2020 NALHFA Awards of Excellence

Category: Multifamily Excellence

Washington County CDA

The Glen at Valley Creek

THE GLEN AT VALLEY CREEK

2020 NALHFA Nominee for Multifamily Excellence



- 42 units of senior rental housing
- Rents at 30% and 50% AMI plus 6 Project Based Vouchers
- Universal Design with service coordination to age in place
- Seven subordinate funders and inter-county bond issuance



The Glen at Valley Creek Senior Housing Woodbury, Minnesota

The Glen at Valley Creek is a senior apartment building in Woodbury, a high-cost Twin Cities suburb, which opened November 2019. The Washington County Community Development Agency (CDA) redeveloped the underutilized land at the highest allowable density into 42 apartments affordable to our extremely-low and very-low income seniors. The Glen at Valley Creek is 100 percent affordable to very low income households (50% of the Area Median Income/AMI) with units set aside for extremely low income households (30% AMI). In addition, six units have Project Based Voucher rental assistance. The Washington County CDA partnered with a regional public housing authority, to enter into a Housing Assistance Payments Contract for four 1-bedroom units and two 2-bedroom units. The Glen at Valley Creek is positioned to help seniors live independently for as long as possible with a variety of design features and on-demand services. Innovative financing partnerships include an inter-county bond issue, pilot program for senior housing, and a loan from a private non-profit organization. The Glen at Valley Creek serves the needs of elderly residents, including those with physical disabilities or limitations through its physical design and service coordination. While it is designed for individuals who can live independently, it is unique among other independent senior communities in that service coordinators are available on-site to help residents with a variety of matters. The goal is to support seniors in aging well and maintaining their independence in whatever ways are practical.

The Glen at Valley Creek Senior Housing Woodbury, Minnesota

The Glen at Valley Creek is a senior apartment building in the growing Twin Cities suburb of Woodbury, one of the highest cost areas in Minnesota, opened in November 2019. The 2.93-acre site was a remnant of the city's past, a homestead built in 1885, surrounded by the modern residential and commercial uses. The Washington County Community Development Agency (CDA) redeveloped the underutilized land at the highest allowable density into 42 apartments affordable to our extremely-low and very-low income seniors. The Glen at Valley Creek is positioned to help seniors live independently for as long as possible with a variety of design features and on-demand services. The development required persistence as it took four years to become a reality; entering into a purchase agreement November 2015, securing and closing on financing in July 2018, and enduring the wettest construction season on record in 2019.

Extraordinary Benefit to the Community

The Glen at Valley Creek **meets the needs of the low- and moderate-income segments of the community** by providing quality living at low rents. The Glen at Valley Creek is a defining project for low-income seniors, aged 62 and over, because of the combination of long-term affordability with intentional design of the built environment and services package to be adaptable as seniors' needs change over time. With the CDA involvement, the affordability of this development is guaranteed for long after the 30 year affordability period.

The Glen at Valley Creek achieves the public purpose goals of both the Washington County CDA and the city of Woodbury with reasonable investment and is the end product of a targeted revitalization effort. One public purpose was to clean up known environmental hazards and was a brownfield redevelopment priority for the city of Woodbury. At the time of the CDA's acquisition in September 2016, the site included a two-story house, a metal-clad garage, and a wood-framed storage shed. All buildings are at the end of their economic life and in disrepair, classified as "salvage" by the county assessor's office. The property is located in close proximity to five municipal wells; the closest is 500 feet away, which had been a concern to the city of Woodbury. The prior owner acquired and continuously owned the property since 1967 and had accumulated a significant amount of junk, including salvage vehicles and equipment, storing it in the sheds and scattered about the property. It was disclosed that the full cab of a truck was buried on the property in addition to a subsurface sewage treatment system, a well, and an underground fuel storage tank. The potential impact of contamination at the property on the municipal water supply had been an ongoing concern for the City and seizing the opportunity to investigate and clean up the site was a high priority.

The other public purpose was to add to the supply of deeply affordable housing for seniors. Washington County has one of the highest cost burden rates for elderly in Minnesota; 69% of all senior renters are paying more than 30% of their monthly income toward rent and utilities. This rate increases as incomes decrease. The Washington County CDA has been very deliberate in its development of senior housing to include units at the lowest rent point as feasible. This follows through in design decisions which minimize resident utility costs; by installing energy efficient appliances and using insulation and windows types which minimize thermal transfers, essential in northern climates which vary 90 degrees or more across seasons.

