

HENNEPIN COUNTY

MINNESOTA

FINAL BOARD AGENDA

HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

TUESDAY, MAY 7, 2024

1:30 PM

Chair: Angela Conley, District 4
Vice Chair: Kevin Anderson, District 7
Members: Jeff Lunde, District 1
Irene Fernando, District 2
Marion Greene, District 3
Debbie Goettel, District 5
Vacant, District 6

1. **Approval of the Agenda**

2. **Minutes from Previous Meeting**

March 12, 2024 Minutes

Attachments: [HRA-MINUTES-12-Mar-2024](#)

3. **Claims Register**

3.A. [24-HCHRA-0012](#)

Claims Register for the period ending March 31, 2024

Attachments: [Claims Register for the period ending March 31, 2024](#)

3.B. [24-HCHRA-0013](#)

Claims register for the period ending April 30, 2024

Attachments: [Claims Register ending 4 30 24](#)

4. **New Business**

4.A. [24-HCHRA-0014](#)

Authorize supplemental appropriation to amend the 2023 budget

4.B. [24-HCHRA-0015](#)

2024 AHIF funding recommendations - Neg 9 2024 award agmts, 05/07/24-05/06/29, total combined NTE \$5,836,573; supp app to 2024 HCHRA budget

Attachments: [2024 AHIF Budget Details](#)

4.C. [24-HCHRA-0016](#)

2024 Homeownership Assistance Program capital funding recommendations -
Neg 5 agmts, 05/07/24-5/06/59, total combined NTE \$1,245,000

Attachments: [2024 Budget Details Homeownership Assistance](#)

4.D. [24-HCHRA-0017](#)

2024 Supportive Housing Strategy funding recommendations - Neg a 2021
award modification, 05/07/24-05/06/79, neg 7 award agmts, 05/07/24-05/06/79,
total combined NTE \$7,576,709

Attachments: [2024 New Contract Budget Spreadsheet Supportive Housing](#)

HENNEPIN COUNTY

300 South Sixth Street
Minneapolis, MN
55487-0240

MINNESOTA

Board Action Request

TMP-0949

Item Description:

March 12, 2024 Minutes

HENNEPIN COUNTY

MINNESOTA

BOARD MINUTES

HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
TUESDAY, MARCH 12, 2024
1:30 PM

Chair: Angela Conley, District 4
Vice Chair: Jeff Lunde, District 1
Members: Irene Fernando, District 2
Marion Greene, District 3
Debbie Goettel, District 5
Vacant, District 6
Kevin Anderson, District 7

Commissioner Angela Conley, Chair, called the meeting of the Hennepin County Housing and Redevelopment Authority for Tuesday, March 12, 2024 to order at 2:59 p.m.

Present Chairperson Angela Conley, Irene Fernando, Jeff Lunde, Debbie Goettel, Vice Chair Kevin Anderson, and Marion Greene

1. Approval of the Agenda

APPROVE

Irene Fernando moved, seconded by Marion Greene, to approve the Agenda.

Aye Chairperson Conley Fernando Lunde Goettel Vice Chair Anderson Greene

2. Minutes from Previous Meeting

2.A. February 27, 2024 Housing and Redevelopment Authority Minutes

APPROVE

Jeff Lunde moved, seconded by Vice Chair Kevin Anderson, to approve the Minutes.

Aye Chairperson Conley Fernando Lunde Goettel Vice Chair Anderson Greene

3. Claims Register

3.A. [24-HCHRA-0007](#)

Claims register for the period ending February 29, 2024

APPROVE/RATIFY

Chairperson Angela Conley moved, seconded by Debbie Goettel, to approve/ratify the Resolution.

Aye Chairperson Conley Fernando Lunde Goettel Vice Chair Anderson Greene

4. New Business

4.A. [24-HCHRA-0008](#)

Approval of final authorization to issue tax-exempt multifamily housing revenue bonds for an affordable housing project at 505, 507, 525, 527, 560 Humboldt Avenue and 1315 Olson Memorial Highway, Mpls

ADOPT

Marion Greene moved, seconded by Debbie Goettel, to adopt the Resolution.

Aye Chairperson Conley Fernando Lunde Goettel Vice Chair Anderson
Greene

4.B. [24-HCHRA-0009](#)

Amend Agmt A15911 to transfer ownership of Park Plaza to Olson Court Park Plaza Limited Partnership, forgiving accrued interest, extending the term to 12/31/66, no change to NTE

ADOPT

Jeff Lunde moved, seconded by Irene Fernando, to adopt the Resolution.

