

AGENDA
CITY OF MINNETONKA
ECONOMIC DEVELOPMENT ADVISORY COMMISSION

Thursday, January 28, 2016

6:00 p.m.

Council Chambers
Minnetonka Community Center

1. Call to Order

2. Roll Call

Kathryn Aanenson
Benita Bjorgo
Michael Happe
Ken Isaacson

Jacob Johnson
Jerry Knickerbocker

3. Approval of October 22, 2015 minutes

BUSINESS ITEMS

4. Review revised financing concept for Shelter Corporation

Recommendation: Provide feedback to city staff

5. Staff Report

6. Other Business

•The next EDAC meeting is scheduled for **Thursday, February 25 at 6:00 p.m.**

7. Adjourn

If you have questions about any of the agenda items, please contact:
Julie Wischnack, AICP, Community Development Director, (952) 939-8282

**Unapproved
Minnetonka Economic Development Advisory Commission
Meeting Minutes**

**October 22, 2015
6 p.m.**

1. Call to Order

Chair Aanenson called the meeting to order at 6 p.m.

2. Roll Call

EDAC commissioners present: Benita Bjorgo, Ken Isaacson, Jacob Johnson, Jerry Knickerbocker, and Kathryn Aanenson were present. Michael Happe was absent.

Staff present: Community Development Director Julie Wischnack and Community Development Specialist Celeste McDermott.

3. Approval of August 13, 2015 Minutes

Knickerbocker moved, Isaacson seconded a motion to recommend that the EDAC approve the minutes from the August 13, 2015 meeting as included in the agenda. Bjorgo, Isaacson, Johnson, Knickerbocker, and Aanenson voted yes. Happe was absent. Motion passed.

4. Non-profit funding requests

Wischnack explained the non-profit funding request presentation and scoring process.

Janet Lindbo, of Homes Within Reach (HWR), also known as West Hennepin Affordable Housing Land Trust (WHAHLT), stated that:

- The number one priority is to add value to the community by rehabilitating existing houses and adding new households to the community.
- The investment of the subsidy made by the city as well as multiple funders that match the city's funds links the investment to homes rather than investors so multiple families are served over a period of time to ensure that the homes remain affordable and links jobs, services, and transit to housing.
- Another objective is to support homeowners by offering benefits to establish a strong base for families to flourish and provide job and educational opportunities.
- Another objective is for residents to receive benefits accrued to homeowners such as tax benefits and to increase the family's financial standing.

- The program expands home ownership, provides affordable housing, and supports the community infrastructure.
- HWR has created 4 homes in 2014 and 2015, assisted with two resales, and executed a purchase agreement for another home to be purchased next month.
- Families earning 56 percent of the median income are served. A family of 3 or 4 earning a little over \$40,000 would qualify for the program.
- The program has received excellent applications over the last 24 months who were credit and move-in ready. The purchase agreements were completed before the rehab.
- There are currently 3 families ready for homes in Minnetonka.
- There is a limited inventory and the condition of homes is not as good as it was years ago due to lack of maintenance and regulatory requirements.
- She thanked the city for being HWR's partner. The organization is still working on its strategic goal of expanding and sustaining the program to create a stable, efficient, and transparent environment.

Isaacson asked what is indicated by the "11 served." Ms. Lindbo explained that represents the number of communities served. Minnetonka is 1 of 11 communities that HWR serves. Ms. Lindbo will provide the number of Minnetonka residents served. HWR served 140 people.

Knickerbocker asked if 2 houses would be purchased in Minnetonka in 2016. Ms. Lindbo estimated 3. She provided a video that explains the program from 4 homeowners' points of view. Wischnack will load the video for commissioners to view.

Marilyn Peller Nelson, Associate Vice President of Resource Development for CommonBond Communities, stated that:

- She has been a study buddy for six years at Crown Ridge. She knows the area and the kids.
- She appreciates the city's support. The services at Crown Ridge would not be provided without the city's help.
- Crown Ridge is 1 of 108 properties that CommonBond owns or manages.
- Rent assistance is also provided.

Knickerbocker confirmed with Wischnack that CommonBond was given notification that money would no longer be available from the Livable Communities Account to fund the program after 2016.

Jessica Michelson, staff attorney with HOME Line, stated that:

- HOME Line is a tenant-rights hot line and advocates for landlords to do the right thing.

- HOME Line wants to preserve affordable housing to make sure that people have safe, habitable living spaces. Section 8 Housing has been preserved.
- HOME Line saved and recovered \$16,000 for Minnetonka residents. Nine Minnetonka residents were saved from being evicted and multiple services were provided to Minnetonka residents on how to get repairs done to keep their homes a safe, affordable place to live.
- She participated in 2 housing discrimination cases of landlords sexually harassing tenants by installing a camera in the bathroom and another in which the landlord would periodically show up and make inappropriate comments. She was able to reach favorable outcomes for those cases.
- HOME Line provides training for landlords and published a book for landlords.
- In 2014, HOME Line helped 149 Minnetonka families equaling 373 Minnetonka residents.
- The budget is based on the operating cost of the hotline and does not include anything else.
- She was available for questions and thanked the city for its ongoing support.

