



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

Date: January 8, 2013

To: Council Member Lisa Goodman, Community Development Committee

Referral to: Council Member Betsy Hodges, Ways & Means/Budget Committee

Subject: Accept and appropriate Metropolitan Council Livable Communities Local Housing Incentive Account (LHIA) Grants awarded to the City of Minneapolis on behalf of Greenway Heights Townhomes (\$300,000), Snelling Apartments (\$150,000) and West Broadway Curve (\$300,000); authorize execution of Grant and Sub-recipient Agreements.

Recommendation:

- 1) Accept and appropriate Metropolitan Council Livable Communities Local Housing Incentive Account (LHIA) Grants totaling \$750,000 (Greenway Heights Townhomes (\$300,000), Snelling Apartments (\$150,000) and West Broadway Curve (\$300,000)).
- 2) Amend the 2013 General Appropriation Resolution by increasing the Community Planning & Economic Development agency Fund 01600 - Other Grants – State and Local (01600-8900220) by \$750,000.
- 3) Increase the 2013 Revenue Budget for the Community Planning & Economic Development agency Fund 01600 – Other Grants – State and Local (01600-8900900-321513) by \$750,000.
- 4) Authorize appropriate City staff to execute such agreements as may be necessary to implement the Metropolitan Council Livable Communities Local Housing Incentive Account (LHIA) grants with the Metropolitan Council, and with PRG, Inc., Seward Redesign and CommonBond Communities, and/or their related entities.

Previous Directives: On November 16, 2012, the City Council acknowledged its receptivity to receiving Metropolitan Council Livable Communities Local Housing Incentive Account (LHIA) grants on behalf of the Greenway Heights Townhomes, Snelling Apartments and West Broadway Curve projects.

Department Information

Prepared by: Paula Mazzacano, Development Grants Coordinator	612 673-5129
Approved by: Charles T. Lutz, Deputy Director, CPED	_____
Jeffrey Streder, Director, Development Finance	_____
Presenters in Committee: Paula Mazzacano	

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

- Action requires an appropriation increase to the Operating Budget
Dept Name: Community Planning & Economic Development 8900220
Fund Name: 01600 Other Grants - State and Local
Amount: \$750,000 to 01600-8900220
- Action provides increased revenue for appropriation increase
Dept Name: Community Planning & Economic Development
Fund Name: 01600 Other Grants - State and Local
Amount: \$750,000
- Action is within the Business Plan
- Request provided to Finance Department

Community Impact

- Neighborhood Notification: These projects have undergone neighborhood review; Snelling Apartments and West Broadway Curve have previously been awarded grant funds.
- City Goals: A Safe Place to Call Home; Livable Communities, Healthy Lives
- Comprehensive Plan: Section 4.1: Minneapolis will encourage reinvestment along major urban corridors as a way of promoting growth in all neighborhoods. 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. Section 4.15: Minneapolis will carefully identify project sites where housing redevelopment or housing revitalization are the appropriate responses to neighborhood conditions and market demand.
- Zoning Code: All of the projects either comply or will comply with the zoning code.

Supporting Information – 2012 Local Housing Incentive Account Grant Awards

On November 28, 2012, the Metropolitan Council awarded Livable Communities Local Housing Incentive Account (LHIA) grants to three projects located in the City of Minneapolis. Awarded projects include Greenway Heights Townhomes (\$300,000), Snelling Apartments (\$150,000) and West Broadway Curve (\$300,000). Staff is now requesting City Council authorization to accept and appropriate the LHIA grant awards, and to execute such agreements as may be necessary to implement the projects.

Grant Application and Award Processes

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 Livable Communities Act housing goals. This program is conducted in coordination with the Minnesota Housing Finance Agency. Developers may apply directly to the Metropolitan Council for the Livable Communities Local Housing Incentive Account (LHIA) program funding, using the consolidated Request for Proposals published by Minnesota Housing. While the LHIA program does not require direct City application, LHIA grants are awarded to the City and passed to the developer applicant via a sub-recipient agreement.

The Metropolitan Council awarded seven (7) LHIA grants totaling \$1,500,000 in this funding round. The awards to City of Minneapolis projects represent 50% of the funds awarded.

Grant Award Summaries

Greenway Heights Family Housing (PRG, Inc. or related entity): 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 project 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 three hospital campuses - Abbott Northwestern, Children's and 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 LHIA funding award will be matched by the City's AHTF award of \$525,000.

Snelling Apartments (Seward Redesign and CommonBond Communities or a related entity): The Snelling Apartments project is new construction of a 60-unit independent senior building developed by Seward Redesign, in collaboration with CommonBond Communities. This project is 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. Snelling Apartments 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 LHIA funding award will be matched by the City's AHTF award of \$944,584.

West Broadway Curve (CommonBond Communities or a related entity): CommonBond proposes to construct 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, 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 LHIA funding award will be matched by the City's AHTF award of \$750,000.

Amending the 2013 General Appropriation Resolution.

Resolved by The City Council of the City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by:

- 1) Increasing Community Planning & Economic Development agency Fund 01600 - Other Grants – State and Local (01600-8900220) by \$750,000.
- 2) Increasing the 2013 Revenue Budget for the Community Planning & Economic Development agency Fund 01600 – Other Grants – State and Local (01600-8900900-321513) by \$750,000.