Aye Chairperson Conley Fernando Lunde Goettel Vice Chair Anderson
Greene

Addendum

4.C. [24-HCHRA-0010](#)

Terminate and forgive AHIF Grant Agmt A070456 with Hope Community, Inc., for Dundry House Apartments in Minneapolis

ADOPT

Irene Fernando moved, seconded by Marion Greene, to adopt the Resolution.

Aye Chairperson Conley Fernando Lunde Goettel Vice Chair Anderson
Greene

4.D. [24-HCHRA-0011](#)

Terminate and forgive AHIF Grant Agmt A061804 with the Minnesota Indian Women's Resource Center for 2300 15th Avenue South in Minneapolis

ADOPT

Irene Fernando moved, seconded by Marion Greene, to adopt the Resolution.

Aye Chairperson Conley Fernando Lunde Goettel Vice Chair Anderson
Greene

There being no further business, the Housing and Redevelopment Authority for Tuesday, March 12, 2024 was declared adjourned at 3:10 p.m. until Tuesday, April 2, 2024.

Maria Rose
Clerk to the County Board

**Contracting opportunities can be found on the Hennepin County website:
www.hennepin.us**

Board Action Request

24-HCHRA-0012

Item Description:

Claims Register for the period ending March 31, 2024

Resolution:

BE IT RESOLVED, that the Claims Register for the period ending March 31, 2024 be approved/ratified.

Background:

[Click or tap here to enter text.](#)

Recommendation from County Administrator: Recommend Approval

HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

Period ending March 31, 2024

ACCOUNT NAME	VENDOR NAME	AMOUNT
Advertising	BridgeTower OpCo, LLC	\$ 76.44
		\$ 76.44

HENNEPIN COUNTY

300 South Sixth Street
Minneapolis, MN
55487-0240

MINNESOTA

Board Action Request

24-HCHRA-0013

Item Description:

Claims register for the period ending April 30, 2024

Resolution:

BE IT RESOLVED, that the Claims Register for the period ending April 30, 2024 be approved/ratified.

Background:

[Click or tap here to enter text.](#)

Recommendation from County Administrator: [Choose an item.](#)

HENNEPIN COUNTY HOUSING AND REDEVELOPMENT AUTHORITY

Period ending April 30, 2024

ACCOUNT NAME	VENDOR NAME	AMOUNT
Advertising	BridgeTower OpCo, LLC	\$ 182.52
Audit	RSM US LLP	\$ 4,000.00
		\$ 4,182.52

HENNEPIN COUNTY

300 South Sixth Street
Minneapolis, MN
55487-0240

MINNESOTA

Board Action Request

24-HCHRA-0014

Item Description:

Authorize supplemental appropriation to amend the 2023 budget

Resolution:

BE IT RESOLVED, that the 2023 Hennepin County Housing and Redevelopment Authority budget be amended to provide a supplemental appropriation to increase the revenue and expenditure budget by \$9,409,200; and that the budget for HRA Project SRO Acquisition (CP 1009431) be established as \$9,409,200; and that the Controller be authorized to transfer funds as directed.

Background:

In 2023, the Hennepin County Housing and Redevelopment Authority (HCHRA) received approval through Resolution 23-HCHRA-0026 for the sale of Metro Inn (5637 Lyndale Ave. S.), corresponding forgivable loan in the amount of \$900,000, and for normal and customary closing costs estimated at \$20,000. This resolution gave authorization to negotiate Forgivable Loan Agreement with Agate Housing and Services, or an affiliated entity, for 38 rental housing units located at 5637 Lyndale Ave. South, Minneapolis. It authorized to accept, transfer, and disburse funds as directed.

In 2022, the HCHRA received approval through Resolution 22-HCHRA-0051 for the sale of University Inn (925 4th St SE) and corresponding forgivable loan in the amount of \$8,500,000. This resolution gave authorization to negotiate Forgivable Loan Agreement with 925 Studios, LLC, or an affiliated entity, for 45 rental housing units located at 925 4th St. SE., Minneapolis It authorized to accept, transfer, and disburse funds as directed.

Sale of both properties (and corresponding forgivable loans securing long-term affordable housing) occurred in 2023, and the HCHRA is requesting a supplemental appropriation to its 2023 Operating Budget for recognition of the transactions and appropriation of budget.