A representative from Grace Apostolic Church stated that:

- The Grace Apostolic youth want to show that they can give unselfishly to others and grow and support the community. They would like to show that they are not lazy and appreciate the community. They want to help the elderly and people with low incomes with lawn care, snow shoveling, and provide turkeys on Thanksgiving and Christmas.
- They want to attend after school programs.
- The funds would be used for supplies used by volunteers. The supplies would be purchased in community shops.

Knickerbocker asked how members of the community would learn of the services. The representative said that flyers and a website that would provide a form to apply for services.

Isaacson recused himself from scoring the YMCA and Minnetonka Heights program.

Joanne Robinson, with the Ridgedale YMCA and Minnetonka Heights program, stated that:

- She appreciated the opportunity to apply for the funding and share information.
- The program has transformed the neighborhood and changed the norms. It is now the norm for kids to go to school and do homework. Engaging families in the community has made things happen.

- The YMCA worked with metro transit to increase ridership on the new 614 bus line. There was a Saturday event where the mascot, Spot, rode the bus with kids. The ridership goes way up on days she has events.
- She was able to team up with the Minnetonka Swim Club to provide swim lessons for 110 students.
- She organized volunteers with ResourceWest to provide winter warm wear and high school students to volunteer with Feed My Starving Children.
- The program provides healthy eating and nutrition information. The programs provide healthy food.
- The academic enrichment program has grown from 13 kids to 144 this year in the summer program. The kids love to come because it is fun and there are great teachers from the school district working with them.
- There are huge turnouts for the Thanksgiving meals, back to school parties, and a graduation party for one of the STAR students at the Ridgedale YMCA. The family was from Afghanistan and the program worked hard to make them feel connected and helped the student with her homework. She is now a freshman at Augsburg. She is proud that great efforts are paying off.
- YMCA partners with most of the agencies present.

Knickerbocker asked what would account for the jump from 320 in 2014 to 500 in 2015. Ms. Robinson stated that the kids and their families in the summer programs are included. The summer program is growing.

Chair Aanenson noted that the funding request was lower than last year. Ms. Robinson stated that definitely more funds are needed, but she asked Durbin what would be a respectful amount to request knowing that the city's available funds would be cut.

Andy Swanda, vice president of advancement at Treehouse, stated that:

- He has worked there 4 years.
- The mission of Treehouse is to bring hope to hurting youth and families leading to life transformation which includes reducing at-risk behaviors, building healthy relationships, graduating from high school, and pursuing an educational or vocational track for the future. The common issues include cutting, depression that leads to suicide, substance abuse, sexual promiscuity, and bullying.
- The Minnetonka Treehouse has been serving local teens since 1986. Thousands of teens have walked through the doors and found hope and consistent, caring adults. There were 227 teens who participated in the program. The majority attend Minnetonka schools and surrounding areas. Of the 227, 75 percent qualify for free or reduced lunch. Suburban poverty is a growing epidemic. The twin cities is especially dire. Many at-risk behaviors are a direct result of poverty.
- Treehouse has amazing relationships with the Minnetonka schools.

- The budget is \$3.7 million. It costs \$260,000 to run the Minnetonka Treehouse which is located at Excelsior Covenant Church. The funding is led locally and receives some community funding.
- He provided examples of teens who needed help dealing with and feeling safe enough to tell someone about their violent and sexually inappropriate experiences. It is the stories of transformation that keep the volunteers moving.
- Eagan received so many student referrals from schools that another Treehouse is being added. Once kids feel safe in the environment, they invite their friends with similar behaviors and attitudes. Law enforcement also refers teens. Treehouse's relationship with Minnetonka schools staff is unique.
- He guessed that the sale of a building accounted for a large influx of cash.
- He appreciated the consideration.

Bjorgo asked for the main reason teens attended the program. Mr. Swanda answered that fatherlessness drives at-risk behavior and the amount of depression and thoughts of suicide is skyrocketing. One out of two teens self-reported thoughts of suicide.

Carol Watson, Community Developer with Community Action Partnership of Suburban Hennepin (CAPSH), stated that:

- In 2012, 32,000 households were served that includes 90,000 individuals in suburban Hennepin County.
- In the area of homeownership and in Minnetonka, 48 households were served from July 1, 2014 to June 30, 2015. Ten of those were foreclosure prevention, 5 were financial counseling, 8 were homebuyer education workshops, 10 were reverse mortgages, 14 were home rehabilitations, and 1 financial services. Market dynamics are changing more toward mortgage preparedness and refinance counseling.
- CAPSH is adapting to changes. Services are being expanded to serve 75 households in 2016. A federal program called Family Assets for Independence in Minnesota is being reinitiated.
- She requested a partnership with Minnetonka to bring residents to programs to learn how to reduce energy costs and work with utility companies to be proactive to avoid a crisis situation.
- For education, CAPSH has standard financial literacy classes and senior financial security. That segment of the population is vulnerable to fraud. Youth and family counseling on budgeting will be added. A Somali-speaking advisor and Spanish-speaking advisor will be added.
- Additional programs provide energy assistance, transitional housing, free legal services, immigration services, and free tax filing.

