

# *City of Seattle*

## *Workforce Housing Forum*

February 13, 2014

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Director of Housing Policy and Development



**City of Minneapolis**

# Minneapolis Experience and Program Affordable and Work Force Housing



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# Affordable Housing Trust Fund

- Established by the City Council and Mayor
- Creates and preserves affordable rental housing
- Provides gap funding for development;
  - the developer must leverage as much additional funds as possible from both private and public sources.
- Percentage of AHTF dollars in projects is approximately 10%.
- For every \$1 of AHTF, the city attracts \$10 of additional funding through debt, equity and other funders.



# Financial Incentives for Affordable Housing Production

- AHTF
- 4(d) tax reduction
- 9% LIHC
- 4% LIHTC and HRB
- TIF
- Various: State, Met Council, and County Funding
- Family Housing Fund and Private Philanthropy



# Regulatory Incentives for Affordable Housing Production

Micro Units

Elimination of parking requirements in Central Corridor and downtown

Density bonus



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# Unique Partnerships and Tools for Affordable Ownership and Rental Housing

City of Lakes Land Trust

Twin Cities Community Land Bank

Family Housing Fund



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# Policy Considerations

Regionalism

Concentration of Poverty

Equity Issues (Fair Housing Equity Assessment)



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# Types of AHTF Projects

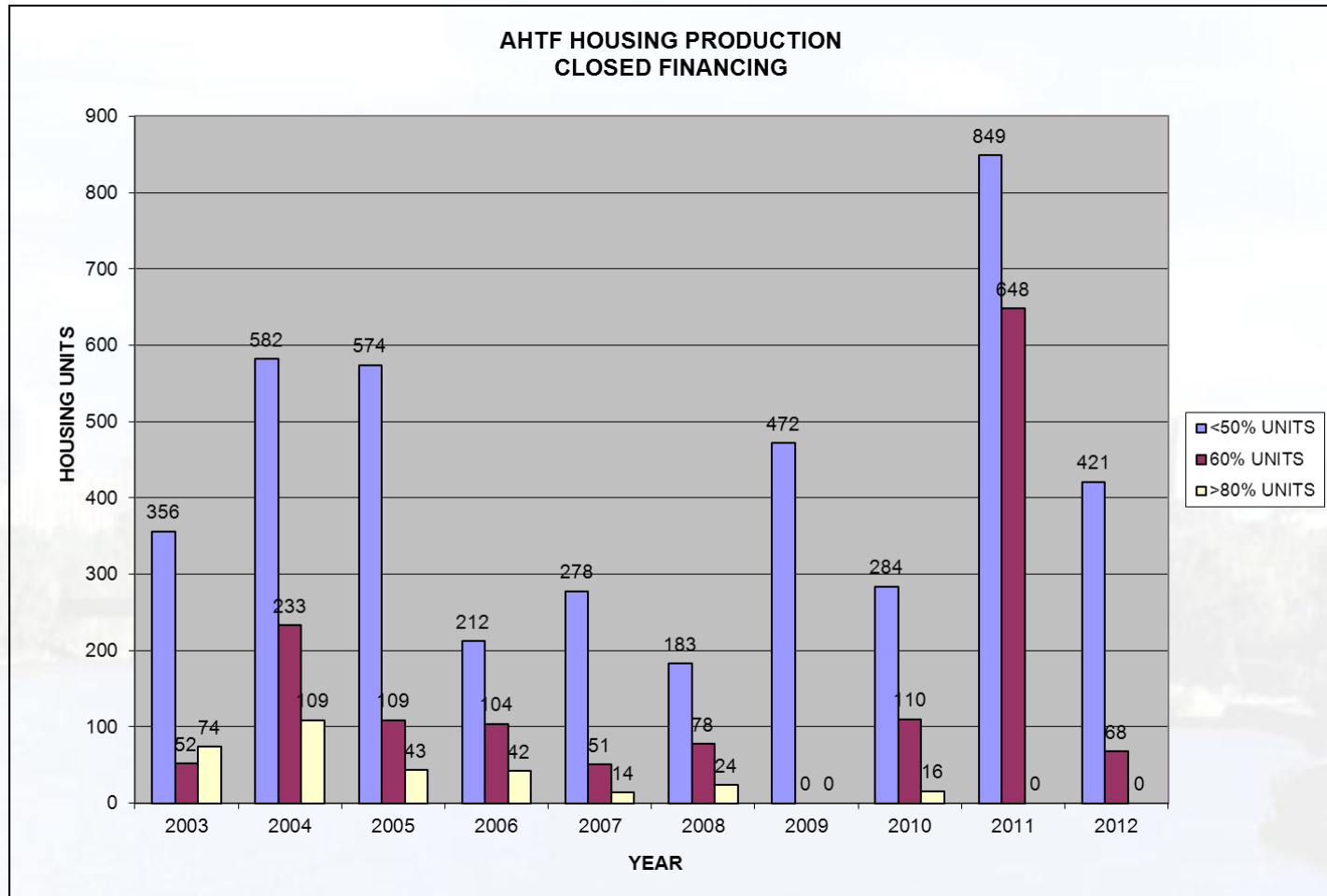
- Families/Persons that have experienced long term homelessness
- Permanent supportive housing for persons with special needs
- Workforce housing
- Senior housing
- Family Housing