Innovation

The market conditions and affordability objectives of The Glen at Valley Creek required the Washington County CDA to be **innovative with the financing sources and partners.** In order to cash flow the development where all rents are below the 50% Area Median Income affordability level, it was essential that payable debt be as low as possible. In order to keep development costs down yet still provide residents with a quality product, The Glen at Valley Creek provides modest amenities in comparison to the general senior housing market but still meets the community standards for design and materials. As reflected in the funding sources detail below, The Glen at Valley Creek was supported by many public and private partners. Subordinate financing cover over a quarter of the development costs; seven partners provided over \$3.5 million in deferred loans to make this development a reality.

Three particularly innovative financing partnerships involve an inter-county bond issue, pilot program for senior housing, and a loan from a private non-profit organization. The State of Minnesota bond allocation is consistently oversubscribed which prompted us to partner with an adjacent community which has an entitlement bond allocation, Dakota County CDA. It is highly unusual to issue this highly sought resource outside the boundaries of their jurisdiction. This is testament to the collaborative approach of public entities. The Minnesota Housing Finance Agency has historically not funded age-restricted housing but focused its resources on large families and supportive housing; however, based on an effort from a number of housing authorities across the state, the Agency initiated a senior housing pilot program. The Glen at Valley Creek was one of two developments funded through this program. Since then, the Agency has opened up the eligibility of its Housing Infrastructure Bond funds to senior housing. It is a rare instance that a private entity will invest with a government agency; however, that is what occurred with this development. Senior Care Communities, a 501c3 non-profit organization, which provides a continuum of senior housing including independent living, assisted living, memory care and nursing home care, offered to invest a half million dollars into The Glen at Valley Creek.

The Glen at Valley Creek Project and Financing Partners

PROJECT TEAM			
Developer	Washington County CDA		
Ownership Structure	Washington County CDA, managing member (0.01%), and Enterprise		
	Community Investments, Inc., investing member (99.99%)		
Property Manager	Shelter Corporation		
Service Providers	Canvas Health, Inc. and The Waters Senior Living		
FINANCING TEAM			
Tax Exempt Bond Issuer	Dakota County CDA		
LIHTC Investor	Enterprise Community Investments, Inc.		
Subordinate Funders	City of Woodbury HRA		
	Minnesota Housing Finance Agency		
	Washington County CDA		
	Metropolitan Council		
	Federal Home Loan Bank of Des Moines/Bridgewater Bank		
	Senior Care Communities		
	Minnesota Department of Employment and Economic Development		

The Glen at Valley Creek Sources and Uses

The primary source of funds came from \$7 million of tax exempt, private activity bonds; divided among a \$5 million permanent first mortgage and a \$2 million construction loan to bridge the equity installments.

Source	Amount
First Mortgage from Tax Exempt Bonds	\$5,000,000
General Partner Loan	156,000
Affordable Housing Tax Credit Syndication Proceeds	3,140,000
Washington County CDA GROW Loan ¹	1,234,000
Federal Home Loan Bank Affordable Housing Program ²	500,000
Senior Care Communities Loan	500,000
Minnesota Housing Senior Housing Pilot	500,000
Metropolitan Council Local Housing Incentives Account ³	400,000
Woodbury HRA HOME and CDBG	287,000
Minnesota DEED Clean Up Fund	13,000
Sales Tax and Energy Rebates	247,000
Deferred Developer Fee	864,000
Total Permanent Financing	\$12,814,000
Use	Amount
Acquisition	382,000
Domolition	26,000

Use	Amount
Acquisition	382,000
Demolition	26,000
New Construction	8,532,000
Development Expenses	1,148,000
Developer Fees	1,600,000
Financing Costs	807,000
Reserves	319,000
Total Development Cost	\$12,814,000

The Glen at Valley Creek has **exceptional physical design components** to assist independent seniors. It has been thoughtfully designed to meet the needs of independent seniors as those needs evolve over time. The common spaces and all individual apartments include Universal Design features. The Glen at Valley Creek offers:

- Design features like in-home laundry, walk-in closets, and wide hallways and doorways which accommodate mobility assistance devices such as scooters, wheelchairs, and walkers.
- Bathrooms that include grab bars and showers with handheld faucets and pull-down seats.
- A separate room with a walk-in soaking tub that can be reserved for both relaxation and for therapeutic use.
- An elevator serving all floor and underground parking so residents do not have to get snow and ice off their cars in the winter.

