

Community Planning & Economic Development

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October 20, 2005

MEMO TO: Chuck Lutz, Deputy Director

FROM: Jack Kryst, Chair, Development Finance Committee

SUBJECT: Development Finance Committee Recommendations
Regarding Proposals for Use of Affordable Housing Trust Fund

On October 20, 2005, the Development Finance Committee reviewed staff reports recommending a total of \$3,295,756 in Affordable Housing Trust Fund (AHTF) loans for nine projects.

The Committee made the following recommendations:

Bridge Center for Youth – 2XXX Emerson Avenue South

Recommended approval of a \$400,00 loan from the AHTF to The Bridge for Runaway Youth, Inc. for the Bridge Center for Youth project.

Alliance Apartments Addition – 724 East 17th Street

Recommended approval of a \$300,000 loan from the AHTF to Central Community Housing Trust for Alliance Apartments Addition. One Committee member abstained from the discussion and voting due to a conflict of interest.

Van Cleve Court Apartments – 917 13th Avenue Southeast

Recommended approval of a \$412,000 loan from the AHTF to Van Cleve Court Apartments East LLC for the Van Cleve Court Apartments project, with the comment that efforts need to be made to improve the project's cash flow.

Southside Recapitalization Project – (Scattered Sites)

Recommended approval of a \$336,500 loan from the AHTF to Project for Pride in Living, Inc. for the Southside Recapitalization project.

Minnesota Indian Women's Resource Center Supportive Housing – 2300 15th Avenue South

Recommended approval of a \$273,849 loan from the AHTF to Minnesota Indian Women's Resource Center (MIWRC) for the MIWRC Supportive Housing project, with the comment that although the Committee finds the project's financials to be consistent with other projects of this type, there is considerable concern about MIWRC's capacity and financial strength, and staff should examine these issues.

Lovell Square – 1115 Humboldt Avenue North & Other Addresses

Recommended approval of a \$418,407 loan from the AHTF to Northside Residents Redevelopment Council (NRRC) for the Lovell Square scattered-site affordable housing project; however, further review of NRRC's financial statements is needed, 2004 statements should be provided, and staff should continue to be alert to NRRC's organizational capacity issues.

Agape Apartments – 1930-2010 West Broadway

Forwarded the proposal for a \$600,000 loan from the AHTF to Agape Apartments Limited Partnership for the Agape Apartments project without recommendation, due to the apparent weakness of the project's financial ownership structure and the need to create and document an ownership structure with financial strength.

Franklin-Portland Gateway Phase III – The Wellstone – 1931 Portland Avenue South & 612-614 East Franklin Avenue

Recommended approval of a \$275,000 loan from the AHTF to Central Community Housing Trust and Hope Community, Inc. for the Franklin-Portland Gateway Phase III – The Wellstone project.

Whittier Townhomes – 333 East 25th Street & 2733 Stevens Avenue South

Recommended approval of a \$280,000 loan from the AHTF to Minneapolis Leased Housing Associates LLP for the Whittier Townhomes project.

cc: Lee Sheehy
Elizabeth Ryan
Cynthia Lee
Donna Wiemann
Cherré Palenius
Jerry LePage
Bernadette Hornig
Tiffany Glasper
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