

Community Meeting Notes
Tuesday, November 19th, 2019

Those present: Joseph Golish (Resident & MPNAI President), Jennifer Naglak (Resident), Sunny Sevigny (Resident), Marj Magnuson (Resident), Jana Metge (Resident), Mahamed Cali (Business owner), Tim Springer (Property Owner), Cyndi Hovey (Banyan Community), Francesca Pass (MPRB Planning), Julie Roessler (MPRB Engineering), Clinton Rooney (Developer/Starfish Homes), Forrest Green (Paramount Mortgage), Ben Zeckmeister (Wausau Homes), John Trautz (Development Team Advisor).

Joe welcomed all and began Community Meeting at 6:35 pm.

Introductions were conducted.

Topic: Proposed Housing Development for
2933-2837 for 14th Avenue South.

Background:

Midtown Phillips Neighborhood Association, Inc. received a notification letter from CPED on October 17th, 2019 for an offer to purchase the vacant lots at **2833 – 2837 14th Ave S** through the Minneapolis Homes Missing Middle Housing Pilot Program. The proposed plans received from the applicant are attached along with a letter listing their contact information. MPNAI were asked to review and advise CPED with neighborhood has any comments regarding the application by **Thursday, November 28, 2019**.

A Community Meeting was set for Tuesday, November 19th. Community Notification included the creation of a meeting flyer which was distributed, an Ad was created and posted in the Alley Newspaper, the meeting announcement was posted in the Neighborhood Newsletter, meeting flyers were emailed to community, and notices were placed on the Midtown Facebook page. Adjacent property owners were notified.

Kevin Knase at CPED is the Project Manager at 612-673-5231 if anyone has any questions.

Development Team Overview:

The lead developer is Clinton Rooney and he introduced each partner of the team and their role. Starfish is a new Development company. Paramount Mortgage is also a new company. Forrest Green is with Paramount Company. They formed the company 5 years ago. They have partnered with Wausau Homes. Ben is with Wausau, they are a modular builder, with most of the construction in suburbs and in rural areas. They build off site and then bring in the panels and set up on site. Construction takes a couple of days. Their goal is to create wealth thru ownership in underserved neighborhoods. Forrest and Clinton spoke to being first time homeowners.

They are working with CPED's 'Missing Middle' program which funds developments at 80% AMI. This is a home ownership initiative Program. Forrest presented 3 examples of families who with existing mortgage ownership products and programs could qualify with incomes between \$41,986-\$50,954 with a monthly payment at \$1,589 on example #1 and qualify with an annual income at \$47,849 on example #2. Example #3 was for a combined income of \$68,067.

They had design renderings for three houses which were distributed and are attached to these minutes. They reported that the houses would each cost \$340,000 to build and they project to sell them at \$245,592. Proposed are 3 bedroom, 2 bath homes with a tuck under garage from the Alley. There would be basements in each of the houses.

They are in discussions with the City of Lakes Community Land Trust. The land would be placed in the Land Trust so that the homes would remain affordable for 99 years.

Forrest presented ownership incentive programs which could assist families at 50% AMI qualify for ownership. This would be the 1st Project of this Development Team.

Questions / Comments:

- What is the financing gap?

* Approximately \$70,000

- Where does the Financing Gap come from?

*This gap will come from CPED's Missing Middle Program and from CPED's Developers' Assistance Fund available to depressed communities.

- Who owns the land?

* The City presently owns the land and CPED posted the lots for sale recently.

- Who receives the funding from CPED, the potential home owner or the Developer?

*Starfish would be the recipient of CPED funds.

- Will they be using the federal Opportunity Tax Credit program?

*No, they are not planning to use this at this time.

- If the Community Land Trust is involved and owning the Land, will the CLT put money into the Project?

*No

- If the Land goes into the Land Trust, what happens after 99 years when the time is up?