2020 NALHFA Award Nomination: The Glen at Valley Creek

¹ The GROW loan is a local fund, approved and funded annually from a Washington County property tax levy.

² Bridgewater Bank sponsored the Affordable Housing Program loan.

³ Metropolitan Council is a regional agency fostering efficient and economic growth for a prosperous region.

Transferability

The Glen at Valley Creek is currently serving as a model or demonstration of the intersection of providing services to assist low income seniors with services to keep them living independently as part of the Minnesota Housing Senior Housing Pilot program. Many times, seniors are forced to move to skilled nursing or assisted living facilities when their needs are more minimal and result in overpaying for housing and unneeded services. The partnership with Canvas Health and The Waters allows for residents to access only those services they need. In turn, the service providers are trained to access resident needs and identify when independent living is no longer a viable or reasonable option.

There are a number of aspects of the **financing partnerships that could be replicated by others** and will be replicated again within the Washington County community. As the affordable housing crisis has grown, we have witnessed more and more elected officials, private companies, and faith communities become aware of the needs and advocating for solutions. The Washington County CDA has been visible in our communities and that visibility has helped harness that energy around a specific and tangible development. It does take effort and time to development those relationships. The CDA has spent considerable time educating county and city officials and staff about what affordable housing is, the impact on economic growth, and its direct impact on the resiliency of out communities.

Affordability

The Glen at Valley Creek is **100 percent affordable to very low income households** (50% of the Area Median Income/AMI) with a subset of units **set aside for extremely low income households** (30% AMI). In addition, **six units have Project Based Voucher** rental assistance. The Washington County CDA partnered with Metro HRA, a regional public housing authority, to enter into a Housing Assistance Payments Contract for four 1-bedroom units and two 2-bedroom units.

The Glen at Valley Creek Rent Chart

UNIT / RENT GRID												
									Program Type			
Unit Type	# of Units	Unit Sq Ft	Cor	onthly ntract lent	Pa	nant aid lities	Monthly Gross Rent	Income Limit	LIHTC	HOME :	Rent Asst	Source of Rental Assistance
1BR	1	714	\$	455	\$	76	\$ 531	30% AMI	X			
1BR	22	714	\$	809	\$	76	\$ 885	50% AMI	X			
1BR	4	714	\$	786	\$	76	\$ 862	50% AMI	X	X	X	Metro HRA
2BR	2	1,089	\$	536	\$	100	\$ 636	30% AMI	X			
2BR	11	1,089	\$	961	\$	100	\$ 1,061	50% AMI	X			
2BR	2	1,089	\$	986	\$	100	\$ 1,086	50% AMI	X	X	X	Metro HRA

The Glen at Valley Creek Operating Budget 2020

INCOME								
		Per	Per					
	Total	Unit	Room					
GROSS POTENTIAL INCOME								
Rental Housing Potential	420,144	10,003	2,593					
CDA Levy Subsidy	195,000	4,643	1,204					
Tenant Fees	1,050	0	0					
Total Income	616,194	14,646	3,797					
RENTAL LOSS								
Rental Housing Vacancy (5%)	(21,060)	(501)	(130)					
NET RENTAL INCOME								
Net Rental Income / Total Revenue	595,134	14,145	3,667					

