

Announcement of Development Opportunity

Project: Minneapolis Homes ‘Missing Middle’ Housing Development
Site: 2315 – 2321 Fremont Ave N
1901 Thomas Ave N
2501 Golden Valley Rd
Release Date: Wednesday, February 6, 2019
Due Date: Wednesday, March 6, 2019 at 4:00 PM
ATTENTION: Date Stamped based on Email Receipt Only
Submit To: 105 5th Avenue South—Suite 200
Minneapolis, MN 55401
Attention: Matthew Ramadan
612.673.5262
mplshomes@minneapolismn.gov

Summary of Development Opportunity:

The City of Minneapolis, through its department of Community Planning and Economic Development, is soliciting residential development proposals for the development of three city-owned vacant sites at 2315-2321 Fremont Ave N; 1901 Thomas Ave N; and 2501 Golden Valley Rd in Minneapolis. The City’s preference is for higher density affordable (rental or ownership) housing development at these locations, with an objective to maximize residential development on the selected sites. Call 311 to speak with a zoning staff to discuss your proposed development to ensure it meets the necessary zoning requirements. Applicants may apply for a single site or multiple sites advertised through this development opportunity. The City of Minneapolis is seeking proposals that maximize the development use of the land—one that supports the architectural fabric of the neighborhood while maintaining design qualities that are consistent with the zoning and size of the site, as described in the Site Descriptions below.

Eligibility

Eligible applicants include for-profit organizations, non-profit organizations, and government entities. The following are required:

- The proposer must have successfully completing a similar project within the last two years.
- The proposer must have capacity to pay for the proposed acquisition and improvements on the proposed site, including any holding costs during initial leasing or marketing.
- The proposer cannot be an owner of a property that is a registered vacant building on the City of Minneapolis 249 list, tax delinquent property, or property with significant code or rental license violations, unless the property is currently in the process of being rehabilitated in compliance with a restoration agreement or has a similar solution that is actively being implemented.
- The proposer cannot have an uncured default on a City of Minneapolis restoration agreement and/or redevelopment contract to rehabilitate or construct a property.
- Projects that are 10 units or more may need to comply with prevailing wage requirements and the City’s Inclusionary Housing Policy:
 - If rental: 20% of the units must be affordable at 60% AMI
 - If ownership: 10% of the units must be affordable at 80% AMI

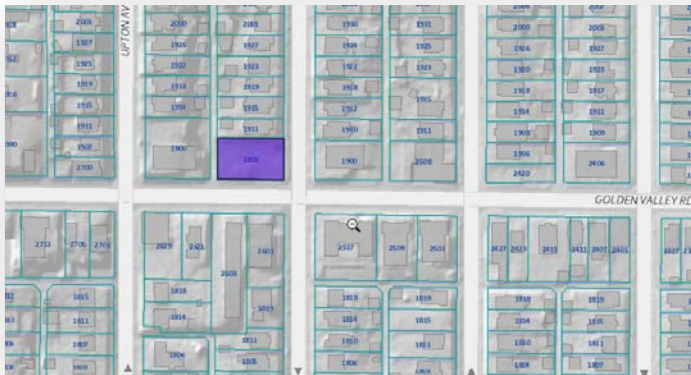
Site Description: 2315-2321 Fremont Ave N



The three contiguous parcels at 2315, 2317, and 2321 Fremont Ave N are in the Jordan neighborhood in North Minneapolis.

- Zoning: R2B - R4 (Call 311 to speak with Zoning staff to discuss your proposed development)
- Size: Approx. 30,458 total sq. ft.
- Located in a federally-designated [Opportunity Zone](#) census tract
- Sales Price: \$91,300
- See <https://gis.hennepin.us/property/map/default.aspx?pid=1602924120106>

Site Description: 1901 Thomas Ave



The parcel at 1901 Thomas Ave N is in the

Willard-Hay neighborhood in North Minneapolis.

- Zoning: R5 (Call 311 to speak with Zoning staff to discuss your proposed development)
- Size: Approx. 9,875 total sq. ft.
- Located within a half-mile radius of the proposed Blue Line Golden Valley station
- Sales Price: \$50,000
- See <https://gis.hennepin.us/property/map/default.aspx?pid=1702924130153>

Site Description: 2501 Golden Valley Rd



The parcel at 2501 Golden Valley Rd is in the

Willard-Hay neighborhood in North Minneapolis.

