

**C** Community Development Committee  
Meeting date: December 5, 2011

<b>ADVISORY INFORMATION</b>	
<b>Date:</b>	<b>November 30, 2011</b>
<b>Subject:</b>	<b>Land Acquisition for Affordable New Development (LAAND) Initiative Funding Recommendation</b>
<b>District(s), Member(s):</b>	<b>All</b>
<b>Policy/Legal Reference:</b>	<b>Livable Communities Act, Minnesota Statutes 473.25</b>
<b>Staff Prepared/Presented:</b>	<b>Paul Burns, Manager, Livable Communities Program, 651-602-1106</b>
<b>Division/Department:</b>	<b>Community Development, Housing &amp; Livable Communities</b>

**Proposed Action**

That the Metropolitan Council award a Land Acquisition for Affordable New Development (LAAND) loan, in an amount of up to \$1,000,000, to the City of Minnetonka for their Ridgedale YMCA Redevelopment proposed senior housing project.

(The award amount is a maximum dollar amount and subject to an independent appraisal of the property prior to loan disbursement)

**Background**

The Metropolitan Council initiated the LAAND program, at the direction of then Chair Peter Bell, and in partnership with Minnesota Housing and the Family Housing Fund, in 2008. The program provides loan financing to help communities acquire land for future housing projects to address their affordable housing needs. The Council initially made \$4 million available for the initiative from the Livable Communities Demonstration Account (LCDA) on a one-time basis. Four loans were awarded in 2008, leaving \$440,000 which was awarded to another applicant in 2009. No applications were received in 2010. One of the 2008 awards and the 2009 award did not move forward, leaving \$1,956,500 available for loans in 2011.

The funding initiative prioritizes proposals with land that is close to job growth areas or significant numbers of lower wage jobs, allows for density that is consistent with achieving affordability, minimizes vehicle miles traveled, and implements the Green Communities criteria, Minnesota Overlay or comparable programs in the development process.

The criteria were included in and approved with the adoption of the 2011 Fund Distribution Plan. The application for funds is made through the Minnesota Housing Community Revitalization Fund Standard Application. A copy of the Initiative Description is attached.

The deadline for applications was June 30, 2011. One application for Council funding was received, from the City of Minnetonka, requesting \$1,000,000. The total project land acquisition cost for the approximately 4.5 acre site was estimated to be \$1,800,000.

The City's application for funding reads as follows:

"The Ridgedale YMCA redevelopment is a non-profit/for-profit/local government collaboration seeking to revitalize 10.42 acres by serving people through newly created jobs; a more comprehensive YMCA focused on youth development, healthy living and

social responsibility; a place where people of all economic backgrounds can live; and a medical clinic—creating and completing a ‘wellness campus.’

The plan includes:

- Subdivision of the current 10.42 acre site into three parcels—one for the YMCA, one for the senior housing facility, and one for the medical office building.
- Razing the existing YMCA, built in the 1970's, which lacks efficiencies and ability to best meet changing customer needs.
- A new, 2-story, 50,000 sq. ft. YMCA.
- A 150-unit senior housing facility with 30 units affordable to those at 50% area median income for 30 years. Residents will be served by the new YMCA.
- A 10,000 to 12,000 sq. ft. medical office building.

The LAAND funds will be used to acquire the parcel where the senior housing facility will be located.”

### **Rationale**

This program is another tool to help communities address their affordable housing needs.

### **Funding**

The 2011 Annual Livable Communities Fund Distribution Plan included the amount of \$1,956,500 remaining from the original allocation of \$4,000,000 available for loans this year.

### **Known Support / Opposition**

Staff has received no indication of opposition to this loan approval recommendation.