



# Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED

Date: November 7, 2012

To: Council Member Lisa Goodman, Community Development Committee

**Subject:** Authorize appropriate City officials to sign an Acknowledgement of Receptivity to an LCA Funding Award in the event that the Metropolitan Council awards Livable Communities Local Housing Incentive Account grant funds to certain projects located in the City of Minneapolis

**Recommendation:** That the appropriate City officials be authorized to sign an Acknowledgement of Receptivity to an LCA Funding Award form for projects recommended for Livable Communities Local Housing Incentive Account grant awards.

**Previous Directives:** On February 10, 2012, the City Council awarded Affordable Housing Trust Funds (AHTF) to a number of projects, including Greenway Heights Family Housing, Snelling Apartments, and West Broadway Curve. On October 23, 2013, the Community Development Committee recommended awarding additional Affordable Housing Trust Funds to Greenway Heights Family Housing (City Council award anticipated November 2, 2012). Minnesota Housing is in the process of awarding additional funds to these projects.

### Department Information

Prepared by: Paula Mazzacano, Development Grants Coordinator, 612 673-5129  
Approved by: Jeffrey Stredler, Director, Development Finance \_\_\_\_\_  
Presenters in Committee: Paula Mazzacano, 612 673-5129

### Reviews

- Permanent Review Committee (PRC): Approval n/a Date \_\_\_\_\_
- Civil Rights Approval Approval n/a Date \_\_\_\_\_
- Policy Review Group (PRG): Approval n/a Date \_\_\_\_\_

### Financial Impact

- No financial impact

### Community Impact

- Neighborhood Notification - n/a at this time
- City Goals - A Safe Place to Call Home – Healthy homes, welcoming neighborhoods; Homelessness eliminated.
- Sustainability Targets – Affordable Housing Units
- Comprehensive Plan - Section 4.9: Minneapolis will grow by increasing its supply of housing. Section 4.10: Minneapolis will increase its housing that is affordable to low and moderate income households. Section 4.11: Minneapolis will improve the availability of housing options for its residents.
- Zoning Code – n/a
- Other – n/a

## Supporting Information

Since 1996, the Metropolitan Council has awarded grants through its Local Housing Incentive Account Program. The Local Housing Incentive Account (LHIA) helps expand lifecycle and affordable rental and ownership housing development and preservation in the region. Grants awarded from this account must be matched on a 1:1 ratio by the recipient community with local dollars for affordable housing activities, and may be used for costs associated with projects that help municipalities meet their negotiated LCA housing goals. In Minneapolis, the match is usually provided by the developer-applicant. Recent Minneapolis projects awarded LHIA funds include Currie Park Lofts, City of Lakes Community Land Trust and Spirit on Lake.

The LHIA program is conducted in coordination with Minnesota Housing through their semi-annual RFP common application process. For 2012, Multi-Family Housing applications were due on June 12. Developers apply directly to Minnesota Housing. There is little or no City staff involvement in the application process, and, unlike other Metropolitan Council grant programs, a resolution of City support is not a required component of the RFP LHIA application. Minnesota Housing and Metropolitan Council staff review each RFP and decide which agency will participate in the project financing for selected projects. The Council's Livable Communities staff recommendations are then presented to the Metropolitan Council for consideration and final approval. The staff report must include an Acknowledgement of Receptivity to an LCA Funding Award form signed by the City for each project recommended for LHIA funding. The form states that the recipient community "supports the affordable and life cycle objectives of the Livable Communities Act" and will "accept and make available in a timely manner to RFP applicant any LCA award to the city to assist the housing program or activity proposed in the application if such an award is made."

Metropolitan Council staff have provided the City with a roster of projects being recommended for LHIA funding. Therefore, City staff is seeking authorization for the appropriate City officials to sign Acknowledgement of Receptivity to an LCA Funding Award forms on behalf of the following projects:

Project Name: Greenway Heights Family Housing  
Developer: PRG, Inc.  
Funding award: \$300,000

Project Name: Snelling Apartments  
Developer: Seward Redesign and CommonBond Communities  
Funding award: \$150,000

Project Name: West Broadway Curve  
Developer: CommonBond Communities  
Funding award: \$300,000

The LHIA Project Summaries that appear below were prepared by Metropolitan Council staff. Additional information for each of the candidate projects can be found on the attached CPED Affordable Housing Inventory Project Data Worksheets.