		<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Project #</u>	<u>Description</u>	<u>Amount</u>
HRA	REVENUE	37	843400	49120	1009431	Building & Land Sale - General	9,409,200
	EXPENSE	37	843400	52902	1009431	HRA: SRO Acquisition	9,409,200

Recommendation from County Administrator: Recommend Approval

MINNESOTA

Board Action Request

24-HCHRA-0015

Item Description:

2024 AHIF funding recommendations - Neg 9 2024 award agmts, 05/07/24-05/06/79, total combined NTE \$5,836,573; supp app to 2024 HCHRA budget

Resolution:

BE IT RESOLVED, that the 2019 Affordable Housing Incentive Fund (AHIF) award to American Indian Community Development Corporation for the Pokegama North project in the amount of \$85,000 (Agreement PR00001141; Resolution 19-HCHRA-0022), be rescinded; and that the \$85,000 be reallocated for distribution under the 2024 Hennepin County Housing and Redevelopment Authority (HCHRA) budget as described herein; that a supplemental appropriation to the 2024 HCHRA Special Projects Fund 37 budget (HRA: 2024 Affordable Housing Project 1010428) in the amount of \$85,000 be authorized; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that repayment proceeds in the amount of \$130,050 from Community Involvement Programs for 5101 56th Avenue North in Crystal (2000 and 2009 AHIF awards, Resolutions 12-HCHRA-00R1 and 09-HCHRA-0013R1), \$225,010 from Community Involvement Programs for 3101 and 1303 Oxford Street in Hopkins (2001 and 2012 AHIF award, Agreement A120638), and \$481,512 from Plymouth Leased Housing Associates, LP for Stone Creek at Medicine Lake, 1020 West Medicine Lake Drive in Plymouth (2001 AHIF award, Agreement A030437), be received and reallocated for distribution under the 2024 HCHRA budget as described herein; that a supplemental appropriation to the 2024 HCHRA Special Projects Fund 37 budget (HRA: 2024 Affordable Housing Project 1010428) in the amount of \$836,573 be authorized; and that the Controller be authorized to accept and disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to negotiate the following AHIF Agreements, in the total not to exceed amount of \$5,336,573, during the period May 7, 2024 through May 6, 2029:

- PR00006156 with SRPB Strategic Housing LLC or affiliated entity, for the 700 American Boulevard West project, with a not to exceed amount of \$500,000;
- PR00006151 with 925 Studios, LLC or affiliated entity, for the 925 Studios project, with a not to exceed amount of \$183,350;
- PR00006154 with Alliance Housing Inc. or affiliated entity, for the 2116 Nicollet project, with a not to exceed amount of \$330,000;
- PR00006219 with Clare Housing or affiliated entity, for the Clare Apartments project, with a not to exceed amount of \$500,000;
- PR00006155 with Matrix Development LLC or affiliated entity, for the Logan Avenue Senior development, with a not to exceed amount of \$323,223;
- PR00006150 with 1213 Franklin LP and Wellington Management Inc or affiliated entity, for the NACC-H project, with a not to exceed amount of \$1,460,000;
- PR00006152 with Premier Development Corporation, LLC or affiliated entity, for The Warren project, with a not to exceed amount of \$700,000;
- PR00006153 with Building Blocks Inc and United Properties or affiliated entity, for the Upper Harbor Redevelopment Parcel 6A project, with a not to exceed amount of \$1,000,000;

24-HCHRA-0015

- PR00006227 with Noor Development Group and Project for Pride in Living or affiliated entity, for the Zaria project, with a not to exceed amount of \$340,000; and

that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreements and related documents on behalf of the authority; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to negotiate a modification to a 2023 AHIF award approved under Resolution 23-HCHRA-0021, recognizing additional funding awarded under the 2024 AHIF Program: Agreement PR00005294 with Little Earth of United Tribes Housing Corporation, or affiliated entity, for the Little Earth Project, increasing the not to exceed amount by \$500,000 for a new total not to exceed amount of \$1,204,137, extending the contract period from May 8, 2078 to May 6, 2079; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreement and related documents on behalf of the Authority; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Executive Director to authorized to revise, as needed, the AHIF funding amounts of the HCHRA Board approved projects in response to potential changes in a specific project's funding requirements providing that such revisions will not result in an increase in the aggregate funding of \$5,836,573 or any projects being funded that have not been approved by the board.

