

CPED MULTIFAMILY HOUSING DEPARTMENT
Affordable Housing Inventory Project Data Worksheet



Project Status
Proposed: 12/31/2001
Approved:
Closed:
Complete:

Impaction
 Non-Impacted
 Impacted

Occupancy
 Rental
 Ownership

Project Name: Veterans Housing
Main Address: 5475 Minnehaha Ave
Project Aliases: Veterans & Community Housing Initiative
Additional Addresses:
Ward: Neighborhood: Outside City Limits

Housing Production and Affordability

UNIT COMPOSITION	UNIT	QTY	AFFORDABILITY				
			<30%	<50%	<60%	<80%	MKT
0BR	0BR	140	50	85	0	0	5
1BR	1BR	0	0	0	0	0	0
2BR	2BR	0	0	0	0	0	0
3BR	3BR	0	0	0	0	0	0
4+BR	4+BR	0	0	0	0	0	0
TOT	TOT	140	50	85	0	0	5

Project Activity
 New Construction
 Rehabilitation
 Stabilization
 Preservation
Year Built: _____

Development
 Apartment/Condo
 Townhome
 Coop
 Shelter
 Transitional
 Scattered Site/Other

Household
 General
 Family w/Children
 Senior
 Single
 Special Needs
 Homeless

Shelter Units: _____ + Conversion Units: _____
Section 8: _____

GENERAL INFORMATION

Proposed development of 140 efficiency units (18 rehab, 122 new construction) to provide permanent housing for homeless and near-homeless single adults. Approximately half of the units will be reserved for qualifying low income veterans with the remaining units serving members of the community.

The development site is a 3.58 acre parcel within the Minneapolis VA Medical Center Campus located at 5475 Minnehaha Ave. The majority of the site is vacant land however there are 4 existing buildings that will also be rehabilitated as part of the overall project. The property is Federal land located in an unincorporated section of Hennepin County just outside of Minneapolis' city limits. It is located adjacent to the 12th ward and the Minnehaha Neighborhood.

It is anticipated that a majority of tenants will be employed at low wage jobs. Given this tenant demographic, the site's proximity to the Hiawata LRT promises a significant benefit to the project and its residents promoting an easy commute to downtown Mpls, the Mall of America and the airport.

Partnership:

Developer:
CHDC
710 S 2nd St Suite 603
Minneapolis, MN 55401-
Phone: (612) 332-6264 ext
Fax: (612) 332-2627

Owner:
Carol Kelleher
Hennepin County HRA
417 N 5th St Suite 320
Minneapolis, MN 55401-1362
Phone: (612) 348-2270 ext-
Fax: (612) 348-2920
Carol.Kelleher@co.hennepin.mn.us

Contact Information:

Consultant:
Barb Broen
Broen Housing Consultants
1437 Marshall Ave., #201
Saint Paul, MN 55104-
Phone: (651) 645-8474 ext-
Fax: (651) 645-8497
bbroen@mm.com

Contractor:
BJ Mariotti
Frana & Sons
633 2nd Ave S
Hopkins, MN 55343-7779
Phone: (952) 908-2679 ext-
Fax:
bmariotti@frana.com

Architect:
Peter Kramer
Roark Kramer Kosowoski DESIGN
2929 4th Ave S
Minneapolis, MN 55408-
Phone: (612) 822-4200 ext-
Fax: (612) 822-4298

Property Manager:
BDC Management
Phone: (612) 371-0766 ext-
Fax: (612) 371-1834

Support Services:
Minnesota Assistance Council for Veterans
Phone: (612) 726-9375 ext-
Fax: (612) 726-1138

CPED Coordinator:
Jerry LePage
CPED
105 5th Ave S Suite 200
Minneapolis, MN 55401
Phone: (612) 673-5240 ext-
Fax: (612) 673-5248
jerry.lepage@ci.minneapolis.mn.us

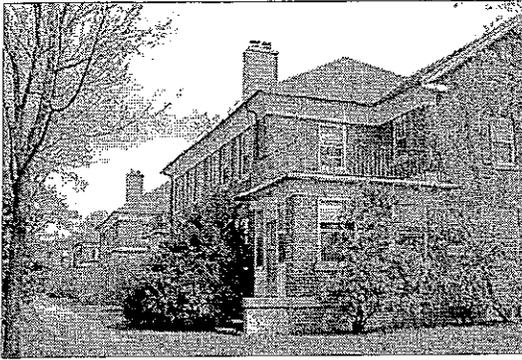
CPED Legal:
Shelley Roe
Phone: (612) 673-5086 ext-
Fax: (612) 673-5112

CPED Support Coordinator
Scott Ehrenberg
Phone: (612) 673-5067 ext-
Fax: (612) 673-5259