John Burkow, director of Senior Community Services (SCS), also known as the HOME program, appreciated the opportunity to talk about the household and outside

maintenance for the elderly provided by the organization. He handed out a brochure. He stated that:

- He is excited to announce a new volunteer, ambassador program. Dave and Fran will have office hours in city hall from 9 a.m. to 12 p.m. They were at the Minnetonka Senior Health Fair, Minnetonka open house, and a community showcase.
- A group of seniors get together twice a year to put together the senior newsletter. Twenty seniors send out 1,800 newsletters.
- Tomorrow there will be a key contributions award event to thank Dave and Fran.
- He described the home health and safety assessment provided to seniors to prevent falling. He provides a list of recommendations.
- He shared a thank you card he received from a Minnetonka client this summer.
- He thanked the city for partnering with SCS.
- He was happy to answer questions.

Barb West Marlan, long-time board member of ResourceWest, stated that:

- ResourceWest just moved to a new location to join Hennepin County at the new west suburban hub to serve clients in the west metro area. ResourceWest makes sure community members are accessing all of the possible resources. The staff from Hennepin County and ResourceWest work together a lot.
- ResourceWest has been helping members of the community for over 23 years. Right now, winter warm wear is being collected. Over 900 children will be outfitted next week. There was a wonderful back-to-school program and toy chest is coming up.
- There is one Spanish-speaking social worker and a Somali case worker has been hired. She is proud of hearing good stories from their clients who are helped and not seen again. One client who was helped by ResourceWest was able to obtain a management position at Caribou Coffee and applied for a grant on behalf of ResourceWest. That is a great success story.
- ResourceWest appreciates the support of the city of Minnetonka. ResourceWest provides help for unforeseen circumstances to prevent a spiral that would otherwise make a family leave the community because of a tragedy.

Peg Keenan, executive director of ICA Food Shelf, stated that:

- ICA has three basic programs consisting of the food shelf, employment services, and financial assistance. Of the people coming to ICA, 34 percent live in Minnetonka.

- Financial assistance is provided to Minnetonka residents who are finding it difficult to make ends meet temporarily with either rent, mortgage, or utilities. A determination is made of whether one month of rent would make a difference and get them back on track.
- Recently, a personal care's client died and she had a short gap in employment until she was reassigned. ICA provided one month's payment to make all of the difference.
- There was a Minnetonka client was ordered on bed rest so she could not work. She used her savings to pay the rent for a couple months, but she won't be able to go back to work for three weeks. The CDBG money helped her for one month.
- There were 16 Minnetonka households helped with the \$7,855 awarded to them. There were an additional 41 Minnetonka residents that were helped with other funds. So, a total of 57 Minnetonka residents were helped and able to stay in their homes.
- She appreciated the request being considered.

Wischnack directed commissioners to focus on CDBG awards based on the criteria and scoring of the applications. The target is \$23,300 even though \$15,000 is a good estimate. The awards would be adjusted proportionally to the organization. Each score must reach at least 65 to receive funds.

Johnson felt the support and partnership of the city should be given to as many organizations as possible. Treehouse deals with a unique target.

Chair Aanenson recalled last year's discussion questioning Treehouse demonstrating that it serves low-income teens. The application does indicate that 67 percent of the clients have low incomes.

Bjorgo would also support funding for TreeHouse. The program scores similarly to the other organizations and addresses needs of low and moderate-income families.

Chair Aanenson noted that some applicants lowered the funding request amount to adjust to the limited funds.

Isaacson noted that the CDBG funds amount has remained stable. Chair Aanenson noted that some applicants may increase the amount they will request next year if that influences the decision this year.

Isaacson moved, Johnson seconded a motion to recommend the following non-profits be funded by CDBG funds: ResourceWest \$4,400; CAPSH \$2,359; SCS \$5,125; and ICA \$7,750. If 2016 CDBG funds are different than the anticipated amount, then changes in funding to CDBG-funded agencies should be made on a pro-rata basis. Bjorgo, Isaacson, Johnson, Knickerbocker, and Aanenson voted yes. Happe was absent. Motion passed.

Knickerbocker moved, Isaacson seconded a motion to recommend the following non-profits be funded by the Livable Communities Account funds: CommonBond \$4,000; Homes Within Reach (WHAHLT) \$225,000; and Ridgedale YMCA (Minnetonka Heights) \$5,000. Bjorgo, Isaacson, Johnson, Knickerbocker, and Aanenson voted yes. Happe was absent. Motion passed.

Knickerbocker moved, Johnson seconded a motion to recommend that the city council allocate HOME Line to receive \$2,000 from the development account. Bjorgo, Isaacson, Johnson, Knickerbocker, and Aanenson voted yes. Happe was absent. Motion passed.

