



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

Date: February 14, 2006

To: Council Member Lisa Goodman, Community Development Committee
Council Member Paul Ostrow, Ways and Means/Budget Committee

Subject: Request to schedule Public Hearing for Village in Phillips, Phase 2 TIF Plan, Modification No. 1 to the Village in Phillips, Phase 1 TIF Plan, and Modification No. 2 to the Village in Phillips Redevelopment Plan & Authorization to Accept Metropolitan Council Local Housing Incentives Account grant totaling \$150,000

Recommendation

Schedule public hearing for consideration of Village in Phillips, Phase 2 TIF Plan, Modification No. 1 to the Village in Phillips, Phase 1 TIF Plan, and Modification No. 2 to the Village in Phillips Redevelopment Plan & Authorization to Accept Metropolitan Council Local Housing Incentives Account grant totaling \$150,000

Previous Directives

- On July 1, 2005, the City Council approved project analysis authorization and Non Profit Housing Development Fund assistance, evaluation of the development proposal and TIF application; negotiation of the terms and conditions of a possible redevelopment contract; and the preparation of a redevelopment TIF plan for said project, subject to final determination of project eligibility.
- On November 9, 2004, the City Council approved Modification No. 1 to the Village in Phillips Redevelopment Plan to add 2404 Bloomington as Property That May Be Acquired.
- On November 10, 2003, the City Council adopted the Village in Phillips Redevelopment Plan, Phase 1 Tax Increment Financing Plan, and Modification 19 to the Model City Urban Renewal Plan.
- On April 8, 2002, the MCDA Board of Commissioners approved the Village in Phillips – Memorandum of Understanding with Powderhorn Residents Group (PRG) to initiate site assembly and assign purchase agreement rights.
- On December 6, 1999, the MCDA Board of Commissioners approved the Village in Phillips Project concept and direct staff to continue to development the necessary components to proceed with the development and to return for final approval of the project when it is appropriate.

Prepared by Beverly A. Wilson, Development Process Specialist, Phone 612-673-5030

Approved by Elizabeth Ryan, Director of Housing Policy and
Development_____

Presenters in Committee: Theresa Cunningham, Senior Project Coordinator, Phone 612-673-5237

Financial Impact (Check those that apply)

No financial impact (If checked, go directly to Background/Supporting Information).

Neighborhood Notification

Plans were sent to the Powderhorn Residents Group, East Phillips Improvement Coalition, Ventura Village, Midtown Phillips Neighborhood Association, Village In Phillips-One, Inc., and Phillips West Neighborhood Organization

Background/Supporting Information

Three plan documents are related to a proposed homeownership housing project in the Phillips neighborhood in south Minneapolis which is located within the boundary of the Village in Phillips (VIP) Redevelopment Project Area being undertaken by Powderhorn Residents Group (PRG). The VIP project is a joint collaboration of several Minneapolis non-profit community developers and an active and incorporated block club in the process of comprehensively redeveloping a three block area in the Phillips Neighborhood.

Phase 1 is now complete and included the new construction of 28 ownership townhouses. Phase 2 will consist of the new construction of housing on both southern corners of the intersection of Bloomington Avenue and E. 24th Street. Two buildings will be constructed, one on each corner of the intersection with a total of 36 condominium units and may include up to 1,200 square feet of commercial space to be situated in the building on the southwestern corner.

Eight units will be targeted to families at less than 50% of median income, another six units will be targeted to families at less than 80% of median income, and the remaining 22 units will be targeted to families up to 115% of median income. The residential condominium units will include a combination of 1, 2 and 3 bedroom units with sales prices will range from \$135,000 to \$200,000.

Enclosed parking at ground level in both buildings will be provided for 36 vehicles, with surface parking for three - four vehicles serving the commercial component to be located behind the west building.

It is requested that the Community Development Committee schedule a public hearing on the proposed Plans, to be held by the Community Development Committee on Tuesday, February 28, 2006, at 1:30 p.m. Final Council action will be held on Friday, March 10, 2006.

It is requested that the Ways and Means/Budget Committee review the proposed Plans and submit its comments at the public hearing to be held by the Community Development Committee on Tuesday, February 28, 2006.

Metropolitan Council Local Housing Incentives Account Grant

July 2005, PRG, on behalf of the City of Minneapolis, applied to the Metropolitan Council for Local Housing Incentive Account grant assistance. On December 7, 2005, the Metropolitan Council approved an award of \$150,000 to provide buyers affordability assistance for low income families seeking to purchase a condominium home in the VIP project.

CPED staff is now requesting authorization to accept the grant and execute the necessary contracts and sub-recipient grant agreements.