



The CITY of
EDINA

Proposed Redevelopment Agreement 66 West Apartments



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- 4) Questions & Answers

Edina City Council
Edina Housing & Redevelopment Authority

April 5, 2016



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Project Description

Beacon Interfaith Housing
acquired former TCF Bank
branch at 3330 W. 66th St.

Secured zoning & Comp. Plan
approvals for 39 apartment
units in 2014

Targeted to teens and young
adults who were formerly
homeless

NOT a drop-in “shelter”, but
regular apartments leased at
“affordable” rates



A35

URBAN DESIGN CENTER

PRELIMINARY
NOT FOR CONSTRUCTION

DATE: 11/15/14
PROJECT #:
DRAWN BY:
CHECKED BY:

COLORED SITE PLAN
LA200

Renderings Project Description



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1 BUILDING PERSPECTIVE FROM NORTH



2 SOUTH ELEVATION
1/2" = 1'-0"

TIF Project described in
Section 2-3 and Appendix A
of Draft TIF Plan.



Location

Project Description



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Southeast Edina Redevelopment Project Area and 66 West TIF District

Project Area
66 West TIF District



66 West TIF District

66 West TIF District

3330 66th St W
Edina, MN 55435
PID 29-028-24-24-0030



Engineering Dept.
December, 2015



City of Edina Southdale 2 TIF District

Southdale 2 TIF District Parcels
City Limits



Project Description



Capital Funding Estimate and Status

Uses	Building	Per Unit	% of total
Acquisition	\$2,200,000	\$56,410	20%
Construction: Dwelling Unit Space	\$5,660,000	\$145,128	51%
Construction: Non Dwelling Unit Space	\$0	\$0	0%
Construction: Landscaping	\$0	\$0	0%
Contingency	\$396,000	\$10,154	4%
Architect	\$180,000	\$4,615	2%
Holding Costs/Interest/Taxes	\$440,000	\$11,282	4%
Reserves	\$240,000	\$6,154	2%
Other Soft Costs	\$2,090,195	\$53,595	19%
Total Development Cost	\$11,206,195	\$287,338	

Sources	Building	Per Unit	% of total
Syndication Proceeds	\$2,680,892	\$68,741	24%
Minnesota Housing	\$5,008,303	\$128,418	45%
Sales Tax Rebate	\$140,000	\$3,590	1%
ECLC and Private Funds	\$202,000	\$5,179	2%
Hennepin County HOME/AHIF/TOD	\$800,000	\$20,513	7%
Energy Rebates	\$25,000	\$641	0%
Met Council LCDA	\$900,000	\$23,077	8%
Edina Pooled TIF	\$550,000	\$14,103	5%
Met Council LHIA	\$400,000	\$10,256	4%
Family Housing Fund	\$227,000	\$5,821	2%
Federal Home Loan Bank	\$273,000	\$7,000	2%
Total Sources	\$11,206,195	\$287,338	

This budget is for capital construction only. Developer has also secured private donations and other sources to fund ongoing operational expenses.

Why consider TIF?

- City policy encourages housing that is “affordably” priced
- Edina City Council pledged financial consideration in 2015
 - subject to other commitments by other funding sources
- All funding secured
- Developer needs \$550,000 for the project to proceed



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Key question to evaluate:

“But for” the contribution of TIF monies, will the 66 West project be constructed and operated at affordable rates for 30 years?

Terms & Conditions



Responsibilities of Developer

- Bear costs of TIF creation & RDA negotiation
- Deliver 39 units of affordable housing in 2017
- Retain affordability for 30 years

Commitments of City / HRA

- Enable TIF financial tool
- Provide two installment payments during construction
 - Half at financial closing (June 2016)
 - Remainder at full enclosure of building shell (Oct/Nov 2016)
 - avoids budget increase due to construction-term interest

Terms & Conditions



City's Risk in Case of Default

- Initial \$250,000 contribution is at risk
- Final payment is secured only after full enclosure of a building shell that could be used for a different project in case of default

City Remedies in Case of Default

- The City has few remedies available in case of catastrophic default.
- Larger investors have priority in any repayment.

City staff, legal counsel and financial advisors have reviewed the financing plans of the developer and participated in meetings with critical funding partners. Despite the potential risk of the initial installment payment, we feel the terms of the redevelopment agreement will enable the delivery of 39 units of affordable housing, which in part fulfills a community goal of increased housing options to households of limited means.



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Thank You.

City staff, Dorsey, and Ehlers are
pleased to answer any other questions.