



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: May 4, 2004

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Dollie Crowther, Senior Housing Project Coordinator, Phone 612-673-5263

Presenter in Committee: Dollie Crowther, Senior Housing Project Coordinator

Approved by: Jack Kryst, Director, Development Finance _____

Subject: Project Analysis Authorization Request for Franklin-Portland Gateway Phase II – The Jourdain

RECOMMENDATION: Authorize Staff to Continue Analysis of the Franklin-Portland Gateway Phase II Project – The Jourdain

Previous Directives: None

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 6

Neighborhood Notification: On February 13, 2001 the Ventura Village approved the plans for the Franklin-Portland Gateway Phase II – The Jourdain

City Goals: Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs and promotes future growth.

Comprehensive Plan: 4.9.1 Minneapolis will grow by increasing its supply of housing. 4.15 Minneapolis will carefully identify project sites where housing development and/or housing revitalization are the appropriate responses to neighborhood conditions.

Zoning Code: Will comply.

Living Wage/Job Linkage: Not applicable.

Background/Supporting Information

Phase I of the Franklin-Portland Gateway Project consists of the previously approved Children's Village Center, a four story multi-use community and education space, mixed income project on the S.E. corner of Franklin and Portland Avenues. A portion of this phase will provide 30 units of affordable housing. Included in this phase is Hope Community Court, a cluster development which will feature 6 affordable rental and 4 homeownership row houses and carriage houses. Also on the first level is the offices for Hope Community, Inc. This phase is funded and construction is complete on the Children's Village Center. Also the building is now fully occupied.

Franklin-Portland Gateway Phase II – The Jourdain is a collaborative effort by and between the Central Community Housing Trust (CCHT) and Hope Community to develop the southwest corner of Franklin and Portland Avenues. In order to make the Gateway collaborative a reality will require a phased financing and development schedule.

The Jourdain will provide a creative, commercial and residential development in the Phillips neighborhood. Ideas for the phased project were taken from residents and workers in the neighborhood and enhanced by engaging professionals in architecture, urban planning and real estate development. Indications now are that this area is poised for development. The technical expertise of CCHT and Hope represents a unique collaborative arrangement of two very skilled non-profit community developers who are prepared to carry forth the Gateway Project as part of the Ventura Village Master Plan.

Proposed Development

Hope Community and CCHT propose to develop the Jourdain, located at 2000-2012 Portland Avenue. This building will feature forty one (41) units of mixed-income rental

housing, ranging from studios to 3 bedroom townhome style family units. Of the 41 units, seventeen will be market rate and the remaining units will be at 50% and 60% of median income. All residential parking is provided via a below grade parking garage, thus preserving much of the site for shared green space, playground and landscaping. Additionally, approximately 4,000 square feet of commercial space is planned for the Jourdain which is proposed to house a mini-market/grocery. The unit composition consists of 12 – 0 br., 2 – 1 br, 18 – 2 br., and 9 – 3 brs units.

The developers have submitted an Application for Public Financial Assistance for the use of tax increment financing. Staff has analyzed the eligibility of the Jourdain as a tax increment district and finds that it does meet the requirement for a Redevelopment TIF District.

Financial Summary

The City will issue a pay-as-you-go TIF Note to the developer in an amount of approximately \$583,000. The TIF Note will support the Glaser 1st Mortgage on the project. The term of the TIF district will be the maximum statutory term of 25 years. Hope and CCHT have also received commitments of \$375,000 from CPED (AHTF and Non Profit Administrative Assistance). Funds have also been committed from Hennepin County (ERF) \$10,000, Metropolitan Council, \$500,000, and a 1st Mortgage from Glaser Financial. Staff is currently reviewing an AHTF application for this project in the amount of \$300,000. Hope and CCHT are awaiting the status of other funds necessary to assist the project which includes 9% Low Income Housing Tax credits from the MHFA.

Sources and Uses of Project – See attached Data Worksheet

Fees and Analysis

The developers previously submitted an Application for Public Assistance for Tax Increment Financing Assistance to CPED and paid the \$1,000 application fee as required by the City's current TIF policy. Staff has determined that the project analysis fee for subsequent analysis of this project is \$4,060 and the developers have been informed of this amount.