



**WORK SESSION
CITY COUNCIL/HRA/PLANNING
VIRTUAL MEETING HELD VIA WEBEX
MARCH 8, 2022
6:00 PM**

Call to order

1. Proposal by Beacon Interfaith Housing Collaborative to develop up to 40 units of supportive housing on the Portland Avenue roundabout remnant parcels (6613-25 Portland Avenue).

Adjournment

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9739.

**STAFF REPORT NO. 07****WORK SESSION****3/8/2022**

REPORT PREPARED BY: Julie Urban, Assistant CD Director

DEPARTMENT DIRECTOR REVIEW: Melissa Poehlman, Community Development Director
3/1/2022

OTHER DEPARTMENT REVIEW:

CITY MANAGER REVIEW: Katie Rodriguez, City Manager
3/1/2022**ITEM FOR WORK SESSION:****Proposal by Beacon Interfaith Housing Collaborative to develop up to 40 units of supportive housing on the Portland Avenue roundabout remnant parcels (6613-25 Portland Avenue).****EXECUTIVE SUMMARY:**

Beacon Interfaith Housing Collaborative (Beacon) has expressed an interest in developing a 30 to 40 unit building on the property owned by the Housing and Redevelopment Authority (HRA) at 6613-25 Portland Avenue. Beacon develops supportive housing at deeply affordable levels throughout the Twin Cities.

All units would be efficiencies and 25 parking stalls would be provided under the three-story building. The population to be served would include neuro-diverse youth and young adults, and supportive housing services would be provided on-site. The units would primarily be affordable at 30% of the Area Median Income.

Beacon would seek Low Income Housing Tax Credit (LIHTC) funds, along with funds offered by Hennepin County and others to finance the project. They would be asking for a reduced land price and potentially additional financial contributions by the HRA.

Kirsten Spreck, the Housing Director at Beacon, will present the concept in greater detail at the work session.

Some of the questions for policymakers to consider:

- The density being proposed would be consistent with High Density Residential; however, the site is currently guided for Medium Density Residential in the Comprehensive Plan. Do policymakers believe a re-guiding of the property would be appropriate?
- The proposed development contains all efficiencies. The City's Zoning Ordinance limits the number of efficiencies within a building to 20%. Given the population to be served, would it be appropriate to exceed that limit?
- The proposed parking ratio is below that of the City's requirements. Given the population to be served, is a reduced parking requirement appropriate?
- Would HRA members consider a reduced land sale price and potentially additional financial assistance for the project?

DIRECTION NEEDED:

Beacon is seeking direction from the policymakers on the proposed concept, as well as on the questions of density, unit-size, parking ratio, and financial assistance.

BACKGROUND INFORMATION:

A. HISTORICAL CONTEXT

- The property contains remnant parcels from the Portland Avenue roundabout project. HRA staff have received interest from a variety of housing developers over the past few years but no project has progressed beyond the exploratory stage. Proposals for both apartments and townhouses have been discussed.
- The adjacent commercial property owner has also expressed an interest in acquiring the property and expanding the existing service station.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- The Portland Avenue and 66th Street Sub Area Study encompasses this property and provides design guidelines that encourage townhomes or apartments and building(s) set forward on the property.
- The Comprehensive Plan guides the property as Medium Density Residential, which suggests a density between 8 and 34 units per acre. The proposed 30-40 unit building would result in densities consistent with High Density Residential.
- The property is currently zoned for single-family residential; however, a rezoning to a district consistent with the guide plan is expected once a specific development concept is identified.

C. CRITICAL TIMING ISSUES:

- Beacon is seeking direction from policymakers in order to refine a development concept in time to submit for funding applications during 2022.
- If policymakers express support for the project concept, a resolution of support for the project concept, similar to the one prepared for the MICC project, would be brought before the Council and HRA so that Beacon can incorporate that support into funding applications. The first funding application is due April 14.

D. FINANCIAL IMPACT:

- Beacon would be seeking a reduced land price.
- Given the small size of the project, it is unlikely that a tax increment financing (TIF) district would be created. Pooled TIF, through the City's Affordable Housing Trust Fund, is a possible local funding source for filling any financial gaps.

E. LEGAL CONSIDERATION:

None at this time.

ALTERNATIVE(S):

N/A

PRINCIPAL PARTIES EXPECTED AT MEETING:

Kirsten Spreck, Director of Housing, Beacon Interfaith Housing Collaborative

ATTACHMENTS:

Description	Type
□ Beacon Presentation	Presentation



Beacon

INTERFAITH HOUSING COLLABORATIVE



Suburban Hennepin Development Opportunity
City of Richfield



As a collaborative of congregations united in action, Beacon creates homes and advances equitable housing.

