



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

Date: January 8, 2013

To: Council Member Lisa Goodman, Chair, Community Development Committee
Referred to: Council Member Betsy Hodges, Ways and Means/Budget Committee

Subject: **Acceptance of Minnesota Housing Finance Agency Community
Revitalization Fund (CRV) funding award for Green Homes North 2013**

Recommendation: Approve the following:

- Accept the funding award from Minnesota Housing Finance Agency in the amount of \$250,000;
- Increase the 2013 Revenue Budget for the Community Planning & Economic Development agency Fund 01600 – Other Grants – State and Local (01600-8900900-321513) by \$250,000;
- Amend the 2013 General Appropriation Resolution by increasing the Community Planning and Economic Development agency Fund 01600 – Other Grants – State and Local (01600-8900220) appropriation by \$250,000; and
- Authorize appropriate City staff to execute such agreements as may be necessary to implement the CRV grant for the Green Homes North project.

Previous Directives: There have been no previous directives concerning these Minnesota Housing Finance Agency CRV funds. On July 20, 2012, the City Council approved the Green Homes North Program. On October 19, 2012 the City Council approved the funding awards to the selected developers and land sale for the Green Homes North Program 2012.

Prepared by: Cherie Shoquist, Principal Project Coordinator	
Approved by: Thomas Streitz, Director of Housing Policy and Development	_____
Charles T. Lutz, Deputy CPED Director	_____
Presenter in Committee: Cherie Shoquist	
Funding source and appropriation language reviewed by Development Finance	_____

Financial Impact

Action requires an appropriation increase to the Operating Budget

Dept Name: Community Planning and Economic Development
Fund Name: Other Grants – State and Local (01600-8900220)
Amount: \$ 250,000

- Action provides increased revenue for appropriation increase

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This is within the CPED business plan.

Community Impact

Neighborhood Notification: All affected neighborhoods have been notified.

City Goals: In five years, all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.

Supporting Information

The Green Homes North Program will provide home buyers with newly constructed green homes on City-owned vacant lots in North Minneapolis to strengthen the sustainability of our communities. Green Homes North incorporates: quality design standards; green, energy efficiency, and sustainability standards; job creation and workforce development; sourcing of local green products; and marketing to meet homebuyer expectations.

The Green Homes North Program is funded by grants from the Minnesota Housing Community Revitalization Fund, the Family Housing Fund, and the City of Minneapolis. The Twin Cities Community Land Bank provides low interest loans to Green Homes North developers.

In 2012, the Minneapolis City Council approved 13 projects and awarded funding to four non-profit developers: Greater Metropolitan Housing Corporation, PRG, Project for Pride in Living, Twin Cities Habitat for Humanity and one private developer, TVM Development. Construction is underway on two homes and all homes will be under construction in the spring of 2013.

Building new green, energy efficient and sustainable housing on nearly 400 available City owned vacant lots will build market value, boost confidence for the Northside housing market, and increase confidence of current under water owners. Funds granted to developers will be repaid at sale minus the subsidy required to write down the cost of the house to meet the market. As the housing market improves, the participation of private developers will increase and the subsidy amount required could diminish. Interest in Green Homes North is growing across many sectors inspiring innovative, energy efficient, sustainable, quality housing design.

In 2013, the Green Request for Proposals will be issued in January 2013 with proposals due in March 2013. If proposals are approved by the City Council in April, contracts and funding awards will be complete for building by May.