- Zoning: R5 (Call 311 to speak with Zoning staff to discuss your proposed development)
- Size: Approx. 9,630 total sq. ft.
- Located within a half-mile radius of the proposed Blue Line Golden Valley station
- Sales Price: \$50,000
- See <https://gis.hennepin.us/property/map/default.aspx?pid=1702924410118>

Required Documents Needed to Submit the Offer to Purchase

Your proposal should include:

- **Minneapolis Homes ‘Missing Middle’ Development Application** (see Exhibit A) – submit one umbrella application describing your experience and capacity
- **Site Application** – submit one set of the following for each Site being proposed:
 - **Offer to Purchase** (see Exhibit B). Your offer amount should be for the value of the site as advertised, no more and no less, and should list all addresses included in the site. Do not submit any checks with your offer.
 - **Proforma** showing projected acquisition, hard costs, soft costs, and developer fee to construct the proposed project. Rental unit projects must provide at least 15 years of cash flow projections.
 - **Evidence of Financing** to complete the project equal to or greater than the total development cost reflected in the proforma. Acceptable documentation should be dated within 90 days and must be on letterhead from a financial institution that demonstrates a conditional lending commitment or sufficient cash assets to complete the project.
 - **Schematic design** showing elevations, site plan, and floor plan of the project. Detailed construction drawings are NOT required and hand drawn submissions to scale are acceptable.
 - **15-year Cashflow Statement:** for rental project proposals only

Informational Meeting

Informational Meeting will be held on Thursday, February 21, 2019 at 1:00 PM
 105 5th Avenue South, Suite 200; Minneapolis, MN 55401
 First Floor – Innovation Center (IC – Co-Working Space 30)

Submission Instructions

Your offer must be e-mailed to mplshomes@minneapolismn.gov

Selection Process

Following the submission of all proposals by the due date, all complete proposals will be forwarded to the neighborhood for their review and comment (45 days). The neighborhood organization will have the opportunity to meet with proposers and review their development plans with the goal of providing comments to City staff.

Staff will author a report to the Minneapolis City Council recommending a proposer based on the neighborhood comments and staff's evaluation. There will be a public hearing at the Housing Policy and Development committee of the Minneapolis City Council (All proposers will be apprised of the public hearing). If the Council approves and the Mayor signs off on the staff recommendation, staff will commence closing on the sale of the properties to the developer.

Timeline Highlights Include:

- Neighborhood review and comment to City staff
- City staff review all proposals and make a recommendation to City Council (All parties will be notified of the timeline after the offers are received)
- Public Hearing to the Housing Policy and Development Committee
- City Council has the final decision on who ultimately is selected to develop the parcel(s)

Disclosures

- It is the developer's responsibility to conduct all necessary due diligence
- Surveys are available for only 1901 Thomas Ave N and 2315 Fremont Ave N
- The City acquired these properties between May 26, 1995 and July 12, 2017
- Planning and Zoning <http://www.ci.minneapolis.mn.us/cped/planning/index.htm>
- The City reserves the right to reject all offers
- The City is not offering financing for these projects

Scoring Criteria - Priorities

Efficiency and Capacity

- **Up to 10 points** – Experience constructing and managing similar projects to what is proposed for the Site
- **Up to 10 points** – Cost estimates reflect industry standards for construction cost per square foot, market value, and soft costs
- **Up to 10 points** – Proposals that maximize residential density of the site

Meet Local Affordable Housing Needs

- **Up to 5 points** - Developers who demonstrate an historic rate of service to households of color, indigenous, disabled, or 50% AMI or below households
- **Up to 10 points** – Developers with a robust marketing plan that focuses on people of color, indigenous, disabled, or 50% AMI or below households
- **Up to 10 points** Target pricing or lease rates that are accessible to households at 80% AMI, 60% AMI, or 50% AMI; and/or a partnership with a long-term affordability provider

Equitable Work Opportunities

- **5 points** - Projects from developers (or development teams) led by women (51% or more of board or ownership).
- **10 points** - Projects from developers (or development teams) led by people of color or indigenous (51% or more of board or ownership).
- **5 points** - Projects where one or more development team members are current or previous residents of the Near North or Camden communities
- **Up to 5 points** - Projects led by developers with historic utilization rate of ex-offenders, Section 3, DBE businesses, and workforce utilization to exceed Minneapolis Civil Rights criteria
- **Up to 5 points** – Partnership with workforce development organizations, note that a letter of support from the organization must be included to receive points

Design Features

- **Up to 5 points** - Projects that utilize visitable (3 points) or universal design features (5 points)—see page 6 on the Offer to Purchase for details
- **5 points** - Projects that provide family units—bedrooms (3+) and bathrooms (2+).
- **Up to 5 points** - Projects that use ‘green features’ or sustainable building technology

Attachments

- Exhibit A: [Application \(doc\)](#)
- Exhibit B: [Offer to Purchase \(doc\)](#)
- Exhibit C: [Proforma \(xls\)](#)