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# 10 Years Production = 6300 units



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# Affordable Housing Trust Fund Leverage 10 Year History

AHTF \$73 million City contribution

Total other Public/Private Financing \$777 million

Leverage ratio = 1:10



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# Leverage

<u>YEAR CLOSED</u>	<u>TOTAL UNITS</u>	<u>&lt;50% UNITS</u>	<u>60% UNITS</u>	<u>&gt;80% UNITS</u>	<u>AHTF</u>	<u>LEVERAGED FUNDING</u>	<u>TDC</u>	<u>AHTF PER AFFORDABLE UNIT (&lt;50% AMI)</u>
2003	482	356	52	74	\$ 4,928,850.00	\$ 68,325,099.00	\$ 73,253,949.00	\$ 13,845.08
2004	924	582	233	109	\$10,719,265.00	\$129,765,685.93	\$140,484,950.93	\$ 18,417.98
2005	726	574	109	43	\$ 9,958,695.00	\$ 75,390,760.00	\$ 85,349,455.00	\$ 17,349.64
2006	358	212	104	42	\$ 4,990,921.00	\$ 62,723,817.00	\$ 67,714,738.00	\$ 23,542.08
2007	343	278	51	14	\$ 7,189,519.00	\$ 57,796,659.00	\$ 64,986,178.00	\$ 25,861.58
2008	285	183	78	24	\$ 3,075,088.00	\$ 17,948,069.00	\$ 21,023,157.00	\$ 16,803.76
2009	472	472	0	0	\$ 5,668,859.00	\$ 32,230,329.00	\$ 37,899,188.00	\$ 12,010.29
2010	476	284	110	16	\$10,350,816.00	\$ 59,735,302.00	\$ 70,086,118.00	\$ 36,446.54
2011	1663	849	648	0	\$ 6,809,882.00	\$174,849,869.00	\$181,659,751.00	\$ 8,021.06
2012	599	421	68	0	\$ 9,697,110.00	\$ 98,546,769.00	\$108,243,879.00	\$ 23,033.52
	6,328	4,211	1,453	322	\$73,389,005.00	\$777,312,358.93	\$850,701,363.93	\$ 17,427.93



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# Total Housing Units Produced as a result of Affordable Housing Trust Fund (2002-12)

Units at 50 % AMI	4,211
Units at 60% AMI	1,453
Units at 80% AMI	322
Total	6,328



# Pillsbury A-Mill



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**CPED MULTIFAMILY HOUSING DEPARTMENT**  
**Affordable Housing Inventory Project Data Worksheet**

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**Project Status**

Proposed: 7/15/2011  
 Approved: ☒  
 Closed: 10/10/2013  
 Complete: ☐

**Impact**

☒ Non-Impacted  
☐ Impacted

**Occupancy**

☒ Rental  
☐ Ownership

**Household**

☒ General  
☐ Family w/Children  
☐ Senior  
☐ Single  
☐ Special Needs  
☐ Homeless

**Project Activity**

☐ New Construction  
☒ Rehabilitation  
☐ Stabilization  
☐ Preservation

Year Built:

**Development**

☒ Apartment/Condo  
☐ Townhome  
☐ Coop  
☐ Shelter  
☐ Transitional  
☐ Scattered Site/Other

Project Name: Pillsbury Historic Redevelopment  
 Main Address: 301 Main St  
 Project Aliases: A Mill; Pillsbury Lofts  
 Additional Addresses:   
 Ward: 3 Neighborhood: Marcy-Holmes

**Housing Production and Affordability**

UNIT COMPOSITION	UNIT	QTY	UNIT AFFORDABILITY	UNIT	<30%	<50%	<60%	<80%	MKT
	0BR	8		0BR	0	0	8	0	0
	1BR	162		1BR	0	0	162	0	0
	2BR	74		2BR	0	0	74	0	0
	3BR	7		3BR	0	0	7	0	0
	4+BR	0		4+BR	0	0	0	0	0
	TOT	251		TOT	0	0	251	0	0

Shelter Units:  + Conversion Units: 251  
 Section 8:

**GENERAL INFORMATION**

The Pillsbury A Mill is a historic property listed on the National Register as a historic landmark. Dominion Development intends to rehab the vacant building into 251 artist live-work affordable housing units. The series of buildings will range in height from 3 to 12 stories with brick exterior. The occupancy will be general occupancy but will be designed and marketed towards artists. There will be surface and underground parking. Common space totals 30,000 sf and will include a gallery, performance / theater studio, dance studio, paint studio. There will be a club / community room, fitness center, roof top deck amenity, etc. There is no commercial component to this project.



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## USES AND PERMANENT SOURCES

Project Uses:		Project Permanent Sources:			
		Source / Program	Amount	%	Term
Land:	\$3,525,000.00	MCDA			9/26/2013
Construction:	\$99,991,441.00	LIHTC - \$4,989,676 (HRB-2013)			
Construction Contingency:	\$8,800,000.00	DEED	\$200,000.00		6/20/2012
Construction Interest:	\$5,051,585.00	DEED	\$1,000,000.00		4/2/2012
Relocation:	\$0.00	Equity Contribution			
Developer Fee:	\$23,014,447.00	City of Minneapolis	\$26,000,000.00		12/1/2012
Legal Fees:	\$550,000.00	HRB (1st Mortgage)(Series A)			
Architect Fees:	\$3,127,500.00	Met Council	\$555,000.00		1/15/2013
Other Costs:	\$6,836,797.00	LCDA	\$3,640,127.00		4/2/2012
Reserves:	\$700,000.00	Deferred Const. Mgmt Fee	\$44,585,480.00		12/1/2012
Non-Housing:	\$0.00	Syndication Proceeds	\$26,231,220.00		12/1/2012
TDC:		Syndication Proceeds (Fed Historic)	\$24,706,470.00		12/1/2012
TDC/Unit:	\$603,971.00	Syndication Proceeds (State Historic)	\$1,517,328.00		1/1/2012
<b>Financing Notes:</b> Dominium will be requesting \$30 million of HRB from the City of Minneapolis. Hennepin County will be providing \$55 million HRB (series B) which represents the construction financing. With the investment of the state and federal historic tax credits, the cost per unit for the housing is reduced to \$365,000.		Environmental Clean Up	\$1,146,698.00		
		Capital Exp	\$22,014,447.00		4/2/2012
		Deferred Dev Fee			
		TDC:	\$151,596,770.00		



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# Greenleaf



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**CPED MULTIFAMILY HOUSING DEPARTMENT**  
**Affordable Housing Inventory Project Data Worksheet**

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**Project Status**

Proposed: 6/27/2008  
Approved: ☒  
Closed: 11/23/2010  
Complete: 6/30/2012

**Impaction**

☐ Non-Impacted  
☒ Impacted

**Occupancy**

☒ Rental  
☐ Ownership

**Household**

☒ General  
☐ Family w/Children  
☐ Senior  
☐ Single  
☐ Special Needs  
☐ Homeless

**Project Activity**

☒ New Construction  
☐ Rehabilitation  
☐ Stabilization  
☐ Preservation

Year Built: \_\_\_\_\_

**Development**

☒ Apartment/Condo  
☐ Townhome  
☐ Coop  
☐ Shelter  
☐ Transitional  
☐ Scattered Site/Other