5. Staff Report

Wischnack reported:

- The Minnetonka City Council approved municipal consent plans for the green line extension. All five cities along the corridor and Hennepin County have given municipal consent. Cities are reviewing the 60% design plans and providing feedback. The Shady Oak Station Area Development Strategy has wrapped up.
- Cherrywood Pointe United Properties is proposing a 99-unit senior living facility at 2004 Plymouth Road. As part of the proposal, the applicant is requesting a rezoning of the property to PUD and are proposing that 10 units be income and rent restricted for 15 years.
- Earlier this year, Metro Transit decided to eliminate Saturday service on Route 614 since ridership on that route was not high enough to justify service. To compensate for this, Route 615 Saturday service was increased from every two hours to every hour starting in September. At our most recent quarterly update meeting with Metro Transit, staff was informed that the transition was successful overall and that Saturday ridership numbers on the 615 have been strong thus far. Metro Transit will continue to evaluate bus routes in the area over the next few years as the Southwest LRT progresses.
- The new Nordstrom and other stores at Ridgedale Shopping Center are now open. Construction still is continuing on other stores and restaurants.
- The Highland Bank temporary bank building is being set. Once that is completed, then work will begin on the new mixed use building.
- The Overlook (Tonka on the Creek) construction continues on the 100-unit-apartment building at Minnetonka Boulevard and Highway 169.
- The Island Apartments construction is nearly complete on the 175-unit-apartment building on Carlson Island.
- At-Home Apartments construction continues on the 106-unit-apartment building on Rowland Road.
- The demolition permit has been issued for Applewood Pointe. Construction is expected to begin shortly.

- The planning commission is expected to review a plan for Williston Woods West, a six home detached villa style redevelopment on the properties north of Kraemer's Hardware.

6. Other Business

The next EDAC meeting is scheduled for Thursday, December 10, 2015 at 6 p.m.

SLUC is scheduled to have a presentation called The Dating Game on October 28, 2015 from 11:30 a.m. to 1:30 p.m.

7. Adjournment

Isaacson moved, Knickerbocker seconded a motion to adjourn the meeting at 8 p.m. Motion passed unanimously.

EDAC Agenda Item #4
Meeting of January 25, 2016

Brief Description	Music Barn Apartments TIF Pooling Request
Recommendation	Discuss the revised request

Background

In 2015, the city approved the Music Barn Apartment project. The project included 27 units that would be affordable to those at 50% Area Median Income (\$43,300 for a family of four) or less. The developer applied for tax credits and requested the city provide \$500,000 in TIF pooling funds to support the affordable units. The request for tax credits was not approved this past year and the developer has revised his proposed financing requests.

Revised Request

The developer has provided a written letter explaining the status of the project and the proposed additional TIF pooling funding of \$300,000, for a total of \$800,000. (See pages A1-A3.) The letter explains the project would now include rehabilitation of the 54 units of townhomes east of this site (Elmbrooke). The letter also explains the tax credit change and indicates the investment of the ownership. The developer indicates tax exempt financing will be requested. The city council will review that request if this proposal proceeds.

Recommendation

Staff recommends the EDAC discuss the proposal, in concept. If the EDAC wishes to proceed with the transaction, the city would prepare a revised contract and come back to the EDAC for further review.

Resources

Below are links to the project page for this development as well as the last EDAC review of this proposal.

<http://eminnetonka.com/current-projects/planning-projects/1279-music-barn-aps>
http://eminnetonka.com/images/meetings/edac/edac_packet_20150430.pdf (page 7)

Originated by:

Julie Wischnack, AICP, Community Development Director

December 14, 2015

Julie Wischnack
Community Development Director
City of Minnetonka
14600 Minnetonka Boulevard
Minnetonka, Minnesota 55345

Subject: Music Barn and Elmbrooke Townhomes

Dear Julie,

While the MHFA did not select the Music Barn/Elmbrooke Townhomes in their recent RFP, we have crafted an alternative financing plan that is feasible. As you may recall, this project consists of the preservation of 54 units of Project-based Section 8 housing along with the construction of 29 units of tax credit housing within ½ miles of the Opus Station.

This financing plan would be built on 4% Tax Credits which generate slightly more than 1/3 of the proceeds that 9% Tax Credits do. To make up the difference in tax credit proceeds the following actions need to occur:

- tax-exempt bonds need to be issued to provide the first mortgage along with the 4% Housing Tax Credits
- The existing Section 8 rents are eligible for a rent increase in 2016 which helps achieve a larger first mortgage
- An additional \$1,550,000 of housing subsidy funds are needed

A further description of each action is as follows:

- **FHA insured Tax Exempt Revenue Bonds with 4% Housing Tax Credits**

A FHA tax-exempt bond saves 1.5% interest on a MHFA mortgage with a longer term as well. The combination of higher rents and better financing terms generates a mortgage that is \$3,825,000 higher than the RFP MHFA mortgage. Minnetonka would be the issuer of these tax-exempt bonds which would have no risk to Minnetonka and would be consistent with

Minnetonka's Policy Number 2.5 relating to the issuance of tax-exempt bonds. These tax-exempt bonds will also create the 4% housing tax credits.

The plan would be to request a tax-exempt bond allocation the end of the first quarter of 2016 with a projected May/June closing.