Background:

The Affordable Housing Incentive Fund (AHIF) Program was created by the Hennepin County Housing and Redevelopment Authority (HCHRA) Board of Commissioners (Resolution 08-HCHRA-00) to work with municipalities, other government and nonprofit agencies, private and nonprofit developers, and lenders to encourage the preservation and development of affordable housing opportunities throughout Hennepin County. Resolution 23-HCHRA-0044 (adopted December 12, 2023) authorized \$5,000,000 for AHIF in 2024. An additional \$921,573 from prior year AHIF awards and repayments are recommended for receipt/recapture and reallocation herein (\$836,573) or under future AHIF funding rounds (\$85,000).

A coordinated request for proposals (RFP) for the AHIF program and federal HOME funds was released in January 2024. The RFP garnered 32 qualified multifamily rental applications requesting \$37.4 million. Proposals were reviewed by Housing and Economic Development and Health and Human Services staff for consistency with county priorities. Proposals were then reviewed and ranked by a multiagency panel Consisting of Hennepin County (HED and HHS), Bloomington, Brooklyn Park, Minneapolis, and St. Louis Park staff.

AHIF funding is typically provided to projects in the form of a 30- to 50-year deferred loan. Loan documents include a loan agreement, promissory note, mortgage, and declaration of covenants and restrictions. In addition, at the project's financial closing and during the term of the loan, the HCHRA may be asked to sign various related documents and amendments, including subordination agreements and disbursement agreements.

Recognizing the length and complexity of affordable housing finance, AHIF loans are reflected as grants within the HCHRA's financial statements.

Since 2000, and including the recommended 2024 allocations, the AHIF Program has committed approximately \$93.7 million to affordable housing projects, leveraging over \$2.02 billion dollars in additional investment to assist the development and/or preservation of over 12,000 affordable housing units in Hennepin County.

Recommended Project Awards:

24-HCHRA-0015

PR00006156 - 700 American Boulevard West - Shafer Richardson - \$500,000

700 American Boulevard West in Bloomington; construction of 128 rental units (8 units at 30 percent of Area Median Income (AMI), 104 units at 50 percent of AMI, 16 units at 60 percent of AMI); 5 units for large families.

PR00006151 - 925 Studios - 925 Studios LLC - \$183,350

925 4th Street Southeast in Minneapolis; preservation of 45 rental units; (45 units at 30 percent of AMI.)

PR00006154 - 2116 Nicollet - Alliance Housing Inc - \$330,000

2116 Nicollet Avenue South in Minneapolis; construction of 54 rental units; (33 units at 30 percent of AMI, 21 units at 50 percent of AMI); 8 units for people exiting homelessness; 24 units with rental assistance.

PR00006219 - Clare Apartments - Clare Housing - \$500,000

929 Central Avenue Northeast in Minneapolis; preservation of 32 rental units; (24 units at 30 percent of AMI, 8 units at 50 percent of AMI); 32 units with rental assistance.

PR00005294 - Little Earth - Little Earth of United Tribes Housing Corporation - increase of existing contract by \$500,000 (new not to exceed amount of \$1,204,137

2501 Cedar Avenue South, Minneapolis; preservation of 212 rental units; (212 units at 50 percent of AMI); 106 units for large families; 212 units with rental assistance.

PR00006155 - Logan Avenue Senior - Matrix Development LLC - \$323,223

529 and 535 Logan Avenue North, Minneapolis; construction of 48 rental units; (23 units at households 30 percent of AMI, 25 units at 50 percent of AMI); 9 units for people exiting homelessness.

PR00006150 - NACC-H - 1213 Franklin LP and Wellington Management Inc - \$1,460,000

1213 Franklin Avenue South in Minneapolis; construction of 83 rental units; (33 units at households 30 percent of AMI, 42 units at 50 percent of AMI, 8 units at 60 percent of AMI); 11 units for people exiting homelessness; 9 units with rental assistance.

PR00006152 - The Warren - Premier Development Corporation, LLC - \$700,000

New address; construction of 58 rental units; (17 units at 30 percent of AMI, 41 units at 50 percent of AMI); 8 units for people exiting homelessness; 15 units for large families.