Beacon engages in new construction and rehabilitation in the Twin Cities metro area providing quality, affordable homes for those with the lowest incomes.

We develop award-winning properties with a portfolio of 600+ homes and an additional 450+ homes on the way. 85% of our homes serve residents at or below 30% AMI.

Our strengths include:

- A proven record of technical expertise
- A mission that strongly aligns with public funders
- A collaborative model that inspires public support and lived-experience engagement
- A trusted partner with well-respected service providers and property managers

Create New Homes

Sustain Stable Homes

Shelter Families

Change Systems



Similar Beacon Development

66 West, Edina



- 39 permanent supportive apartments for youth and young adults emerging from homelessness
- Near transit, jobs, and education
- Services Partner, Simpson Housing provides on-site professional support staff to help with the transition from homelessness to stability – housing, education, and work
- Professional on-site property management
- Hennepin County Coordinated Entry

Similar Beacon Development

Prior Crossing, St Paul



- 44 permanent supportive apartments for youth and young adults emerging from homelessness
- Near transit, jobs, and education
- Services Partner, YMCA provides on-site professional support staff to help with the transition from homelessness to stability – housing, education, and work
- Professional on-site property management
- Ramsey County Coordinated Entry



The Population Concept Beacon is Developing with our Partners

Neurodiverse Youth & Young Adults

Beacon's concept articulates a program that "prioritizes" youth/young adults living with Neurodiversity (ND), likely youth *with a variety of disabilities*, and some 20% who are explicitly understood as living with ND conditions.

Supportive Housing Needed

Site-based supportive housing for youth and young adults living with ND does not currently exist.
Key Stakeholders
Beacon is connecting with (Fraser, Arc, Hennepin Co, YMCA) who serve this population state that this housing is "desperately needed."

Hennepin County Priorities

Accommodate youth with neuro-diverse conditions.
Create new multi-family rental at/below 30% AMI for those experiencing homelessness with equitable access.
Connect to local employment, schools, transit, and services.



Project Feasibility

Multiple funders align and prioritize with the development Beacon is proposing.

The City of Richfield

Reduced land cost,
other?

Hennepin County

Supportive Housing,
AHIF, Housing Support,
TOD, ARPA

Metropolitan Council

LCDA, TOD, TBRA,
LHIA

Minnesota Housing Finance Agency

9% LIHTC, 4% LIHTC,
Housing Infrastructure Bonds
(HIB)



**Stable
Homes for
Youth and
Young
Adults in
your
community!**

Project Feasibility

**Total Development
Cost - \$17M**

**Majority of
the units at
30% AMI**

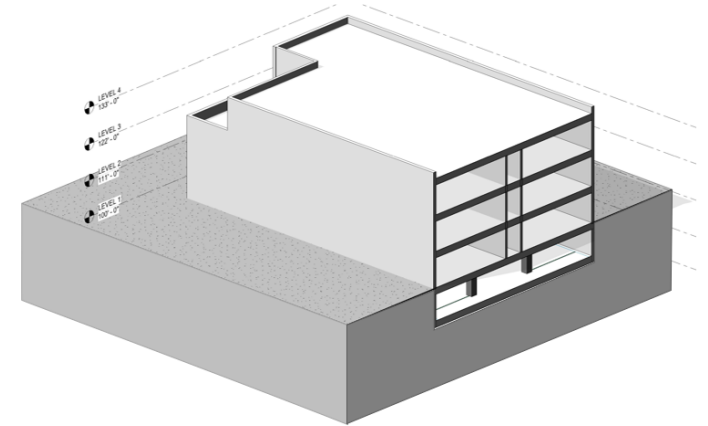
- High Priority Homeless (\$763)
- Persons with Disabilities (\$763)
- Project-Based Vouchers (\$840)

**Some of
the units at
50% AMI**

- Contract Rent (\$882)