Project Name: Lyndale Green  
Main Address: 2743 Lyndale Ave S  
Project Aliases: The Greenleaf, Salem Redevelopment  
Additional Addresses: 610 28th St W  
Ward: 6 Neighborhood: Whittier

**Housing Production and Affordability**

UNIT COMPOSITION	UNIT	QTY	UNIT AFFORDABILITY	UNIT	<30%	<50%	<60%	<80%	MKT
	0BR	0		0BR	0	0	0	0	0
	1BR	32		1BR	0	10	22	0	0
	2BR	31		2BR	0	4	27	0	0
	3BR	0		3BR	0	0	0	0	0
	4+BR	0		4+BR	0	0	0	0	0
	TOT	63		TOT	0	14	49	0	0

Shelter Units: \_\_\_\_\_ + Conversion Units: \_\_\_\_\_  
Section 8: \_\_\_\_\_

**GENERAL INFORMATION**

Brighton Development Corporation is proposing to re-develop a portion of the Salem English Lutheran Church site on 28th and Lyndale with a new, mixed-use building composed of 3 stories of housing over 1st-floor retail. Brighton proposes to demolish the existing 1960s-era church addition, along with the existing surface parking lot, and construct the new building in their place. The original, historic church would be preserved and renovated for use by the two congregations: Salem English Lutheran Church, and Lyndale United Church of Christ, which is vacating its nearby facility at 810 31st St West.

The new mixed-use building will house 63 rental apartments and approximately 6,200 square feet of commercial space. The new building and the church will be served by 99 parking spaces, 51 of which will be underground. The commercial space is proposed for sale to a third party, and is expected to contain a mix of retail, restaurant, and/or office uses.



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## USES AND PERMANENT SOURCES

### Project Uses:

Land:	\$1,100,000.00
Construction:	\$7,515,550.00
Construction Contingency:	\$383,778.00
Construction Interest:	\$188,524.00
Relocation:	\$0.00
Developer Fee:	\$1,193,132.00
Legal Fees:	\$93,145.00
Architect Fees:	\$364,103.00
Other Costs:	\$869,292.34
Reserves:	\$300,350.00
Non-Housing:	\$0.00
TDC:	
TDC/Unit:	\$190,601.18

### Financing Notes:

1. The sources and uses shown are for the housing component only.
2. The City previously provided preliminary approval for HRB for the project, however MHFA must now issue the bonds in conjunction with the LMIR 1st mortgage.
3. The LMIR 1st mortgage amount includes two TIF Notes in the amount of \$567,200 to be issued by the City.

### Project Permanent Sources:

Source / Program	Amount	%	Term	Committed
City of Minneapolis <i>TIF (Housing)</i>	\$442,200.00			
CPED <i>AHTF (2008) (SHP)</i>	\$975,000.00	0.00%	11/23/2050 Deferred	12/12/2008 <i>HD00001019</i>
MHFA <i>2010</i>	\$1,572,495.00		Deferred	
CPED <i>AHTF (2009) (SHP)</i>	\$981,743.00	0.00%	11/23/2050 Deferred	2/16/2010 <i>HD00001019</i>
Hennepin County <i>ERF</i>	\$57,000.00		Grant	4/1/2008
	\$3,110,360.00			
<i>Syndication Proceeds</i>				
MHFA <i>LMIR 1st Mortgage</i>	\$2,858,932.00			
Met Council <i>LCDA</i>	\$850,000.00	0.00%	11/23/2050 Deferred	12/10/2008 <i>HD00001020</i>
	\$250,000.00			
<i>Deferred Dev Fee</i>				
Hennepin County <i>AHIF</i>	\$600,000.00			6/9/2009
Hennepin County <i>TOD</i>	\$150,000.00			7/29/2008
Met Council <i>TBRA</i>	\$160,144.34	0.00%	11/23/2050 Deferred	1/13/2010 <i>HD00001021</i>
TDC:	\$12,007,874.34			



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# Tax-Base enhancement

- 2002 – 2012 Total Development Cost of AHTF Projects \$850 million
- Estimated Tax-Base Enhancement at 60% of TDC = \$510 million



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