

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

Date: August 24, 2010

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

Subject: Grant Exclusive Development Rights for Project for Pride in Living for the MultiFamily Housing Development in the Hawthorne EcoVillage

Recommendation:

Grant Exclusive Development Rights for 12 months on five (5) City-owned parcels located at 3110 and 3116 Lyndale Avenue North, 617 Lowry Avenue North and 3113 and 3117 6th Street North.

Grant Exclusive Development Rights for 24 months on two (2) City-owned parcels located at 3101 and 3107 6th Street North.

Previous Directives:

None.

Prepared by: Tiffany Glasper, Sr. Project Coordinator, 673-5221
Approved by: Thomas Streitz, Director, Housing Policy & Development _____ Charles T. Lutz, CPED Deputy Director _____
Presenters in Committee: Tiffany Glasper, Senior Project Coordinator

Reviews

Permanent Review Committee (PRC): Approval ___ Date _____

Policy Review Group (PRG): Approval ___ Date _____

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: The Hawthorne Neighborhood Council has been intimately involved with various elements and stages of the Hawthorne EcoVillage development. They are aware of PPL's intent to purchase and redevelop in this area and are supportive.

City Goals:

A SAFE PLACE TO CALL HOME
LIVABLE COMMUNITIES, HEALTHY LIVES
MANY PEOPLE, ONE MINNEAPOLIS

Sustainability Targets:	Affordable Housing		
Comprehensive Plan:	Will Comply		
Zoning Code:	Will Comply		
Living Wage/Business Subsidy Agreement:	Yes _____	No _____	
Job Linkage:	Yes _____	No _____	
Other:			

Supporting Information

<u>PARCEL</u>	<u>ADDRESS</u>
WL - 14	3110 Lyndale Avenue North
WL - 15	3116 Lyndale Avenue North
WL - 13	617 Lowry Avenue North
WL - 1	3113 6 th Street North
WL - 2	3117 6 th Street North
WL - 10	3101 6 th Street North
WL - 11	3107 6 th Street North

Lowry Avenue in north Minneapolis has been an area of intense focus for the City of Minneapolis and for Hennepin County for the last several years. The avenue stretches from the City limits to the west, eastward to the Mississippi River and onward through NE Minneapolis. The roadway redesign undertaken by Hennepin County represents a grand opportunity to strengthen both the residential and commercial markets in this area of our city.

The City and County have taken a comprehensive approach to development in north Minneapolis generally and along West Lowry Avenue in particular. We believe this approach will counteract disinvestment, improve the physical environment, reduce crime and increase community pride.

From 2000 through 2004, The Minneapolis City Council adopted a number of resolutions and approved a number of actions related to the West Lowry Avenue Redevelopment Project. Additionally, there exists a Cooperative Agreement between the City and Hennepin County which guides the predevelopment and development work in this area. The agreement further defines geographic focus areas along the Lowry Corridor where City and County resources will be focused – Penn and Lowry and Lyndale and Lowry. The Hawthorne EcoVillage is a Northside Home Fund Cluster located at the Lyndale Lowry focus area.

Pursuant to the terms of that Cooperative Agreement, the City of Minneapolis has a purchase agreement to acquire six (6) properties from Hennepin County that were surplus right-of way properties from Hennepin County's efforts to redesign and widen the roadway and to eliminate blighting influences in the Hawthorne EcoVillage.

Five of these properties, along with two others already owned by the City are the subject of this report. Project for Pride in Living has been the lead developer in the Hawthorne EcoVillage for the past several years. They are working on a variety of project types in this area – single family rehabs, single family new construction and larger multifamily redevelopment. The southeast corner of Lyndale and Lowry is the planned site for the first higher density, rental housing project on Lowry Avenue.

PPL is planning to develop 45 units of mixed income housing at this location. The planning is still in its initial phases, but the development calls for green design elements, green space and a children's play area, underground parking and other amenities that will make it a desirable location to live. Once development planning is finalized and funding for the project has been secured, CPED staff will return to this body with a Land Sale Report.

PPL is currently seeking funds through the City's Affordable Housing Trust Fund as well as Low Income Housing Tax Credits. We expect PPL's applications to be successful. Additionally, PPL is considering discussions with the Pohlad Foundation about their potential financial support for this project.

CPED staff have been working very closely with PPL to refine their project design and we are very happy with the progress that's been made to date.

PPL is requesting and staff is recommending granting the exclusive development rights on the above mentioned parcels for a periods of 12 and 24 months. PPL will be paying holding costs at a rate of \$2,000 per lot per year.