PR00006153 - Upper Harbor Redevelopment Parcel 6A - Building Blocks Inc and United Properties - \$1,000,000

3700 Washington Avenue North in Minneapolis; construction of 178 rental units; (65 units at 30 percent of AMI, 89 units at 50 percent of AMI, 24 units at 60 percent of AMI); 45 units for large families; 10 units for people exiting homelessness; 45 units with rental assistance.

PR00006227 - Zaria - Noor Development Group and Project for Pride in Living - \$340,000

3030 Nicollet Avenue South in Minneapolis; construction of 89 rental units; (15 units at 30 percent of AMI, 74 units at 50 percent of AMI); 29 units for large families.

Attachment A provides further detail on the 10 projects recommended for funding.

Current Request: This request is to authorize negotiation of one award modification and nine implementation agreements with a combined total not to exceed amount of \$5,836,573 under the 2024 AHIF Program.

Impact/Outcomes: Ten projects will assist a total of 927 affordable housing units in Hennepin County; projects will include 263 units for households with incomes at or below 30 percent of AMI, 616 units for households with incomes at or below 50 percent of AMI, 68 units for people experiencing homelessness, 221 large family units, and 340 units with rental assistance.

Housing Disparity Domain: Black, Latino/x, and Native American households of color are disproportionately housing cost burdened. This request creates housing opportunities for individuals with incomes at or below 30 percent and 50 percent of the area median income.

Recommendation from County Administrator: Recommend Approval

Project Name	Vendor/Contractor Name	Vendor Number	AA Code	Agreement #	Begin Date	End Date	Expense Fund #	Expense Dept. ID #	Expense Account #	Expense Project #	Expense Amount
NACC-H	1213 Franklin LP	48652		PR00006150	5/7/2024	5/7/2079	37	843100	59674	1010952	\$ 1,460,000.00
Little Earth	Little Earth of United Tribes Housing Corporation	45507		PR00005294*	5/7/2024	5/7/2079	37	843100	59674	1010953	\$ 500,000.00
Clare Apartments	Clare Apartments Limited Partnership	48115		PR00006219	5/7/2024	5/7/2079	37	843100	59674	1010954	\$ 500,000.00
925 Studios	925 Studios LLC	48425		PR00006151	5/7/2024	5/7/2079	37	843100	59674	1010955	\$ 183,350.00
Warren Apartments	Premier Development Corporation	49496		PR00006152	5/7/2024	5/7/2079	37	843100	59674	1010956	\$ 700,000.00
Upper Harbor	Building Blocks, Inc	28824		PR00006153	5/7/2024	5/7/2079	37	843100	59674	1010957	\$ 1,000,000.00
Zaria	Noor Development Group	38397		PR00006227	5/7/2024	5/7/2079	37	843100	59674	1010958	\$ 340,000.00
2116 Nicollet	Alliance Housing Inc.	12352		PR00006154	5/7/2024	5/7/2079	37	843100	59674	1010959	\$ 330,000.00
Logan Senior	Matrix Development LLC	49495		PR00006155	5/7/2024	5/7/2079	37	843100	59674	1010960	\$ 323,223.00
700 American Blvd	SRPB Strategic Housing, LLC	42733		PR00006156	5/7/2024	5/7/2079	37	843100	59674	1010961	\$ 500,000.00
											\$ 5,836,573.00

*note: the award to Little Earth for the Little Earth project is an addition to an existing award. New total = \$1,204,137

MINNESOTA

Board Action Request

24-HCHRA-0016

Item Description:

2024 Homeownership Assistance Program capital funding recommendations - Neg 5 agmts, 05/07/24-5/06/59, total combined NTE \$1,245,000

Resolution:

BE IT RESOLVED that the Executive Director be authorized to negotiate these Agreements during the period May 7, 2024 through May 6, 2059:

- PR00006253 with City of Lakes Community Land Trust for the CLCLT Sheridan/4th Street North project, with a not to exceed amount of \$250,000;
- PR00006254 with Amani Construction for the Queen Townhomes project, with a not to exceed amount of \$200,000;
- PR00006252 with Trio Development Group, for the 14th Avenue Townhomes project, with a not to exceed amount of \$375,000;
- PR00006255 with Amani Construction, for the Humboldt Triangles project, with a not to exceed amount of \$300,000;
- PR00006256 with Magnolia Homes, for the Lowry Avenue project, with a not to exceed amount of \$120,000; and

that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreements and related documents on behalf of the authority; and that the Controller be authorized to disburse funds as directed.

