

Request for City Council Committee Action from the Department of

Date: January 19, 2009

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Authorize CPED Staff to Execute an Amendment to that certain Redevelopment Contract by and between the City of Minneapolis and CHDC Boxleitner LLC regarding the redevelopment of 165 Glenwood Avenue aka J. Jerome Boxleitner Place Project

Recommendation: CPED staff is authorized to execute an amendment to that certain Redevelopment Contract by and between the City of Minneapolis and CHDC Boxleitner LLC regarding the redevelopment of the J. Jerome Boxleitner Place Project located at 165 Glenwood Avenue subject to the specific details outlined in this report.

Previous Directives: On October 30, 2009 the City Council authorized CPED staff to execute a Memorandum of Understanding to Transfer an existing Emergency Shelter Facility at Secure Waiting Space located at 1000 Currie Avenue to the new J. Jerome Boxleitner Project at 165 Glenwood Avenue North;

On January 23, 2009, the City authorized the sale of 165 Glenwood Avenue to Community Housing Development Corporation or an affiliate for \$835,000 subject to the conditions outlined in that report.

Department Information

Prepared by: Theresa Cunningham, Phone 612-673-5237	
Approved by: Charles T. Lutz, Deputy CPED Director	_____
Thomas A. Streitz, Director Housing Policy & Development	_____
Presenters in Committee: Theresa Cunningham	

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification: No notification is required for this action.
- City Goals: A SAFE PLACE TO CALL HOME in five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the City's infrastructure will be well-maintained and people will feel safe in the City.
- Comprehensive Plan: On January 5, 2009, the Planning Commission deemed the sale of 165 Glenwood Avenue for the proposed development of permanent supportive housing as consistent with the housing policies and not inconsistent with the land use policies in the Comprehensive Plan.
- Zoning Code: DP/I-2
- Other:

Supporting Information

The J. Jerome Boxleitner Project is proposed as an emergency shelter facility that will provide 200 shelter beds, 51 mats and 85 permanent supportive housing units owned and operated by Catholic Charities at the new 165 Glenwood Avenue site. Attached is a draft site plan and rendering of the proposed development being undertaken by the Community Housing Development Corporation (CHDC) as the CHDC Boxleitner LLC, a newly created entity created specifically to undertake the proposed development. The Redevelopment Contract was signed with the City of Minneapolis on March 25, 2009 and requires that the developer:

1. obtain conditional zoning and land use approvals for the Minimum Improvements, including the rezoning and text amendments necessary to move the Secured Waiting Space facilities and programming currently located at 100 Currie Avenue to the property by December 31, 2009; and
2. obtain and provide evidence of financing commitments to complete the proposed development to the City of Minneapolis by December 31, 2009;

The developer is now ready to move forward with the required zoning changes. CPED staff has consistently followed the development team's fundraising initiative and feels that they have steadily pursued and secured financing for the proposed development. Funding secured so far include housing revenue bond financing which was approved in December, 2009 by the MHFA Board as well as funding from both Hennepin County and the Federal Home Loan Bank.

The estimated total development cost for the J. Jerome Boxleitner Project is \$17.8 million. A total of \$17.4 million (98%) of the funds have been secured to date. At present a development gap of approximately \$350,000 exist. CPED has provided the developer a Right of Entry to conduct environmental testing. Environmental remediation is estimated to cost approximately \$350,000 if it is necessary. If remediation is required, the developer is fairly certain they will be able to secure the additional funds from either MHFA and/or Hennepin County by early 2010 and begin construction no later than July 1, 2010.

The developer is now requesting an extension of the development requirements specified above through May 31, 2010. They have already provided the required Good Faith Deposit in the amount of \$83,500 in the form of a Letter of Credit. The developer anticipates that construction should start by July 1, 2010 and completion within twelve (12) months. Staff has evaluated the developers' progress and supports their request to extend their required zoning and land use approvals until May 31, 2010. Staff further urges the City Council to approve this request authorizing CPED staff to execute the appropriate documents to accomplish the objectives specified above.

Insert Project Rendering Here