MANAGEMENT & OPERATING EXPENSES (M&O)								
		Per	Per					
	Total	Unit	Room					
ADMINISTRATIVE								
Advertising and Marketing	1,500	36	9					
Property Management Fee	20,007	476	123					
Professional Fees (Tenant Screening, Audit and Taxes)	18,550	442	115					
Site Office Expenses	10,300	245	64					
On-Site Management Payroll	25,000	595	154					
Other Administration (Service Coordinator & Shuttle Service)	10,000	238	62					
Administrative Subtotal	85,357	2,032	527					
MAINTENANCE								
Elevator Maintenance and other Contracted Services	8,500	202	53					
Rubbish Removal	4,500	107	28					
Supplies	7,000	167	43					
Grounds Maintenance and Snow Removal	12,000	286	75					
Repair Services	6,000	143	37					
Maintenance/Janitor Payroll	20,000	476	123					
Maintenance Subtotal	58,000	1,381	358					
UTILITIES								
Electricity	15,000	357	93					
Water & Sewer	10,000	238	62					
Gas	5,000	119	31					
Utilities Subtotal	30,000	714	185					
INSURANCE	, , ,							
Property and Liability Insurance Expense	24,200	576	149					
REAL ESTATE TAXES AND RESERVES								
Real Estate Taxes	19,507	464	120					
Replacement Reserve	12,600	300	78					
Reserves & Escrows Subtotal	32,107	764	198					
EFFECTIVE GROSS EXPENSE	,							
Effective Gross Expense	229,664	5,468	1,418					
NET OPERATING INCOME								
Net Operating Income	365,470	8,677	2,250					

Serving Needs of Special Groups

The Glen at Valley Creek serves the needs of elderly residents, including those with physical disabilities or limitations through its physical design and service coordination. The occupancy of all 42 units are restricted to elderly households which at least one member is aged 62 years or older.

While it is designed for individuals who can live independently, it is unique among other independent senior communities in that service coordinators are available on-site to help residents with a variety of matters. For those considering signing up for hone-based services like housekeeping or in-home health care, need help arranging a ride to a doctor's appointment, or just want to see what kinds of community resources are available for tax preparation, service coordinators will help make the connections. The goal is to support seniors in aging well and maintaining their independence in whatever ways are practical.

Social interactions and physical fitness are encouraged through designated shared space including a large community room with catering kitchen, large screened patio, small group seating areas, fitness room, and activities and craft room. The site location connects residents with local recreation, retail and service businesses within walking distance. The Glen at Valley Creek is located in the heart of Woodbury, across from Tamarack Nature Preserve and a short drive to the YMCA, Central Park, public library, Allina Health clinic, Woodwinds Hospital and Clinics, and a plethora of shopping and dining options. Weekly curb to curb transit is provided to local grocery stores and other areas of resident interest.

The Glen at Valley Creek contracts with Canvas Health, Inc., a local non-profit organization, to provide a Senior Service Coordinator who can make available financial planning, credit counseling, or budgeting services; life skill classes; and self-help programs. The goal of service coordination is to help senior residents maintain stable housing and live independently. Weekly bus service to larger shopping centers is provided. The Senior Service Coordinator works in cooperation with the property management company to identify and provide the services needed and wanted by the residents. The Glen at Valley Creek also contracts with The Waters Senior Living to offer health services customized to a resident's needs. This arrangement does not preclude other home health care agencies from serving residents in the building. Private office space on the entry level is provided for residents to meet with Canvas Health and Waters Senior Living staff.

Characteristics of Residents

All 42 units are occupied. Demand for the units was strong with 80% of the units pre-leased prior to opening. The six Project Based Voucher units could not be pre-leased as the HAP contract requires a certificate of occupancy. Residents range in age from 63 to 92; the median age is 74 years old. The racial and ethnic diversity of the residents is reflective of the community's older population with 92% of the residents identifying as white, non-Hispanic. The majority of residents live alone while 10% reside with a spouse, significant other, or roommate. The Glen at Valley Creek has reached its targeted audience as the median income is \$20,675, ranging from \$9,000 to \$34,000. It should be noted that a resident's assets are not reflected in the income range.

Reaction of the Community

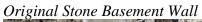
The Glen at Valley Creek has been well supported from the very start. Immediately to the north of the property is a townhome neighborhood. The CDA met early on with the Homeowners Association board about its plans. The members and residents provided valuable insight on the building position and landscaping. Their input resulted in a yard where the neighbor kids and new seniors can interact. The grand opening event attracted a lot of attention from elected officials including Minnesota Governor Tim Walz, State Senator and Senate Minority Leader Susan Kent, State Representatives Steven Sandell and Tou Xiong, Woodbury Mayor Anne Burt, and Woodbury city councilmembers. Media coverage of the process and the opening are included in the attachments.