Background:

The Homeownership Assistance Program was created by the Hennepin County Housing and Redevelopment Authority (HCHRA) Board of Commissioners (Resolution 21-HCHRA-0046) as part of the annual budget to create affordable, sustainable homeownership opportunities throughout Hennepin County.

A coordinated request for proposals (RFP) which included the Affordable Housing Incentive Fund (AHIF) program, Home Investment Partnerships (HOME) program, and Homeownership Assistance Program was released in January 2024. The RFP garnered nine homeownership applications requesting a total of \$4.6 million. Proposals were reviewed by Housing and Economic Development staff for consistency with county priorities. Proposals were reviewed and ranked by a multiagency panel consisting of Hennepin County, Eden Prairie, Bloomington, Brooklyn Park, and St. Louis Park staff.

Homeownership capital funding is typically provided to projects in the form of a 30-year deferred loan. Loan documents typically include a loan agreement, promissory note, declaration of covenants and restrictions and possibly a mortgage. In addition, during the term of the loan, the HCHRA may be asked to sign various related documents and amendments, including subordination agreements and disbursement agreements.

Attachment A provides further detail on the five projects recommended for funding.

Recommended Project Awards:

24-HCHRA-0016

PR00006253 - City of Lakes Community Land Trust - Sheridan/4th Street North project - \$250,000
Minneapolis; construction of 3 single-family homes for affordable homeownership in a land trust.

PR00006254 - Amani Construction - Queen Townhomes project - \$200,000
Minneapolis; construction of 5 townhomes for affordable homeownership.

PR00006252 - Trio Development Group - 14th Avenue Townhomes project - \$375,000
Minneapolis; construction of 10 townhouses for affordable homeownership.

PR00006255 - Amani Construction - Humboldt Triangles project - \$300,000
Minneapolis, construction of 18 twin-home units for affordable homeownership.

Magnolia Homes - Lowry Avenue project - \$120,000
Minneapolis, construction of 6 units in two triplexes for affordable homeownership.

Current Request: This request is to authorize negotiation of five implementation agreements with a total combined not to exceed amount of \$1,245,000 under the Homeownership Assistance Program.

Impact/Outcomes: Five projects will assist a total of 42 affordable homeownership opportunities in Hennepin County, with 15 affordable to households with incomes at or below 50 percent of the area median income (AMI), 22 affordable to households with incomes at or below 60 percent of AMI, and 5 units affordable to households at or below 80 percent of AMI.

Housing Disparity Domain: Households of color are disproportionately left out of the homeownership. This request creates homeownership opportunities for individuals with incomes at or below 50 percent, 60 percent and 80 percent of the area median income.

Recommendation from County Administrator: Recommend Approval

2024 Homeownership Assistance New Contract Spreadsheet

Project Name	Vendor/Contractor Name	Vendor Number	AA Code	Agreement #	Begin Date	End Date	Expense Fund #	Expense Dept. ID #	Expense Account #	Expense Project #	Expense Amount
14th Ave Townhomes	Trio Development Group	49497		PR00006252	5/07/2024	5/07/1959	37	843500	56340	1009192	\$375,000
Sheridan/4th St N	City of Lakes Community Land Trust	10137		PR00006253	5/07/2024	5/07/1959	37	843500	56340	1009192	\$250,000
Queen Townhomes	Amani Construction	40562		PR00006254	5/07/2024	5/07/1959	37	843500	56340	1009192	\$200,000
Humboldt Triangles	Amani Construction	40562		PR00006255	5/07/2024	5/07/1959	37	843500	56340	1009192	\$300,000
Lowry Avenue	Magnolia Homes LLC	49498		PR00006256	5/07/2024	5/07/1959	37	843500	56340	1009192	\$120,000
											\$1,245,000

MINNESOTA

Board Action Request

24-HCHRA-0017

Item Description:

2024 Supportive Housing Strategy funding recommendations - Neg a 2021 award modification, 05/07/24-05/06/79, neg 7 award agmts, 05/07/24-05/06/79, total combined NTE \$7,576,709

Resolution:

BE IT RESOLVED, that the Executive Director be authorized to negotiate modifications to Agreement PR00003366 (Resolution 21-HCHRA-0018 adopted May 11, 2021) with Aeon, or affiliated entity, increasing the not to exceed amount by \$1,950,000, for a new total not to exceed amount of \$3,150,000, and extending the contract period end date from November 7, 2066 to May 6, 2079; that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreement and related documents on behalf of the authority; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to negotiate the following Agreements during the period May 7, 2024 through May 7, 2079:

