



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

Date: February 1, 2005

To: Council Member Lisa Goodman, Community Development Committee

Prepared by: Jerry LePage, Phone 612-673-5240

Presenter in

Committee: Jerry LePage, Project Coordinator

Approved by: Elizabeth Ryan, Director of Housing Policy & Development \_\_\_\_\_

**Subject:** Proposed Joint Powers Agreement between the City of Minneapolis and Hennepin County for the Veterans Community Housing project (5475 Minnehaha Avenue)

**RECOMMENDATION:** Authorize the execution of a Joint Powers Agreement between the City of Minneapolis and Hennepin County for this project.

**Previous Directives:** On May 16, 2003, the MCDA Board approved a loan of up to \$660,000 from the Affordable Housing Trust Fund to the Community Housing Development Corporation for the Veterans Community Housing project.

**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**

**Ward:** Not applicable. Project is outside of the Minneapolis city limits.

**Neighborhood Notification:** The project is located outside of Minneapolis but is adjacent to the Minnehaha neighborhood, which is represented by the Nokomis East Neighborhood Association (NENA). NENA has reviewed this project on a number of occasions and has also received notification that this report will be presented to the City Council.

**City Goals:** Complies with Goal 2, Strategy A, to preserve and expand the number of affordable housing units throughout the City.

**Comprehensive Plan:** Project complies.

<p><b>Zoning Code:</b> Project complies. <b>Living Wage/Job Linkage:</b> Not applicable. <b>Affirmative Action Compliance:</b> Project will comply. <b>Other:</b></p>
---

## Background/Supporting Information

The Community Housing Development Corporation (CHDC), which is the non-profit arm of Brighton Development Corporation, is proposing to develop 140 efficiency units of permanent housing for low income veterans and other members of the community near the Minneapolis VA Medical Center. The development site is a 3.58 acre parcel within the VA Medical Center campus, located at 5475 Minnehaha Ave. The site is largely vacant land but also includes 4 existing buildings that will be rehabilitated as part of the overall project. Under the proposal, the Hennepin County HRA will own the development and will lease the land from the Veterans Administration. In turn, the HRA will provide the land under a long term lease to CHDC, who will act as the developer and also be responsible for project operations and asset management.

The site is federally-owned land and is located in an unincorporated section of Hennepin County just outside of Minneapolis. Since it is not within the Minneapolis city limits, a joint powers agreement between the City of Minneapolis and Hennepin County is necessary to implement the project.

The proposal is designed to provide housing for homeless, near homeless, and low-income single men and women, with approximately half of the units reserved for veterans. It is anticipated that most of the people who will live in the project will be employed at lower wage jobs. Given this tenant demographic, the site's proximity to the Hiawatha LRT promises a significant benefit to the project and its residents, with an easy commute to downtown Minneapolis, the Mall of America, and the airport.

As part of the State's 2002 capital bonding bill, general obligation bonds were appropriated to the Publicly-Owned Transitional Housing Program for the development, construction, acquisition, or rehabilitation of transitional or permanent housing to serve veterans and single adults who are homeless or at risk of becoming homeless. Approximately \$10 million in general obligations bonds will be used for the proposed housing at the VA Medical Center Campus. In May 2003, the City also approved up to \$660,000 in CDBG funds as a deferred loan for the project. Hennepin County, Ramsey County, MHFA, and the Family Housing Fund have also approved loan funding (see attached Project Data Worksheet).

The proposed project will consist of 140 efficiency units. Eighteen (18) of the units will be developed in four existing two-story residential buildings that will be rehabilitated, and the other 122 units will be in two new buildings that will be constructed. Each efficiency unit will have a full bath and a compact kitchen plus a living/dining area and a sleeping alcove. The buildings will include meeting rooms, common laundry, a common living room, and sunrooms, one at either end of each floor.

The majority of units will be targeted to individuals with incomes at or below 50% of area median income. Many of these tenants will be very low income, working poor individuals. Other residents will include those who have completed programs such as chemical dependency treatment or transitional housing and are ready for a permanent housing situation. Most, if not all, of the residents will be gainfully occupied either by employment educational activities, or through various work therapy programs at the VA Medical Center. Five of the housing units will be available without limitations on income to veterans with full service-related disabilities. These residents will have higher incomes in excess of the income limitations but with a need for a supportive sober living environment and easy access to the VA Medical Center. The Minnesota Assistance Council for Veterans (MACV) will have an on-site office and will coordinate supportive services to tenants who are veterans. MACV has worked with homeless veterans for 10 years.

On October 5, 2004, Hennepin County approved the proposed Joint Powers Agreement between the City of Minneapolis and the County. At this time, City staff is recommending that the City Council authorize the execution of this Joint Powers Agreement.