### Greenway Heights Family Housing

Greenway Heights Family Housing is a 42 unit workforce housing development proposed by PRG, Inc., in collaboration with Phoenix development on a site adjacent to the Midtown Greenway. With the recession and foreclosure crisis, this proposal is a direct response to a neighborhood identified need for more affordable housing. The proposal provides an opportunity to create affordable housing with the unique amenity and alternative transitway provided by the Midtown Greenway, in the centrally located and transit-connected Phillips neighborhood. The project site is near Abbott Northwestern, Children's Hospital, Allina, and Wells Fargo Home Mortgage. This new 4-story, elevator building with underground parking will provide 42 units of housing affordable to households at 50% AMI. The building will consist of 16 2-bedroom, 22 3-bedroom and 4 4-bedroom units. Rents will range from \$913-\$1,161.

The proposed LHIA funding award of \$300,000 will be match by the city's AHTF of \$525,000.

### **Snelling Apartments**

The Snelling Apartments proposal is new construction of a 60-unit independent senior building proposed by Seward Redesign, in collaboration with CommonBond Communities. This project is proposed as part of the larger Franklin LRT Station Area Redevelopment Plan. This development will receive capital financing under the HUD 202 program, along with a Project Rental Assistance Contract (PRAC) for all units, which will allow residents to pay only 30 percent of their income toward rent. This development will offer residents the opportunity to age in place in a walkable, transit-oriented community. This new 60 unit elevator building will provide 60 1-bedroom units of senior housing affordable to households at 50% AMI. Rents will be \$602.

The proposed LHIA funding award of \$150,000 will be matched by the city's AHTF of \$944,584.

### **West Broadway Curve**

The West Broadway Curve proposal is for the construction of 53 units of mixed-income housing on vacant land involved in a foreclosure action in North Minneapolis. The development is located within the Northside Achievement Zone, which is a collaborative effort of over 50 organizations and schools to support area families and children. The area is also a priority for the City of Minneapolis, as a strategic gateway into the North Minneapolis communities, and as a part of the city's West Broadway Alive plan area. This new 53 unit, elevator apartment building will consist of 39 2-bedroom, and 14 3-bedroom units affordable to households at 50-60% AMI. Rents will range from \$871-\$996.

The proposed LHIA funding award of \$300,000 will be matched by the city's CPED AHTF of \$750,000.

The Metropolitan Council is expected to finalize its 2012 LHIA grant awards in December 2012. The City Council will formally accept the grant awards and appropriate the grant funds soon thereafter.

**Authorizing the proper City officials to sign an Acknowledgement of Receptivity to an LCA Funding Award form in support of the award of Metropolitan Council Livable Communities Local Housing Incentive Account grant funds to certain projects located in the City of Minneapolis**

Whereas, the City of Minneapolis (the "City") was and is a participant in the Livable Communities Act's Housing Incentives Program as determined by the Metropolitan Council, and is therefore eligible to participate in the Local Housing Incentive Account grant program; and

Whereas, the Metropolitan Council has notified the City that the following projects applied for funds through the Minnesota Housing Common Application process: Greenway Heights Family Housing, Snelling Apartments, and West Broadway Curve; and,

Whereas, the City intends to accept and make available in a timely manner to these applicants any Livable Communities Act award to the City to assist the housing program or activity proposed in the applications submitted for the above-mentioned projects in June of 2012, subject to final staff verification of each payment request's compliance with the Local Housing Incentive Account grant program's purposes and criteria; and

Whereas, the City has the institutional, managerial and financial capability to ensure adequate project administration; and

Whereas, upon approval of one or more of its applications, the City may enter into agreements with the Metropolitan Council for one or more of the above-reference projects and will comply with all applicable laws and regulations stated in such agreements;

Now, Therefore, Be It Resolved By The City Council of the City of Minneapolis:

That the City Council authorizes the appropriate City officials to sign an Acknowledgement of Receptivity to an LCA Funding Award in support of the award of Metropolitan Council Livable Communities Local Housing Incentive Account grant funds to certain projects located in the City of Minneapolis, and to execute such agreements as are necessary to implement the projects.