, the Council revised the 2007 Affordable Housing Trust Fund Alliance Housing's Scattered Site Rehab project by removing 1844 East 26th Street from the rehab scope of work and replacing it with 3037 Oakland.
- 3. Many Rivers East Apartment Rehab -
- a) In October 2000, the Council granted preliminary approval of the Tax Exempt Multifamily Housing Revenue Bonds for the overall Many Rivers project.
- b) In July 2001, the Council approved a loan of up to \$604,130 for Many Rivers East consisting of funds from the Metropolitan Council Livable Community Development Account, the City's Empowerment Zone, and the City's Affordable Housing Trust Fund.
- c) In March 2002, the Council adopted the Many Rivers East TIF Plan, approved the issuance of a Pay-Go TIF Note of up to \$480,000, approved the sale of the City-owned parcel at 1913 15th Avenue to the Many Rivers Apartments Limited Partnership and granted final

approval of up to \$4.25 million Tax Exempt Multifamily Housing Revenue Bonds.

d) On March, 27, 2009, the Council approved a loan of up to \$179,000 of 2008 Affordable Housing Trust Fund for Many Rivers East.

4. Rental: Reclaim -

On March 27, 2009, the Council awarded up \$300,000 of Neighborhood Stabilization Program funds.

5. Clare Midtown -

- a) On November 7, 2008, the Council approved a partial allocation of 2009 Low Income Housing Tax Credits in the amount of \$150,517.
- b) On December 12, 2008, the Council awarded up to \$1,190,413 of Affordable Housing Trust Funds.

6. J. Jerome Boxleitner Place -

On January 23, 2009, the Council approved the sale of 165 Glenwood Avenue to Community Housing Development Corporation or an affiliate for \$835,000.

7. Lyndale Green Apartments –

- a) On April 18, 2008, the Council authorized the submission of a Hennepin County Transit Oriented Development (TOD) application and authorized submission of a Hennepin County ERF grant application.
- b) On June 6, 2008, the Council authorized submission for Livable Communities Demonstration Account (LCDA) funding by the Metropolitan Council.
- c) On August 8, 2008, the Council authorized acceptance of the County ERF grant funds.
- d) On September 26, 2008, the Council authorized staff to execute a Cooperative Agreement with Hennepin County related to a TOD grant awarded to the project.
- e) On October 24, 2008, the Council adopted a resolution approving the Lyndale Green Redevelopment Plan.
- f) On December 12, 2008, the Council authorized an Affordable Housing Trust Fund loan to the project in the amount up to \$975,000.
- g) On February 6, 2009, the Council authorized acceptance of the LCDA grant in the amount of \$850,000.
- h) On March 6, 2009, the Council granted Preliminary Analysis Authorization in response to a TIF application for the project.
- 8. City of Lakes Community Land Trust Homebuyer Initiated Program-On March 27, 2009, the Council approved up to \$150,000 of Neighborhood Stabilization Program funds.
- 9. Minneapolis Foreclosure Rehab -

On March 27, 2009, the Council awarded up to \$350,000 of Neighborhood Stabilization Program funds.

10. Project: Reclaim – On March 27, 2009, the Council awarded up to \$343,750 of Neighborhood Stabilization Program funds.

11. Lowell Curve -

- a) In July 2004, the Council approved up to \$14,000 Non-Profit Development Assistance Fund to PPL for pre-development admin costs associated with the project.
- b) In April 2006, the Council approved up to \$263,893 from the Vacant Housing Recycling Fund.

Department Information

Prepared by: Donna Wiemann, Principal Project Coordinator, 612-673-5257

Approved by: Thomas Streitz, Director, Housing Policy & Development _____

Charles T. Lutz, Deputy Director

Presenters in Committee: Donna Wiemann

Financial Impact

No financial impact

Community Impact

- Neighborhood Notification: Not applicable.
- City Goals: In five years all Minneapolis residents will have a better quality of life and access to housing and services.
- Sustainability Targets: Development and preservation of affordable housing.
- Comprehensive Plan: 4.9 Minneapolis will grow by increasing its supply of housing. 4:10 Minneapolis will increase its housing that is affordable to low and moderate income households.
- Zoning Code: Projects will comply.

Supporting Information

On June 9, 2009, the Hennepin County Housing and Redevelopment Authority (HRA) approved Affordable Housing Incentive Fund (AHIF) financial assistance in the total amount of \$3,297,950 for the following eleven (11) projects located in Minneapolis. The County's AHIF program is an important funding resource for the City of Minneapolis to create and stabilize affordable rental and ownership housing.

Alliance Northside Properties	\$290,000
Alliance Scattered Site 8 Buildings	\$178,000
Many Rivers East Apartment Rehab	\$ 72,000
Rental: Reclaim	\$250,000
Clare Midtown	\$616,950
J. Jerome Boxleitner Place	\$700,000
Lyndale Green Apartments	\$600,000*
City of Lakes Community Land Trust	
Homebuyer Initiated Program	\$120,000
Minneapolis Foreclosure Rehab	\$275,000
Project: Reclaim	\$150,000
Lowell Curve	\$ 46,000

^{*} The AHIF financial assistance for Lyndale Green Apartments is contingent on Brighton Development Corporation providing the Hennepin County HRA with satisfactory written funding commitments for the revenue bond and the tax credits within 60 days of the award. If funding conditions are not met, then the funding will be applied to the J. Jerome Boxleitner Place.

