COTTAGE GROVE CITY COUNCIL May 15, 2024

12800 RAVINE PARKWAY SOUTH
COTTAGE GROVE, MINNESOTA 55016

TRAINING ROOM- 6:00 PM

1 Call to Order

2 Workshops - Open to Public

A Workshop – Housing Development Project by Real Estate Equities

Staff Recommendation: Provide feedback on any preferred community direction for the proposed project by Real Estate Equities and if there is support for their bonding request.

City Council Action Request

2.A.

Meeting Date	5/15/2024
Department	Community Development
Agenda Category	Presentation
Title	Workshop – Housing Development Project by Real Estate Equities
Staff Recommendation	Provide feedback on any preferred community direction for the proposed project by Real Estate Equities and if there is support for their bonding request.
Budget Implication	N/A

Attachments

1.	Workshop - Real Estate Equities CC Memo
2.	Workshop - Real Estate Equities CG Workforce Housing View #1
3.	Workshop - Real Estate Equities CG Workforce Housing View #2

TO: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

FROM: Emily Schmitz, Community Development Director

DATE: May 9, 2024

RE: Workshop – Housing Development Project by Real Estate Equities

Background

Real Estate Equities is proposing to develop a multi-family workforce housing project on “Parcel 1” of the Preserve at Prairie Dunes plat, previously known as the “Zywiec 40” parcel.

The Real Estate Equities team will be presenting their proposed site plan and renderings of their workforce project and seeking the Council’s review and comment on their initial development plan. In addition, Real Estate Equities is requesting Council support for State Bonding for the project. Their application for the 4 percent tax credits and state bond funds is due to be submitted by Real Estate Equities by July 1, 2024.

Four percent tax credit projects (low-income housing tax credits or LIHTC) automatically receive a bond allocation from the State if awarded; however, the application process is typically highly competitive and there are generally more projects submitted than bonds available from the State. Real Estate Equities would like to be sure they get their application in understanding the competitive nature and minimal likelihood they would be awarded bonds this year but also to be sure they are on the list for the following year. The bonds are conduit bonds, which means the City is simply the conduit; the City does not issue the bonds nor is the City responsible to repay the bonds. The bonds are paid back by the project via income they receive (rent, other income, etc.).

Recommendation

Provide feedback on any preferred community direction for the proposed project by Real Estate Equities and if there is support for their bonding request.

Attachments:
Renderings