CPED Rehab:
Dalene Lenneman
Phone: (612) 673-5254 ext-
Fax: (612) 673-5207

MPLS Affirmative Action
Pat Behrend
Phone: (612) 673-2583 ext-
Fax: (612) 673-2599

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Scattered Site/Other

Household

General

Family w/Children

Senior

Single

Special Needs

Homeless

USES AND SOURCES

Project Uses:

Land: \$300,000.00

Construction: \$9,079,671.00

Construction Contingency: \$390,487.00

Construction Interest: \$0.00

Relocation: \$38,997.00

Developer Fee: \$1,111,000.00

Legal Fees: \$85,000.00

Architect Fees: \$320,066.00

Other Costs: \$280,779.00

Reserves: \$264,000.00

Non-Housing: \$0.00

TDC: \$11,870,000.00

TDC/Unit: \$89,924.00

Project Sources:

Source / Program	Amount	%	Term	Committed
State Planning Funds	\$221,811.00		Grant	1/1/2003
Ramsey County CDBG	\$200,000.00		Grant	5/1/2003
State of Minnesota General Obligation Bonds	\$10,200,000.00			1/1/2003
CPED CDBG	\$660,000.00	1.00%	30 yrs Deferred	5/1/2003
MHFA/FHF	\$200,000.00			1/1/2003
Hennepin County	\$400,000.00			1/1/2003
TDC:	\$11,881,811.00			

Financing Notes:

Community
Housing
Development
Corporation

612-332-6264 Fax 612-332-2627

710 South Second Street • Suite 603 • Minneapolis, Minnesota 55401

April 18, 2005

Mr. Jerry LePage
Community Planning and Economic Development
105 Fifth Avenue South
Suite 200
Minneapolis, Minnesota 55401

Dear Mr. LePage:

We hereby request that you delete the requirement that the CDBG Loan be secured by a mortgage on CHDC's leasehold interest on the VA property. As you know the property is owned by the VA and the VA and the Hennepin County Housing & Redevelopment Authority are close to finalizing an Enhanced Use Lease for the property. Because of the G.O. bond financing, negotiating that lease has been a difficult process. The VA is reluctant to permit mortgages on the leasehold interest and the Enhanced Use Lease contains the following provisions related to mortgages.

First, Section 18.A.2 of the Enhanced use Lease provides as follows:

The HRA covenants that it shall not create or cause to be created a mortgage, lien, encumbrance to be placed upon the Property, other than such mortgage, lien, or encumbrance to be placed on The HRA Leasehold Interest therein pursuant to Paragraph B of this Article. The creation of any mortgage, lien, or encumbrance, other than permitted by Paragraph B of this Article, shall be deemed an event of default on the date of its execution of filing of record in accordance with the provisions of Articles 20 and 21 of this Lease.

In addition, Section 18B provides as follows:

The HRA may encumber its Leasehold Interest to the extent necessary to provide financing for the costs of construction, operation, and maintenance of the Property as specified in this Lease. However, any loan involving a security interest in the Leasehold, other than the MHFA Loan Agreement, may not be closed until the Department has approved the financing.

Mr. Jerry LePage
April 18, 2005
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Finally, Section 18 of the Enhanced Use Lease provides that:

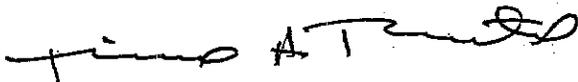
Such loan documents and other documents establishing a security interest shall also require that the rights of any holder of any obligation secured by the HRA's Leasehold Interest through a security interest, including a mortgage or deed of trust, shall provide the Department, prior to any termination sale or transfer, notice of the intent to terminate the loan and give the Department the opportunity to redeem the Leasehold for an amount not in excess of the fair value of the Leasehold, less expenses associated with the termination of the Leasehold, less expenses associated with the termination of that loan or the total indebtedness allowable, pursuant to local law, which ever is less. Such an offer shall remain open for twenty-one (21) days following written notice to the Department. If the Department takes advantage of the option, the Department shall acquire an interest in the Leasehold equivalent to the HRA's interest, which would have been extinguished by the loan termination. If the Department does not elect to redeem the Leasehold Interest being foreclosed, through failure to act within twenty-one (21) days or through written notice of an intent not to redeem, then the loan holder will be permitted to proceed with loan termination.

As you can see the Enhanced Use Lease is restrictive as to mortgages on the property. The terms of the Enhanced Use Lease are still being negotiated and these provisions may change. However, it is clear that the VA will want to review and approve all secured loans. Because we believe that getting that approval could be time consuming and difficult to obtain we request that you delete the requirement that the loan be secured by a mortgage.

Please contact me if you have any questions or comments.

Sincerely,

COMMUNITY HOUSING DEVELOPMENT CORPORATION



Richard A. Brustad