The City of Woodbury posted a video about the grand opening event: https://www.youtube.com/watch?v=NyE7EhC9kGc

Redevelopment Photographs

1885 Homestead







Construction Photos

Snow and Rain Construction Status Visits





Pouring of drive to underground garage and radiant heat sidewalk



Development Unit Plans

Typical One Bedroom



Typical Two Bedroom Floor Plan



Development Photographs - Interiors



Bill and Joan Hargis Community Room



Development Photos – Exterior

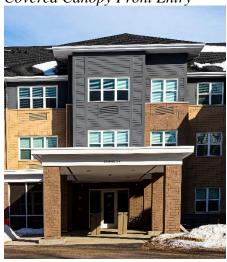
View from Afton Road and Tower Road

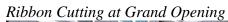


View from Entry Drive



Covered Canopy Front Entry







BUSINESS

Hot Property: The Glen at Valley Creek in Woodbury

AUGUST 17, 2017 - 4:33PM

Address: 7987 Afton Road, Woodbury

Type: Senior housing

Units: 42

Cost: \$12.5 million

Developer: Washington County Community Development Agency

Architect: Cermak Rhoades Architects

Details: Washington County has gained city approvals for the Glen at Valley Creek, a 42-unit affordable senior housing apartment building on a redevelopment spot in Woodbury.

The county's Community Development Agency (CDA) operates more than 1,000 units of affordable housing. This summer it received the thumbs-up from the Woodbury City Council for a \$12.5 million senior housing building along Afton Road just west of Tower Drive. The site was used by a refuse company with a history of code-enforcement problems.

The CDA acquired the 2.3-acre parcel last year after landing a deferred mortgage loan from the Minnesota Housing Finance Agency, as well as tax credits and funding through a new state pilot program. The Metropolitan Council and the city also contributed grants.

The apartments will be restricted to seniors with incomes below 50 percent of the area median income, which in Woodbury is \$31,560 for a household of one, or \$36,200 for a household of two. City officials said there are currently only 61 units in Woodbury that are restricted to such extremely low-income households, which tend to be led by seniors. Amenities will include reading and community rooms, a family/meeting room, fitness room and front screened porch.

Don Jacobson



CERMAK RHOADES ARCHITECTS

CELEBRATING THE FINANCIAL CLOSING OF GLEN AT VALLEY CREEK





Congratulations to the Washington County Community Development Agency on the recent closing of Glen at Valley Creek in Woodbury, Minnesota! The new development will provide 42 homes for seniors aged 62+, including six homes with rental subsidy. Tenants will have access to service coordination and several community areas including spaces for reading, exercise and community activities.

Financing

Construction financing includes a \$5 million first mortgage and \$2 million of construction financing from tax exempt bonds issued by The Dakota County Community Development Agency. Additional permanent financing includes \$2.4 million from the Washington County Community Development Agency, \$500,000 from Senior Care Communities, and \$167,721 of HOME funds from the City of Woodbury. Enterprise will provide \$3.1 million of equity.



Minnesota leaders gather in Woodbury to welcome affordable senior housing

The Glen at Valley Creek is owned and operated by the Washington County Community Development Agency.

Written By: Hannah Black | Feb 6th 2020 - 2pm.



(Left to right) Gov. Tim Walz, Sen. Susan Kent (DFL-53), Woodbury Mayor Anne Burt and Kristen Scobie of the Washington County Community Development Agency cut the ribbon during a grand opening ceremony for The Glen at Valley Creek, an affordable senior housing development, Feb. 5, 2020, in Woodbury. Hannah Black / RiverTown Multimedia

WOODBURY, Minn. — When Katie Revering lost her job, she needed to find a cheaper place to live.

Revering soon became frustrated with her lack of options near where she was living in White Bear Lake. She said her son offered to let her live with his family, but she was able to turn him down when she heard about The Glen at Valley Creek, an affordable senior housing development coming to Woodbury.

"It's affordable, and that was my big thing: I don't want to lean on my kids," Revering said. "I've been helping them all these years with their children — I want to be independent and I want my own place to go home to at night."

The Glen, a 42-unit building for independent seniors 62 years and older, welcomed residents to 7995 Afton Road in November 2019. On Feb. 5, a grand opening ceremony attracted state and city leaders, including Minnesota Gov. Tim Walz, Sen. Susan Kent (DFL-53), Minnesota Housing Commissioner Jennifer Leimaile Ho and Woodbury Mayor Anne Burt. The development is owned and operated by the Washington County Community Development Agency.