- **Achieve higher Section 8 rents**
The MHFA RFP included a rent comp study showing comparable Elmbrooke rents are \$112 higher than the current rents. This rent increase would result in an increased first mortgage of over \$1.25 million. In a recent meeting with MHFA staff agreed to allow us to get an updated rent comp study for Elmbrooke for the 2016 rents. This rent study will be completed the end of December. The new increased rents would take effect in 2016.
- **Community Housing Corporation of America (“CHC”), the non-profit General Partner, invests \$1,250,000**
CHC is very committed to make this project a reality to the extent of using most of their available funds as General Partner equity. It is extremely unusual for any General Partner to invest \$1.25 million in a tax credit development.
- **Request an additional \$300,000 from Minnetonka**
The remaining gap is \$300,000 after the CHC investment. Waiting for another MHFA RFP is not feasible because the existing Elmbrooke Limited Partner and the Music Barn owners cannot wait another year. The only available open pipeline for affordable housing is Minnetonka. The additional \$300,000 when combined with the already allocated \$500,000 would total \$800,000 or \$9,639 per affordable housing unit.

Project Underwriting

The basic sources of funds are as follows:

	<u>Proposed</u>	<u>Previous</u>
• Tax Credit proceeds	\$5,100,000	\$9,700,000
• Tax Exempt, FHA insured first mortgage	\$8,950,000	\$5,125,000
• Minnetonka subsidy funds	\$ 800,000	\$ 500,000
• MHFA subsidy funds	\$ 0	\$ 975,000
• Assuming existing subsidy funds	\$1,100,000	\$1,100,000
• Elmbrooke MHFA Reserve	\$ 250,000	\$ 0
• CHC General Partner funds	<u>\$ 1,250,000</u>	<u>\$ 250,000</u>
	\$17,450,000	\$17,650,000

The Music Barn and Elmbrooke Townhomes will be an asset for Minnetonka providing more affordable housing to Minnetonka residents for many years to come. The preservation of Elmbrooke Townhomes and the creation of the Music Barn affordable apartments further the Southwest LRT Corridor-Wide Housing Strategy.

In summary, on behalf of the Community Housing Corporation of America, we are requesting the following:

- An additional \$300,000 of housing subsidy funds
- The willingness to issue tax-exempt housing revenue bonds

Thank you for your consideration of this application.

Sincerely,

A handwritten signature in blue ink that reads "Jay Jensen". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jay Jensen
Principal

SUMMARY PAGE

Print

Development Name	Minnetonka Affordable Housing
Primary Address	5750 Shady Oak Road
City	Minnetonka
Zip Code	55343
County	Hennepin
Year Built	

ACTIVITY TYPE	
Acquisition	
Rehabilitation	
Rental Subsidy	
New Construction	

Version Date	
Dev #	7869
Project #	
HTC #	
HDO	
HMO	
Architect	
SHO	

DEVELOPMENT TEAM

Developer	The Waters Senior Living Management, LLC
Owner	CHC Minnetonka Affordable Housing, LLC
Management Co	Shelter Corporation
Service Provider	
Architect	Kaas Wilson

STRATEGIC PRIORITIES

# Units	Strategic Priority
58	Federally Assisted Housing
	Homeless
27	New Affordable Housing
54	Existing Housing Tax Credits
	Foreclosure
	Rehab not Federally Assisted or Existing Tax Credit

TARGET HOUSEHOLDS

# Units	Target
	General Occupancy
81	Families
81	Single Head of Households with Minor Children
	Individuals and Households of Color
	Youth
	Single Men
	Single Women
	Elderly
	Disabled Individuals
	Persons with HIV/AIDS
	Other:

# Units	Target
	At Risk of Homelessness
	Homeless (not LTH)
	LTH Family
	LTH Single Adults
	LTH Unaccompanied Youth
	At Risk LTH (HIB)
	Drug Dependent
	Permanent Physical Disabilities
	Developmental Disability
	Brain Injury
	Serious Mental Illness
	Serious and Persistent Mental Illness

First Mortgage / Deferred Loan Request		
TYPE		AMOUNT
<input type="checkbox"/> Minnesota Housing First Mortgage		
<input type="checkbox"/> Minnesota Housing Tax Exempt Bonds - Long Term		
<input type="checkbox"/> Minnesota Housing Tax Exempt Bonds - Short Term		
<input type="checkbox"/> Deferred Loan(s)		
<input type="checkbox"/> RRDL		

Housing Tax Credit Request	
Type of Tax Credits requested from Minnesota Housing:	
<input type="checkbox"/> Housing Tax Credits - 4%	
<input type="checkbox"/> Housing Tax Credits - 9%	
<input type="checkbox"/> Dual Application	
HTC Request Amount	517,169
Tax Credit Pool	Request Status
<input type="radio"/> Metro	<input type="radio"/> Reservation
<input type="radio"/> Greater MN	<input type="radio"/> Carryover
	<input type="radio"/> 8609
<input type="checkbox"/> Basis Boost	<input type="radio"/> Qualified Contract
	<input type="radio"/> 42 M1 Letter
Tax Credit Request Type	Tax Credit Set-Aside
<input type="radio"/> First Request	<input type="radio"/> Nonprofit
<input type="radio"/> Supplemental Request	<input type="radio"/> Rural Development
<input type="radio"/> Repeat Request - not selected	<input type="radio"/> N/A
Application to suballocator Bond issuer if not MHFA	
Previously Awarded Tax Credits:	
Allocator	Amount
Allocator	Amount
Allocator	Amount

Subsidy Funding Request	Name of Source	# Units	Amount
Rental Assistance			
Operating Subsidy			

