



Date: January 31, 2019

To: Chair & Commissioners of the Edina Housing and Redevelopment Authority

From: Stephanie Hawkinson, Affordable Housing Development Manager

Subject: Letter of Support for Affordable Housing at 7075-7079 Amundson Avenue

Information / Background:

In July 2018, Edina Housing Foundation (EHF) acquired the former Waldorf-Nevens dry cleaning site for development of an affordable housing project. In August, EHF distributed a Request for Proposals to qualified affordable housing developers. After review of the proposals and interviewing each potential developer, EHF unanimously selected MWF Properties (MWF) to develop a four-story, 100 percent affordable housing development. MWF and EHF executed a Purchase Agreement in January 2019.

Proposal details:

- Density and height comply with the recently approved 70th and Cahill Small Area Plan
- The apartments will include 1-, 2-, and 3-bedroom units
- The developer is working with Minnesota Housing to explore income averaging, which would allow some residents to earn up to 80 percent of the Area Median Income (\$67,920 for a family of three)
- The parking ratio is preliminarily estimated to be 1.5 stalls/unit with approximately 80 stalls below ground
- Laundry facilities will be within each apartment
- There will be a strong connection with the public land to the east, including access to the bike trail and bicycle amenities within the building footprint
- A tot-lot will be included on site

Background Information on MWF Properties:

Since the company's founding in 1999, MWF Properties has developed 28 properties totaling 1,591 units - 1,483 of which meet the affordability criteria of the Low Income Housing Tax Credit (LIHTC) criteria. Of that total, 1,433 are in Minnesota and each development has been new construction.

Furthermore, MWF has prior experience with the redevelopment of former dry cleaning locations and has a great understanding of the challenges associated with this type of environmental remediation.

MWF is focused on developing affordable housing financed using the Low Income Housing Tax Credit (LIHTC) program. They have closed on every development that has received tax credit funding. MWF has a strong track record of submitting competitive financing applications, securing financing, and getting deals closed and under construction as quickly as possible. Historically, roughly one-third (33 percent) of tax credit applications submitted to Minnesota Housing are approved. Since 2010, MWF has obtained financing on 62 percent of applications submitted to Minnesota Housing, nearly double the historical average.

Next Steps:

- February 7: MWF will apply for Hennepin County funding
- March: Sketch Plan approval
- June: MWF will apply to Minnesota Housing
- November: Financing secured
- January 2020: Site Plan approval
- June 2020: Development Agreement reviewed and approved, anticipated closing and construction start
- Late summer 2021: Construction completed

Staff recommends approving the letter of support of MWF Properties' applications to Hennepin County for deferred financing for Amundson Flats, a 62-unit affordable workforce housing apartment at 7075-7079 Amundson Avenue.

Attachments:

- Support Letter
- Site Plan