

Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED

Date: September 1, 2009

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

Subject: Transfer of excess lands from Minnesota Department of Transportation (MNDOT) to American Indian Community Development Corporation for the Anishinabe Bii-Gii-Wiin Project

Recommendation: Adopt the attached Resolution authorizing Hennepin County Housing and Redevelopment Authority to conduct a land sale between the Minnesota Department of Transportation and the American Indian Community Development Corporation for the sale of excess MNDOT land for a workforce housing project.

Previous Directives: On June 21, 2005, the City Council adopted Resolution No. 2005R-384 supporting the sale of excess MNDOT land to AICDC

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Approved by: Thomas Streitz, Director, Housing Policy & Development _____
Presenters in Committee: Tiffany Glasper, Senior Project Coordinator, CPED

Financial Impact

- No financial impact
- Action requires an appropriation increase to the Capital Budget _____ or Operating Budget _____
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Action is within the Business Plan
- Action requires a change to the Business Plan
- Other financial impact
- Request provided to the Finance Department when provided to the Committee Coordinator

Community Impact

Neighborhood Notification – In May of 2005 the Ventura Village Neighborhood approved the AICDC workforce housing project concept.

City Goals – In five years all Minneapolis residents will have a better quality of life and access to housing and services.

Sustainability Targets – The proposed projects meet the affordable housing targets.

Comprehensive Plan – 4.9: Minneapolis will grow by increasing its supply of housing;
4.11: Minneapolis will improve the availability of housing options for its residents.

Zoning Code – All projects being recommended either comply or will comply with the zoning code.

Supporting Information

In 1994, the American Indian Housing Corporation (AIHC) was designated by Indian Tribes as the urban agency responsible for carrying out housing policies that address the needs of homeless American Indians in the Twin Cities Metropolitan Area. Historically, the Ventura Village Neighborhood and the Phillips Community have had the largest urban concentration of American Indians in the United States. With native people suffering from a homeless rate believed to be 25% or greater, the work of AIHC is greatly needed.

American Indian Community Development Corporation (AICDC) has stepped forward to address the needs of our local native population across a wide spectrum of housing in the Phillips Community. While owning and managing several programs such as the Hennepin County 50-bed Sub-Acute Detox Center, Anishinabe Wakiagan, and Many Rivers Apartments, AICDC continues to have development projects underway. Currently, AICDC is developing a campus plan that serves a wide spectrum of Indian people who live within the community.

This proposal is in the preliminary planning stage. A project data worksheet is attached, though there is currently no City funding in the project. This proposed project will provide culturally specific elder housing and housing that meets the needs of the working homeless with appropriate supportive services. The project is proposed to be located at the northeast corner of the intersection of Franklin and Hiawatha Avenues in south Minneapolis. The project, in close proximity to the Franklin Avenue LRT Station and several bus transit lines, will be a great location and is designated as Transit Oriented Development (TOD).

The original proposal was for a 60-unit mixed use building containing efficiency and one bedroom units for households at or below 30% of AMI and six small retail spaces fronting Franklin Avenue. Due to the recent economic downturn, the project has been scaled back to 30 units of housing and no commercial component.

AICDC is reworking their financing plan for the project based on the above described modifications. Future City financing and regulatory approvals will be needed before this project moves forward. This council action does not constitute approval of a final development proposal.

In order for AICDC to be eligible to apply for funds from various lenders to facilitate the redevelopment, they must have site control. The land required for development is located on the north side of Franklin Avenue and the west side of Hiawatha Avenue (the intersection of Franklin Avenue and Highway 55). At present it is owned by MNDOT.

AICDC has asked Hennepin County Housing and Redevelopment Authority (HCHRA) to act as a conduit for the transfer of excess land from MNDOT to AICDC.

Typically, the City acts as the required agent to facilitate the pass-through of public land. Allowing Hennepin County to act as the pass-through agent for this site does not set a precedent for future pass-through transactions. Minnesota Statutes requires that the City of Minneapolis adopt a resolution to enable HCHRA to acquire these excess lands from MNDOT and, serving as a conduit, pass them through to AICDC for development.

RESOLUTION

Resolution approving Hennepin County Housing and Redevelopment Authority conduit land sale between the Minnesota Department of Transportation (MNDOT) and the American Indian Community Development Corporation (AICDC) for the sale of excess MNDOT land for an AICDC housing project.

Whereas, the Hennepin County Housing and Redevelopment Authority proposes to act as a conduit for the transfer of excess land from the Minnesota Department of Transportation ("MNDOT"), to American Indian Community Development Corporation, a Minnesota nonprofit corporation ("AICDC"), for the acquisition and new construction of a housing project to be undertaken by AICDC and located north of Franklin Avenue and west of Hiawatha Avenue in Minneapolis, Minnesota (the "Project"); and

Whereas, Minnesota Statutes, Section 383B.77, Subd 3, requires that this City Council must approve a project undertaken by the Hennepin County Housing and Redevelopment Authority before such a project may be undertaken within this City; and

Whereas, the Project is subject to the approval of this City Council; and

Whereas, it is deemed in the best interest of this community to approve the Hennepin County Housing and Redevelopment Authority's implementation of the Project as an approved Project;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That pursuant to Minnesota Statutes, Section 383B.77, subd. 3, the City Council approves the Project and approves of the Project assistance to be provided by the Hennepin County Housing and Redevelopment Authority to facilitate the acquisition and new construction of a housing project by AICDC, subject to the following requirements:

(a) That this City retains its jurisdiction over all issues of local concern relating to zoning, land usage, building code requirements and compliance with all applicable city codes and ordinances.

(b) That repayment of any financing obligations owed by Hennepin County Housing and Redevelopment Authority or AICDC will be made solely from revenues derived from the County, AICDC or the Project.

(c) That the full faith and credit of this City will not be pledged in any fashion as a source of repayment of said financing obligation owed by Hennepin County Housing and Redevelopment Authority, AICDC or the Project.