UNIT SUMMARIES

Unit Type	# Units
0BR/SRO	
1BR	
2BR	54
3BR	27
4BR	
5BR	
6BR	
TOTAL UNITS	81

Program Type	# Units
HTC	81
HOME	
LTH	
Market Rate	
Employee Occupied	
Owner Occupied	
Rent Assistance	54
Operating Subsidy	

SUMMARY PAGE

Print

RENT GRID

Unit Type	# of Units	Approx Sq Ft	Monthly Contract Rent	Monthly Gross Rent	Rent Limit	Income Limit	Program Type							
							HTC	HOME	LTH	RRDL	Emp Occ	Own Occ	Rent Asst	Op Subs
2BR	18	1,050	975	1,077	60% MTSP	60% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3BR	9	1,250	1,175	1,293	60% MTSP	60% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2BR		1,050	725	827	30% MTSP	60% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2BR	32	896	1,173	1,275	50% MTSP	60% MTSP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2BR	4	832	1,123	1,225	50% MTSP	60% MTSP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3BR	10	1,088	1,307	1,425	50% MTSP	60% MTSP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3BR	8	1,088	1,175	1,293	50% MTSP	60% MTSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TOTALS	81	#####					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INCOME & EXPENSE

Income	Amount
Housing Income	1,111,476
Covered Parking	48,600
Surface Parking	
Commercial	
Gross Potential Rent	1,160,076
Total Other Income	
Total Rental Loss	59,219
Net Rental Income	1,100,857
Expense	Amount
Administrative	200,478
Maintenance	159,214
Utilities	56,763
Unique Operating Expenses	
Insurance	52,924
Total M & O	469,379
Reserves & Escrows	106,588
Effective Gross Expense	575,967
Net Operating Income	Amount
NOI	524,890

EXPENSE SUMMARY	
Total expense per Unit(\$)	7,111
Total expense per Unit(% of Revenue)	52%
M & O Per Room	1,159
M & O/Unit/Year	5,795

UNDERWRITING ASSUMPTIONS

Residential Vacancy	<input type="text" value="5.0%"/>	Income Inflation	<input type="text" value="1.80%"/>	DCR Year 1	<input type="text" value="1.15"/>	Loan Rate	<input type="text" value="3.50%"/>
Parking Vacancy	<input type="text" value="7.5%"/>	Expense Inflation	<input type="text" value="3.00%"/>	DCR Year 15	<input type="text" value="1.28"/>	MIP	<input type="text" value="0.45%"/>
Commercial Vacancy	<input type="text" value="10.0%"/>	Cap Rate	<input type="text" value="7.00%"/>				

SOURCES AND USES

Permanent Capital Funding Sources

Source	Amount	Per Unit	Committed
First Mortgage	8,950,000	110,494	<input type="checkbox"/>
General Partner Cash	1,250,000	15,432	<input checked="" type="checkbox"/>
Syndication Proceeds	5,067,749	62,565	<input type="checkbox"/>
State Historic Proceeds			<input type="checkbox"/>
Federal Historic Proceeds			<input type="checkbox"/>
Deferred Loan Request			<input type="checkbox"/>
Minnetonka Deferred Loan	800,000	9,877	<input type="checkbox"/>
Existing MHFA Deferred Loan	858,235	10,595	<input checked="" type="checkbox"/>
Existing Minnetonka Deferred Loan	125,000	1,543	<input checked="" type="checkbox"/>
Existing Hennepin County Deferred Loan	156,600	1,933	<input checked="" type="checkbox"/>
Existing PARIF Reserves	215,568	2,661	<input checked="" type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
Deferred Developer Fee	757,143	9,347	<input type="checkbox"/>
Total Permanent Financing	18,180,295	224,448	
FUNDING GAP REMAINING	0	0	

Uses

Description	Amount	Per Unit	% of Total
Acquisition or Refinance	5,941,000	73,346	33%
New Construction	5,220,000	64,444	29%
Rehabilitation	2,921,960	36,074	16%
Contractor Fees			
Contingency	525,000	6,481	3%
Environmental Abatement			
Professional Fees	529,000	6,531	3%
Developer Fees	1,975,000	24,383	11%
Syndicator Fees	50,000	617	0%
Financing Costs	608,336	7,510	3%
Total Mortgageable	17,770,296	219,386	98%
Reserves and Non-Mortgageable	410,000	5,062	2%
Total Development Cost	18,180,296	224,448	100%

Construction Sources

Source	Amount	Per Unit	Committed
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
Total of Construction Financing			

Subsidy Funding Sources

Name of Source	Amount	# Unit	Committed
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
Total of Subsidy Funding			

Minutes
Minnetonka Economic Development Authority
Monday, May 18, 2015

1. Call to Order

Schneider called the meeting to order at 10:12 p.m.

2. Roll Call

Council Members Bob Ellingson, Dick Allendorf, Patty Acomb, Brad Wiersum, Tim Bergstedt, Tony Wagner and Terry Schneider were present.

3. Approval of Agenda

Wagner moved, Wiersum seconded a motion to accept the agenda, as presented. All voted "yes." Motion carried.

4. Approval of Minutes: April 20, 2015

Wagner moved, Acomb seconded a motion to approve the April 20, 2015 minutes. All voted "yes." Motion carried.