The following provides a brief description of each of the projects:

- Alliance Northside Properties Alliance Housing Inc. proposes to acquire and rehabilitate three (3) tax-forfeited and foreclosed properties located at 2519 Fremont Avenue North, 2655 Thomas Avenue North, and 3725 Penn Avenue North resulting in 13 rental units.
- 2. Alliance Scattered Site 8 Buildings Alliance Housing Inc. proposes to stabilize and rehabilitate eight (8) properties serving formerly homeless persons and families resulting in the stabilization of 29 rental units.
- 3. Many Rivers East Apartment Rehab American Indian Community Development Corporation proposes to stabilize an existing rental project at 518 East Franklin Avenue and reconfigure community space into three (3) efficiency units resulting in a total of 53 units.
- 4. Rental: Reclaim Urban Homeworks proposes to acquire and rehabilitate foreclosed and vacant rental units located in the Hawthorne, Jordan, and the Near North neighborhoods resulting in 12 rental units.
- 5. Clare Midtown Clare Housing proposes to acquire 3105 23rd Avenue South for the new construction of a 45 unit supportive rental housing project for persons with HIV/AIDS.
- 6. J. Jerome Boxleitner Place Community Housing Development Corporation proposes to construct supportive rental housing and emergency shelter for up to 274 persons to be located at 165 Glenwood Avenue.

- 7. Lyndale Green Apartments Brighton Development proposes to acquire 610 W. 28th Street and construct a mixed used, 74 unit rental project.
- 8. City of Lakes Community Land Trust Homebuyer Initiated Program City of Lakes Community Land Trust proposes to acquire and rehabilitate 15 single family units in scattered site locations for land trust ownership.
- 9. Minneapolis Foreclosure Rehab Twin Cities Habitat for Humanity proposes to acquire and rehabilitate 14 foreclosed single family units in scattered site locations for ownership.
- Project: Reclaim Urban Homeworks and City of Lakes Community Land Trust propose to acquire and rehabilitate 10 foreclosed single family units in scattered site locations in North Minneapolis for ownership.
- 11. Lowell Curve Twin Cities Habitat for Humanity proposes to acquire and construct three (3) single family units located at 1917 Hillside, 1918 Willow, and 2359 Logan for ownership.

Requesting approval for the Hennepin County Housing and Redevelopment Authority to provide financial assistance to Alliance Northside Properties (\$290,000), Alliance Scattered Site 8 Buildings (\$178,000), Many Rivers East Apartment Rehab (\$72,000), Rental: Reclaim (\$250,000), Clare Midtown (\$616,950), J. Jerome Boxleitner Place (\$700,000), Lyndale Green Apartments (\$600,000), City of Lakes Community Land Trust Homebuyer Initiated Program (\$120,000), Minneapolis Foreclosure Rehab (\$275,000), Project: Reclaim (\$150,000) and Lowell Curve (\$46,000) under the Minnesota Housing and Redevelopment Authorities Act.

Whereas, representatives of the Hennepin County Housing and Redevelopment Authority (the "County HRA") have advised the City of Minneapolis, Department of Community Planning and Economic Development that the County HRA proposes to provide financial assistance from Hennepin County's Affordable Housing Incentive Fund in an amount up to \$3,297,950, to the City of Minneapolis (the "City") for the eleven (11) projects in Minneapolis, Minnesota identified in the attached spreadsheet (the "Projects"); and

Whereas, pursuant to Minnesota Statutes, Section 383B.77, subd. 2, the County HRA cannot exercise its powers within the boundaries of the City unless the City requests the County HRA to exercise specific powers within the City: and

Whereas, pursuant to Minnesota Statutes, Section 469.005 the City Council must declare there is a need for the County HRA to exercise its powers within the City, specifically through the provision of financial assistance for the Projects in the City;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis that, as required by Minnesota Statutes, Section 383B.77, subd. 2, and pursuant to Minnesota Statutes, Section 469.005, the City Council hereby declares there is a need for and approves the County HRA exercising its powers in the City for the limited purpose of providing financial support to the Projects in the City, which Projects have requested, or may hereafter request, financial assistance in the combined amount up to \$3,297,950 from the County HRA.

Be It Further Resolved that nothing in this resolution shall create a pecuniary obligation of the City to assist the Projects, nor shall the City be in any way responsible for any financing obligation or agreement of the County HRA with respect to its provision of financial assistance to the Projects.

Be It Further Resolved that the request made hereunder extends only to the powers of the County HRA with respect to the financial assistance the County HRA proposes to provide to the Projects, and the City shall retain all other powers and jurisdiction over matters relating to the City and the Projects.

Be It Further Resolved that nothing in this resolution is intended to endorse the merits of the Projects to be undertaken.