*They need to check with the Land Trust on this and get back to us. (Note-In checking with CLT, every time the title changes the 99 year lease starts over).

- Is Home Ownership Counseling required and if so who teaches it?

* Yes and they will be teaching the classes.

- Are there other Developers interested in this CPED Missing Middle Program?

*There were about 60 developers at an information session about it.

- How are the homes marketed?

*They need to follow CPED's guidelines for marketing and sales. They can forward this information to Midtown Phillips.

- What materials will be used?

Community resident suggested concrete siding vs vinyl so that it will last. Stated that they liked the slanted roof. Noted that asphalt shingles will require replacement in 30 years vs a steel roof.

* Double pane windows are planned, all energy star products.

- Will these homes be energy efficient? How close to zero use?

* The project is not proposed as a LEED project, they plan to go the Energy Star route and build as sustainable as possible.

- The Somali Community needs larger homes, they would like to see 4-5 bedroom homes. They have brought these concerns to the community.

* Adding additional rooms would increase the financing gap. To add another bedroom would cost approximately \$25,000 more.

Resident suggested that basements would have egress windows so there is the potential for adding bedrooms in the basement.

It was noted that there is an Islamic Center and Mosque between 12th and 13th Ave with a Mall across the street. These organizations and businesses are resources for potential home buyers. There have been many buyers in the Midtown Phillips neighborhood because of the Islamic Center.

There is a proposal by Dean Dovolis and the Mall businesses to build housing which is affordable along the Greenway using their parking lot which faces 14th Ave.

- It is important to build housing which is affordable and that those in the neighborhood can buy. The median income in 2010 was \$42,000 and in 2017 is \$51,000.

Excluding Midtown Exchange, the median income around the proposed development site is approximately \$35,000. At 80% AMI per the Missing Middle program, ownership would be directed at buyers with incomes at \$75,200.

*Development Team talked about mortgage programs which potential buyers could afford which could make ownership affordable at 50% AMI so access to these homes would be affordable for folks who lived in the neighborhood. Also discussed by residents was the potential for down payment assistance for buyers utilizing corporate partner programs (Phillips Partnership - Abbott - Honeywell in the past used to have Down Payment Grants for Phillips residents) and NRP funds.

Design Suggestions:

- Design for zero energy use; design for 100 years out.
- Design the roof so it could support Solar Panels in the future.
- Suggestion to vacate the Alley, relocate it to the north side of the property and build to face the Greenway, get sun, build a public walkway on the edge of the Greenway like the Greenway housing in Uptown. This would put eyes on the Greenway, activate it and allow adjacent owners to enjoy the Greenway.
- It is a modern design vs character of the neighborhood; no real comment either way at this time.
- What is built in the neighborhood must be affordable for those who live in the neighborhood, we don't want to push people out of their homes.
- The Developers should utilize the Midtown Greenway Land Use and Development Plan approved by Minneapolis City Council to guide adjacent Greenway development and design.

The Development Team reported that the Design was not final, that it could change. Until they own the land they can't really confirm that the designs tonight would be what is built. They will work with the neighborhood to build out designs. They asked to meet with Tim to learn more about the approved Midtown Greenway Land Use & Development Plan. They encouraged the neighborhood to look for additional resources to help with affordability.

They have discussed building townhomes versus three separate houses but that would take a zoning change.

Timeline: If the land is sold to the Development Team construction would begin in the Spring.

Clinton from the Development Team will forward a list of Wausau homes built in the surrounding area of residents want to go and see them.

No motion was taken. Minutes will be sent to CPED from this meeting. Joe encouraged residents to send comments into CPED by November 28th (the letter from CPED was distributed prior to tonight's meeting).

Midtown will post minutes and handouts from this meeting on our website.

Joe thanked the Development Team for their presentation and thanked everyone for coming.

* = response from Development Team on questions asked by the community.

The meeting adjourned at 7:50 pm.

Thanks to Stewart Park for hosting.