5. Business Items:

A. Music Barn Apartments TIF Pooling Request

Community Development Director Julie Wischnack gave the staff report.

Schneider said the development activity in the 394 area benefits the entire community. Wagner agreed and he commended the developer for the project.

Wagner moved, Allendorf seconded a motion to
1. Adopt resolution 2015-04 approving the Contract for Private
Development, but that prior to execution of the contract, a review of
sources and uses and the total gap will be completed by the EDAC and
city's financial advisor.

All voted "yes." Motion carried.

6. Adjournment

Bergstedt moved, Acomb seconded a motion to adjourn the meeting at 10:15 p.m. All voted "yes." Motion carried.

**EDAC Agenda Item #5
Meeting of January 28, 2016**

Brief Description

Staff Report

Green Line Extension (Southwest LRT)

Work continues on the 90% plan drawings for light rail. Staff is preparing for various permitting duties, such as wetland, flood plain, utility and building permits. Staff continues to work on detailed design issues for 17th Avenue and its connection into 5th/K-Tel Drive.

Metro Transit Quarterly Update

Staff recently met with Metro Transit. We discussed service changes near Greenbrier, but that would not occur at any time soon. We also discussed the contract with Metro Transit which expires in June of this year. The contract will likely be temporarily extended while we work toward more detailed plans with light rail connections.

Housing Performance Score

Annually, the Metropolitan Council analyzes the city's efforts to provide affordable housing and provides a city score. The methodology for this year's score is complicated and different than previous years. The city of Minnetonka score this year is 100. The score sheet is attached in page A1.

Development Updates

Ridgedale Mall

Construction continues on restaurants in the mall including Kona Grill and Redstone. There are other tenant finishes pending for new stores.

Highland Bank

Construction continues at this site on Plymouth Road. Trucks continue to haul dirt from the site and some of the foundation work has begun.

The Overlook (Tonka on the Creek)

The apartment building will likely conclude this month. The 100 unit apartment building at Minnetonka Boulevard-Highway 169 will likely be renting units this spring.

The Island apartments

Construction is complete on the 175 unit apartment building on Carlson Island.

At Home

Construction continues on the 106 unit apartment building on Rowland Road, with the 3rd floor being framed.

Applewood Pointe

The project is continuing construction and is currently in the process of pouring footings for the foundation.

Development Reviews

The following projects are undergoing development reviews by the planning commission and city council. Detailed information can be found at www.eminnetonka.com.

- Williston Woods West—The planning commission is expected to review a revised single family home (detached, villa style) redevelopment on the properties north of Kraemer's Hardware.
- TCF Bank – near Ridgedale has undergone a number of concept reviews at the planning commission and city council. The city is awaiting a final design plan for the site.
- Cherrywood Pointe – The city council approved this assisted living project this past year. The city is awaiting information about timing of construction.
- One to One Development – Glen Lake, a 54 unit housing cooperative is applying for permits and will be underway next month.
- Prestige School – the city is awaiting new plans for the daycare at the former Kraemer's Hardware site; the existing building would be removed and construct a new structure.
- Shady Oak Redevelopment Property – the city owns a property near Shady Oak Road and Main Street, near the city of Hopkins border. The city held a kick off meeting on January 13 with area business and residents to discuss the future of the property and provide input about potential reuses of the property. The second meeting for this discussion is scheduled for February 11, 2016.

Upcoming Events

Wednesday, February 10	State of the City 7:30 a.m. Minnetonka Community Center
Wednesday, February 24	Market Trends Sensible Land Use Coalition program 11:30 a.m. to 1:30 p.m. DoubleTree Park Place (St. Louis Park)
Thursday, February 25	EDAC Meeting Council Chambers 6:00 p.m.

Wednesday, April 27

Annual Boards and Commissions
TBD

Originated by:

Julie Wischnack, AICP, Community Development Director

New Affordable and Mixed-Income Housing--Last 10 Years (up to Suburban points)			Points
N1.	1.5 Points for:	Each new unit in a recent project at or below 30% AMI	24.00
N2.	.75 Points for:	Each new unit between 31% and 50% AMI	36.75
N3.	.5 Points for:	Each new unit between 51% of AMI and 80% of AMI	21.50
N4.	.25 Points for:	Each Owner-Occupied new single family unit between 81 and 115% of AMI	0.00
N5.	.15 Points:	Each local control adjusted or waived for a specific project	10.90
N6.	10 Points for:	Each new mixed-income project (at least 20% but not more than 80% market rate)	20.00
N7.	10 Points where:	New units put community on track to meet decade's Livable Communities Act (LCA) goal for new affordable housing (e.g. 40% met by year 4 or 70% after 7)	10.00
N8.	10 Points where:	New units in previous year are 10% or more of the decade's negotiated LCA affordable housing goal	0.00
N9.	At least 2%: 3 Points At least 4%: 6 Points At least 6%: 9 Points:	Direct local financial contribution to affordable or mixed-income development, including estimated value of waived or adjusted local controls	0.00
N10.	5 Points for:	Issuance of housing revenue bonds for construction, or refinancing of affordable or mixed-income development (e.g. tax-exempt bonds to be paired with 4% tax credits or bonds for age- and income-restricted senior developments)	0.00
Total for Category			123