Minnesota Housing Commissioner Jennifer Leimaile Ho (left) looks on as Katie Revering, a resident at The Glen, offers a testimonial of the development's benefits Feb. 5, 2020, in Woodbury. Hannah Black / RiverTown Multimedia

All of the units are currently full. The building includes mainly one-bedroom units, priced at \$455 or \$809 per month, as well as two-bedroom units, priced at \$536 or \$961 per month. Residents also pay for electric and heat.

Speaking at the grand opening, Ho described why "this project is special."

"You don't maybe notice this if you're living here, but you're a pilot project to prove that we could do targeted senior housing and really target it at folks who are on fixed income," Ho said. She also mentioned the \$260 million Walz committed to affordable housing grants in an announcement last November.

The three-story development is noticeably filled with natural light, whether in the lobby, a stairwell or one of the apartments. It includes amenities like a fitness center, heated underground parking and community room, which was dedicated to Former Mayor Bill Hargis and his wife, Joan Hargis.

There is a focus on accessibility and comfort outside the units — elevators to all floors, a separate "tub room" with a walk-in soaking tub that can be reserved — as well as inside, where residents have in-unit laundry, walk-

in closets and wide hallways and doorways. The Glen is also across from the Tamarack Nature Preserve and positioned a short drive or trail walk to the YMCA, R.H. Stafford Library and several shopping and dining options.



The exterior of The Glen at Valley Creek, an affordable senior housing development, pictured Feb. 5, 2020, in Woodbury. Hannah Black / RiverTown Multimedia

Though designed for seniors who can live independently, The Glen has "service coordinators" onsite to help residents with things like housekeeping, in-home health care and even tax preparation.

The Washington County CDA owns and runs 10 other senior living properties, including Cobble Hill Apartments at 2600 Cobble Hill Drive in Woodbury. The total number of affordable senior and workforce housing units owned and operated by the CDA totals around 1,200, human resources and communications coordinator Ryan Gruber said.

Another independent senior living community, The Legends of Woodbury, opened a 216-unit building at 570 Settlers Ridge Parkway in summer 2019.

In addition to her son, Revering mentioned a friend of hers had also offered her a place to live when she was struggling. Though Revering turned her friend down, too, she said she still sees her and other friends plenty at The Glen.

"It's so much fun, they keep coming down here now," she said.



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A representative from Shelter Corp., a Twin Cities-based real estate development company, shows guests around an unoccupied unit at The Glen at Valley Creek Feb. 5, 2020, in Woodbury. Shelter Corp. is the development's property manager. Hannah Black / RiverTown Multimedia



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Minnesota Housing Commissioner Jennifer Leimaile Ho (left) stands with Sen. Susan Kent (DFL-53) at a grand opening ceremony for The Glen at Valley Creek, an affordable senior housing development, Feb. 5, 2020, in Woodbury. Hannah Black / RiverTown Multimedia



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George Hargis (left) smiles as he is introduced during a grand opening ceremony for The Glen at Valley Creek, an affordable senior housing development, Feb. 5, 2020, in Woodbury. The development's community room was dedicated to Hargis' son, former Woodbury Mayor Bill Hargis, and daughter-in-law, Joan Hargis. Hannah Black / RiverTown Multimedia



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Mark Hargis (left) speaks after The Glen at Valley Creek's community room was dedicated to his parents, former Woodbury Mayor Bill Hargis and Joan Hargis, on Feb. 5, 2020, in Woodbury. His brother, Peter, looks on. Hannah Black / RiverTown Multimedia



5 / 6 Several copies of a book of poems written by Joan Hargis, the wife of former Woodbury Mayor Bill Hargis, lie on a coffee table Feb. 5, 2020, at The Glen at Valley Creek in Woodbury. The Hargis' son, Mark, said the books were a gift of thanks for naming the building's community room after his mom and dad. Hannah Black / RiverTown Multimedia



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The exterior of The Glen at Valley Creek, an affordable senior housing development, pictured Feb. 5, 2020, in Woodbury. Hannah Black / RiverTown Multimedia