- PR00006162 with Project for Pride in Living, or affiliated entity, for the Downtown View project, with a not to exceed amount of \$1,000,000;
- PR00006163 with Alpha Emergence Behavioral Health, or affiliated entity, for the Kendall House at Portland project, with a not to exceed amount of \$201,709;
- PR00006159 with Matrix Development LLC, or affiliated entity, for the PennWood Village development, with a not to exceed amount of \$900,000;
- PR00006157 with RS EDEN, or affiliated entity, for the Portland Village project, with a not to exceed amount of \$775,000;
- PR00006161 with VY Management LLC, or affiliated entity, for the Community Corner development, with a not to exceed amount of \$1,000,000;
- PR00006158 with VY Management LLC, or affiliated entity, for the LOMA development, with a not to exceed amount of \$750,000;
- PR00006160 with Beacon Interfaith Housing Collaborative, or affiliated entity, for the NorthView project, with a not to exceed amount of \$1,000,000; and

that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreements and related documents on behalf of the authority; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to revise, as needed, the supportive housing funding amounts of the HCHRA approved projects in response to potential changes in a specific project's funding requirements providing that such revisions will not result in an increase in the aggregate funding of \$7,576,709 or any projects being funded that have not been approved by the authority.

Background:

The Supportive Housing Program was created by the Hennepin County Housing and Redevelopment Authority (HCHRA) Board of Commissioners (Resolution 18-HCHRA-0041R1) to provide targeted capital assistance to client-focused housing projects that preserve and expand the supportive housing system. The purpose of this

program is to advance the development of supportive housing through intentional and proactive county investment. The county identifies housing gaps, recruits and partners with supportive housing developers and providers, and provides early-in funding for projects that meet county objectives.

A request for proposals (RFP) for the Supportive Housing Program was issued in January 2024. The Supportive Housing RFP garnered 24 applications, requesting a total of \$30.4 million. Proposals were reviewed and ranked by staff from Housing and Economic Development, Human Services' Housing Stability, Child Welfare, and Adult Behavioral Health departments, and the Department of Community Corrections and Rehabilitation.

Consistent with guidelines established by the HCHRA, recommended projects include strong project feasibility, commitment to long-term affordability in a lease-based housing setting, closest alignment with County-identified population need, and demonstration of a strong potential impact on service outcomes. To assess project alignment with population-need, proposals were compared to the housing plans developed by County staff working most closely with the target population. In addition, those County staff and members of the Lived Experience Advisory Group (LEAG) provided feedback on the proposals.

In addition to meeting HCHRA guidelines and criteria, the recommended projects:

- Designate a high number of units reserved for the target groups,
- Demonstrate models for "screening in" and supporting the target groups,
- Align with identified housing needs and preferences, and
- Provide adequate support services and leverage funding for those services.

Together, the recommended projects will create or preserve 184 deeply affordable housing units reserved and tailored to vulnerable populations requiring services to maintain housing stability, including:

- 125 units for households experiencing homelessness prioritized for housing by Hennepin's coordinated entry system
- 12 units for people with complex medical conditions and currently homeless
- 8 units for people with disabilities and connections with Hennepin's department of community connections and rehabilitation, and
- 39 units for people with mental illness leaving treatment, or at risk of institutionalization.

The projects include up to \$230,206 in unique/unfunded annual support service costs which will be subject to a future Health and Human Services budget request.

Since 2018, and including these recommended 2024 allocations, the Supportive Housing program will have committed approximately \$27.8 million to assist the development and/or preservation of 575 units of supportive housing reserved for priority populations. Projects include \$1,877,444 in unique annual support service costs. These service costs are not eligible for funding under the HCHRA Supportive Housing Program, as noted above, and will be subject to a future Health and Human Services budget request.

Recommended Project Awards:

PR00003336 - Aeon - St. Olaf-Exodus/819 2nd Avenue S - \$1,200,000 (new total NTE \$3,150,000)
819 2nd Avenue South, Minneapolis; adaptive reuse/conversion of existing building into 60 affordable rental units; 30 units for people exiting mental health treatment; 30 units for people experiencing homelessness. Partnership with Touchstone Mental Health for services. No direct county service funding.