The Richfield Site

66th Street East and Portland Avenue South

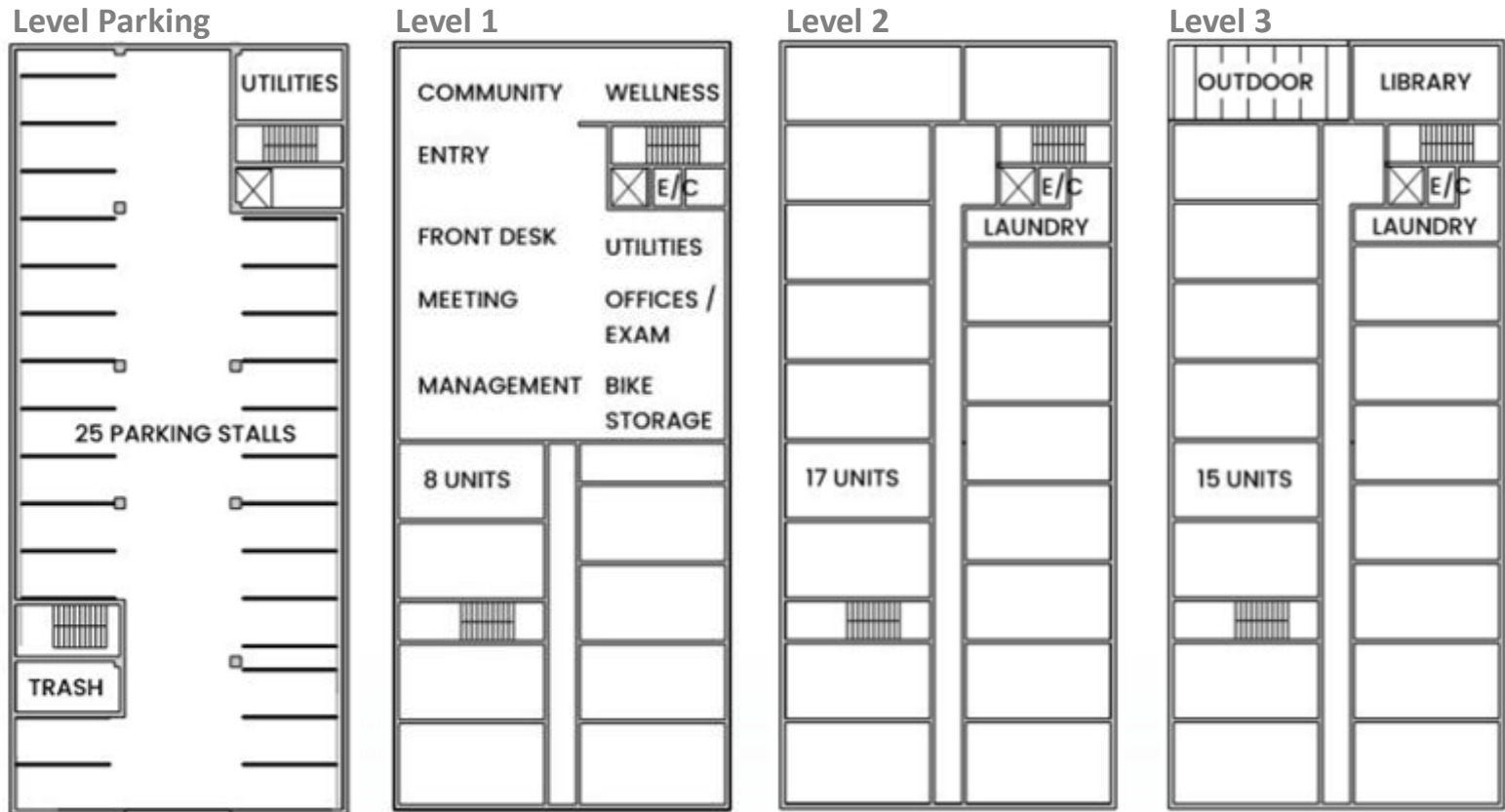


Beacon envisions a development that...

- enriches the neighborhood leveraging transit, parks, and amenities
- is three stories (35') with 32% lot coverage
- provides 40 furnished efficiency apartments
- contains 25 below grade parking stalls plus bicycle storage
- offers 5,500 SF of program, service and community spaces
- includes outdoor spaces for residents

The Richfield Site

66th Street East and Portland Avenue South



These concept floorplans provide for an efficiently designed building that will enhance the neighborhood leveraging the transit, parks, and amenities.

The Richfield Site

Time is of the essence as we position ourselves to seek resources from multiple funders.

The City of Richfield

Reduced land cost,
other? (Now)

Hennepin County

Supportive Housing
(April), TOD (March),
ARPA (May)

Metropolitan Council

LCDA, TOD, TBRA,
LHIA (Spring)

Minnesota Housing Finance Agency

9%, 4%, HIB (June)



**Stable
Homes for
Youth and
Young
Adults in
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Beacon
INTERFAITH HOUSING COLLABORATIVE

Questions?

**Suburban Hennepin Development Opportunity
City of Richfield**