

**BUZZA LOFTS**  
 Minneapolis, MN

**TYPE OF PROJECT**  
 100% Affordable (Section 42; 60% AMI)  
 Historic Rehabilitation  
 136 Units

**ARCHITECT**  
 BKV Group

**CONSTRUCTION MANAGEMENT**  
 Weis Builders

**DOMINIUM'S RESPONSIBILITY**  
 Real Estate Development  
 Project Financing  
 Legal and Environmental Services  
 Design and Construction Management  
 Property Management  
 Section 42 Compliance

**FINANCIAL PARTNERS**  
 City of Minneapolis  
 Hennepin County  
 Metropolitan Council  
 US Bank  
 RBC

**TOTAL DEVELOPMENT COST**  
 \$34,500,000

**SIZE**  
 2.54 acres (site)  
 147,000 sq. ft. (building)

**CONSTRUCTION COMPLETION DATE**  
 October 31, 2012

**% OF UNITS LEASED PRIOR TO OPENING**  
 100%



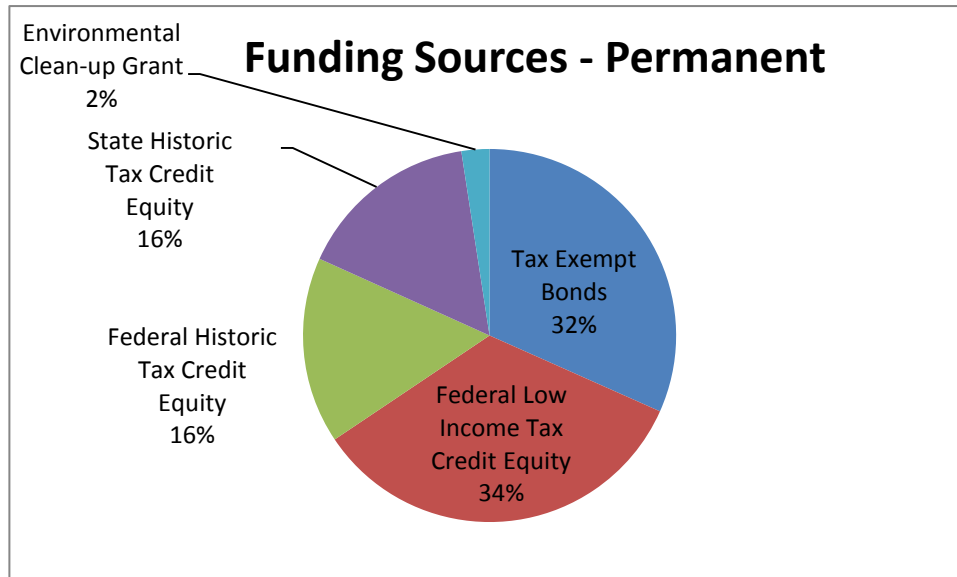
The Buzza Lofts is an historic structure originally constructed in 1907 as office and production space for the Self-Threading-Needle company, then later the Craftacres Greeting Card Company (owned by George Buzza). It is a concrete pan joist structure, and most recently was used by the Minneapolis Public Schools for office and educational space. The building has been converted to affordable housing consisting of 136 units, associated common areas and support spaces. The conversion of the space from an educational use to apartments provided much needed workforce housing in the “Uptown” neighborhood of Minneapolis. One hundred percent of the apartments are available to tenants earning less than 60% of AMI.

The unit mix consists of 1 studio, 100 one-BR and 35 two-BR apartments totaling 136 units, depending on the unit mix. All units have full kitchens and in-unit laundry. Common amenities include a fitness room, lounge area, rooftop deck, outdoor courtyard and patio area. One-to-one surface parking is also available on-site for residents, an uncommon element in Uptown.

The Developer utilized several sources of funding to accomplish the redevelopment—including Low-Income Housing Tax Credits (LIHTC), Federal Historic Tax Credits, Environmental Cleanup Funds, Tax-Exempt Bonds, and the recently legislated Minnesota Historic Tax Credit.



Tax Exempt Bonds	\$ 9,800,000
Federal Low Income Tax Credit Equity	10,500,000
Federal Historic Tax Credit Equity	5,000,000
State Historic Tax Credit Equity	4,900,000
Environmental Clean-up Grant	<u>750,000</u>
<b>TOTAL DEVELOPMENT COST</b>	<b>\$ 30,950,000</b>



### **Buzza Lofts - Summary**

Buzza Lofts in Minneapolis is an excellent example of the partnership required to provide the correct mix of work force housing within a vibrant area of the Twin Cities. It takes government, industry, and the private sector working together to advance housing solutions that make projects happen in the right manner across the country. When we partner together with families, corporations, contractors and the City, we are able to build housing options and add vitality through job creation and economic stimulus.

Due to the availability of three types of tax credits, not only did Buzza require no TIF, HOME Funds, or other gap funding, but it was able to work as a bond transaction with 4% credits instead of a 9% credit project. Tax-exempt bonds are a virtually unlimited resource for affordable housing developers, whereas 9% credits are scarce. Project like Buzza will continue to be feasible as long as these tax credits are available. At the time of completion Buzza Lofts was 100% leased, giving evidence to the demand for affordable housing in the area.

This is why it's imperatively important to encourage people to engage in discussion and action around work force housing opportunities. One of the significant opportunities to do this successfully is preserving and protecting the Section 42 program (and other federally funded programs) into the future. The financing structures currently available create the needed interest from investors to make successful developments like Buzza a reality.