PR00006162 - Project for Pride in Living - Downtown View - \$1,000,000
1205 Chestnut Avenue, Minneapolis; preservation of 39 affordable rental units; 20 units for people experiencing homelessness. Partnership with YouthLink for services. No direct county service funding.

PR00006163 - Alpha Emergence Behavioral Health - Kendall House at Portland - \$201,709
3341 Portland Avenue South, Minneapolis; preservation of 16 rental units; 8 units w for people with disabilities

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and connections with Hennepin County's Department of Community Corrections and Rehabilitation. Alpha Emergence to provide services. No direct county service funding.

PR00006159 - Matrix Development LLC - PennWood Village and Fresh Food Market - \$900,000
2125 Glenwood Avenue North, Minneapolis; construction of 86 affordable rental units; 9 units for people experiencing homelessness; 9 units for people with mental illness leaving treatment or at risk of institutionalization, referred by the Section 811 program. Partnership with Simpson Housing and DHS-contracted service providers for services. No direct county service funding.

PR00006157 - RS EDEN - Portland Village - \$775,000
1829 Portland Avenue South, Minneapolis; preservation of 26 affordable rental units; 20 units for people experiencing homelessness. RS EDEN to provide services. No direct county service funding.

PR00006161 - VY Management LLC - The Community Corner - \$1,000,000
1500-1510 69th Avenue, Brooklyn Center; construction of 31 affordable rental units; 8 units for people experiencing homelessness; 12 units for people with complex medical conditions and currently homeless. Partnership with Touchstone Mental Health for services. Unique/unfunded annual support service costs: \$122,206.

PR00006158 - VY Management LLC - The LOMA - \$750,000
3246 Nicollet Avenue South, Minneapolis; construction/preservation of 62 affordable rental units; 15 units for people experiencing homelessness. Partnership with Touchstone Mental Health for services. No direct county service funding.

PR00006160 - Beacon Interfaith Housing Collaborative - The NorthView - \$1,000,000
3806-18 3rd Avenue South, 3146 Cedar Avenue South and 2216 and 2220 Clinton Avenue South, Minneapolis; construction/preservation of 31 affordable rental units; 20 units for people experiencing homelessness. Partnership with Simpson Housing for services. No direct county service funding.

Current request: This request is for authorization to negotiate eight implementation agreements with a total combined not to exceed amount of \$7,576,709 under the 2024 Supportive Housing program.

Impact/Outcomes: Approval of these agreements will create 144 new units, and preserve 40 existing units, of affordable, supportive housing for county-designated priority populations, including 125 units for households experiencing homelessness, 12 units for people with complex medical conditions and currently homeless, 8 units for people with disabilities, and 39 units for people with mental illness leaving treatment, or at risk of institutionalization. In addition to the 184 county-designated units, these projects will also create 72 housing units for households with extremely low-incomes.

Housing Disparity: Black, Latino/x, and Native American households of color are disproportionately housing cost burdened. This request creates housing opportunities for individuals with incomes at or below 30 percent of the area median income.

Recommendation from County Administrator: Recommend Approval

2024 Supportive Housing New Contract Spreadsheet

Project Name	Vendor/Contractor Name	Vendor Number	AA Code	Agreement #	Begin Date	End Date	Expense Fund #	Expense Dept. ID #	Expense Account #	Expense Project #	Expense Amount
St. Olaf-Exodus	Aeon			PR00003336	5/07/2024	5/07/2079	37	843500	56340	1006848	\$1,950,000
Downtown View	Project for Pride in Living			PR00006162	5/07/2024	5/07/2079	37	843500	56340	1006848	\$1,000,000
Kendall House at Portland	Alpha Emergence Behavioral Health			PR00006163	5/07/2024	5/07/2079	37	843500	56340	1006848	\$201,709
PennWood Village	Matrix Development LLC			PR00006159	5/07/2024	5/07/2079	37	843500	56340	1006848	\$900,000
Portland Village	RS Eden			PR00006157	5/07/2024	5/07/2079	37	843500	56340	1006848	\$775,000
The Community Corner	VY Management LLC			PR00006161	5/07/2024	5/07/2079	37	843500	56340	1006848	\$1,000,000
The LOMA	VY Management LLC			PR00006158	5/07/2024	5/07/2079	37	843500	56340	1006848	\$750,000
The NorthView	Beacon Interfaith Housing Collaborative			PR00006160	5/07/2024	5/07/2079	37	843500	56340	1006848	\$1,000,000
											<u>\$7,576,709</u>