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Woodbury-based Mesaba Capital Partners has proposed to build a four-story, 100-unit senior apartment complex immediately west of the Yorktown Continental Apartments (pictured), a 263-unit senior apartment complex at 7151 York Ave. S. in Edina. (Staff photo: Bill Klotz)

## Affordable, senior apartments pitched near Southdale

By: Adam Voge April 23, 2014 4:30 pm 0



Nonprofit Beacon Interfaith Housing Collaborative hopes to convert the TCF Bank building at 3330 W. 66th St. in Edina into 39 studio apartments for young adults who have been homeless. The nonprofit has a purchase agreement to buy the building, which is immediately north of Southdale Center. (Staff photo: Bill Klotz)

The Southdale Center area in affluent Edina is attracting its share of luxury and market-rate apartments, but two developers see room for apartment projects for seniors and homeless young adults.

Two new housing proposals have popped up within three blocks of the regional mall, where three other luxury apartment complexes are already in the works. But the latest projects are each of a different variety — the St. Paul-based Beacon Interfaith Housing Collaborative is planning a 39-unit affordable

complex, and Woodbury-based Mesaba Capital Partners hopes to add 100 units to an existing 263-room senior living campus.

Meanwhile, plans have sputtered for a 242-unit apartment project just east of Southdale. Miami-based Lennar Multifamily Communities first proposed the project last August, but a revised design was rejected by the city planning commission April 9 because it casts too large a shadow over neighboring Richfield. The plan will be reviewed again by the Edina City Council in May.

With or without the nearby Lennar project, the two newest Southdale-area proposals would add nearly 140 new living units to Edina, a city known around the metro for its affluence.

Both projects were expected to be reviewed at an Edina Planning Commission meeting Wednesday evening. City staff had not recommended approval or denial of either project as of Wednesday afternoon.

The median household income in Edina was \$84,251 in 2012, according to the U.S. Census Bureau, about \$25,000 above the same figure statewide. But Beacon detects a population of young adults in need in the area, according to Lee Blons, the nonprofit's executive director.

Beacon has proposed redeveloping an 18,000-square-foot TCF Bank building at 3330 W. 66th St. The nonprofit hopes to convert it into 39 affordable studio apartments for young adults who have been homeless.

"What's often not realized is that there are young people that are homeless in the suburbs," Blons said Wednesday. "Part of what this provides is that affordability to get them stable."

The \$9 million project would be immediately north of Southdale Center, a potential job center for tenants.

"For us, this is about location," she said. "As we looked around Edina, obviously Southdale makes so much sense."

Each unit in the two-story building would be between 355 and 456 square feet.

Beacon has a purchase agreement with TCF, which still owns the 0.9-acre property. Hennepin County values the site at \$1.16 million.

TCF didn't return a call seeking comment Wednesday. Beacon hopes to secure funding and break ground on the project by spring of 2016.

A little over half a mile to the south, Mesaba Capital Partners hopes to construct a four-story, 100-unit building immediately west of the Yorktown Continental Apartments, a 12-story independent senior apartment tower at 7151 York Ave. S.

Mesaba didn't return a request for comment by Finance & Commerce's print deadline.

Like its neighbor, the new building would be geared toward seniors. Mesaba has proposed 70 assisted-living units and 30 memory-care units for the building, which would also connect to the Yorktown tower, completing the "continuum of aging" at the complex. At least 10 percent of the units would be reserved for seniors making less than half the statewide median income, according to city documents.

The project would be expected to attract strong demand, according to Tom Melchior, director of market research for CliftonLarsonAllen.

"You rarely have difficulty filling those kinds of units," he said. Melchior added that the project's location — just southeast of a Target store and within three blocks of the Galleria Edina shopping mall Southdale Center — would attract some residents.

"When we do analysis of sites for senior housing, the proximity to retail and restaurants is certainly very important," he said. "That's true for this building as well — it's a great location for senior housing."

According to Hennepin County records, the 5.9-acre Continental Apartments site is owned by Yorktown Housing Group. The property is assessed at \$15.81 million.

While the smaller-scale projects work through the city approvals process, work is progressing on two large upscale complexes near Southdale Center.

Bloomington-based StuartCo and Southdale Center owner Simon Property Group began construction last summer on One Southdale Place, a 232-unit luxury complex on the northwest quadrant of York Avenue and 69th Street. That project is set to open later this year, according to StuartCo's website.

Meanwhile, Minneapolis-based Schafer Richardson plans to develop 234 apartments on the property at 7171 France Ave. S., which is also the site of a redeveloped Byerly's grocery store. City staff has said the developer plans to break ground on the apartments this spring.