Preservation & Substantial Rehabilitation Projects--Last 7 Years for Preservation & 3 Years for Rehab (up to 35 points)			Points
P1.	1 Point for:	Each preserved unit in a recent project at or below 30% AMI	30.00
P2.	.5 Points	Each preserved unit between 31% and 50% AMI	0.00
P3.	.25 Points for:	Each preserved unit between 51% of AMI and 80% of AMI	4.75
P5.	7.5 Points	Preservation of state or federal project-based subsidy for at least 15 years	0.00
P6.		Demonstrated local efforts to preserve a manufactured housing park from threats of conversion and loss of affordable units	0.00
R1.	.5 Points for:	Each substantially rehabilitated unit in a recent project at or below 30% AMI	0.00
R2.	.25 Points for:	Each substantially rehabilitated unit between 31% and 50% AMI	0.00
R3.	.15 Points for:	Each substantially rehabilitated unit between 51% of AMI and 80% of AMI	0.00
R4.	.15 Points:	Each substantially rehabilitated owner-occupied unit serving a household between 81 and 115% of AMI	0.00
R5.	1 Point for:	Each acquisition/rehab/lease of an owner-occupied unit affordable to a household at or below 80% AMI, rehabbed & sold under a Community Land Trust	8.00
R6.	.15 Points for:	Each local official control adjusted, waived, or used to preserve or rehabilitate affordable housing	0.45
R7.	5 Points each for:	Each preservation or substantial rehabilitation project with at least a 4% local direct financial contribution, including estimated value of waived or adjusted local controls	25.00
R8.		Rehab activity that involves conversion of units from a non-restricted status to a rent and income-restricted status (new units counted in N1-3 above)	0.00
Total for Category			#VALUE!

Housing Programs & Policies in Place/Use in Last 5 Years (up to 25 points)			Points
H1.		Each locally funded and administered housing program or service	2.00
H2.	2 Points each for:	Each housing program operated by a non-profit organization receiving a local financial contribution (e.g. single family rehab loans, rental assistance, housing counseling, etc.)	2.00
H3.		Covering all or a portion of administrative expenses incurred in administering a federal, state, or county housing program (i.e. difference between costs and reimbursements)	3.00
H4.		Local expenditure in the prior year to affordable or life-cycle housing representing at least 85% of the municipality's Affordable and Life-Cycle Housing Opportunities Amount (ALHOA)	2.00
H5.		Demonstrated efforts to improve/preserve unsubsidized affordable housing (if not claimed under item R8)	0.00
H6.	3 Points each for:	Participation (as a lender or administrator) in the Minnesota Housing Single Family Rehabilitation Loan, Emergency Loan, and/or Community Fix-Up Programs	0.00
H7.		Successful/funded application to the Minnesota Housing Single Family Impact Fund for activities other than new construction or rehabilitation	0.00
H8.	.15 Points for:	Each household served under local programs	0.00
H9.	.4 Points each for:	Adopting or administering a rental licensing program	0.00
H10.		Administering an active code enforcement program (for rental or owner-occupied housing)	4.00
H11.		Adopting or administering an Accessory Dwelling Unit (ADU) ordinance	8.00
H12.	8 Points each for:	Adopting or administering a mixed-income (inclusionary) housing ordinance	8.00
H13.		Adopting and enforcing a local Fair Housing policy	0.00
Total for Category			25

Characteristics and Affordability of the Existing Housing Stock (up to 25 points)			Points
C1.	At least 2%: 3 Points At least 5%: 6 Points At least 8%: 9 Points:	Existing stock of housing affordable to households earning 30% of AMI or less	3.00
C2.	At least 10%: 3 Points At least 20%: 6 Points At least 30%: 9 Points:	Existing stock of housing affordable to households earning 50% of AMI or less	3.00
C3.	At least 20%: 3 Points At least 40%: 6 Points At least 60%: 9 Points:	Existing stock of housing affordable to households earning 80% of AMI or less	6.00
C4.	1 Point for each:	Each facility serving vulnerable or special populations (max of 10 points) including: <ul style="list-style-type: none"> o Transitional placement of adult offenders or adjudicated delinquents o Licensed group homes for people with physical disabilities, mental illness, developmental disabilities, or chemical dependency o Shelters for people experiencing homelessness, battered women or those otherwise not able to secure private housing o Transitional housing for people experiencing homelessness o Permanent housing for victims of sex trafficking or domestic abuse o Age- and income-restricted senior housing 	10.00
Total for Category			22

Narrative Adjustments (if any)			Points
		Additional housing programs, projects, initiatives, or activities described (efforts described in the narrative will be integrated as appropriate into preceding tabs by Council staff)	3.00

Total Housing Performance Score	100.00
Hold-harmless minimum (80% of average 2010-2014 scores)	58.72
Final 2015 Housing Performance Score	100.00

*See the Guidelines for Priority Funding for Housing Performance for the working definitions of Substantial Rehabilitation and Preservation. When complete, please use "Save As" in Excel and save the file to a convenient location, using the name of the city and complete in the file name (example: "Oak Falls Complete"), then attach the file to an email and return it to Joel Nyhus at joel.nyhus@metc.state.mn.us.