



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

Date: July 8, 2014

To: Council Member Lisa Goodman, Chair, Community Development & Regulatory Services Committee

Subject: Green Homes North Round 4 Authorization to Release a Request for Proposals

Recommendations:

1. Authorize the release a Request for Proposals for Round 4 of Green Homes North.

Previous Directives: On July 20, 2012, Council approved the Green Homes North program guidelines and authorized release of a Request for Proposals for Round 1. On October 19, 2012, Council approved the Green Homes North funding awards and related agreements with selected developers and approved the sale of twelve properties. On January 11, 2013, Council authorized release of a Request for Proposals for Round 2. On June 28, 2013, Council approved the Green Homes North funding awards and related agreements with selected developers and approved the sale of fifteen properties. On August 2, 2013, Council authorized release of a Request for Proposals for Round 3. On April 25, 2014, Council approved the Green Homes North funding awards and related agreements with selected developers and approved the sale of eighteen properties.

Department Information

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Approved by: Charles T. Lutz, Deputy CPED Director _____

Catherine Polasky, Director, Economic Policy and Development _____

Presenter in Committee: Cherie Shoquist, Principal Project Coordinator

Financial Impact None

Community Impact

- **Neighborhood Notification:** All affected neighborhoods have been notified. The following collaborative meetings were held with strategic partners to plan for the initial implementation of Green Homes North: Northside Neighborhoods and North Minneapolis Community Residents, University of Minnesota Center for Sustainable Building Research and College of Design, Twin Cities Community Land Bank Developers, Minneapolis Realtors Advisory Board, Minneapolis Contractors, Minneapolis Private and Non-Profit Developers, and many other meetings as requested with interested architects, contractors, developers, and green, energy efficiency, and sustainability experts. Staff continues to communicate with these groups regarding the progress of Green Homes North Rounds 1, 2, and 3 and to plan for Round 4.

- City Goals:
 - Living well: Minneapolis is safe and livable and has an active and connected way of life.
 - One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper.
 - Great places: Natural and built spaces work together and our environment is protected.

Supporting Information

Green Homes North is an initiative of the City of Minneapolis and our partners to build 100 energy efficient homes over five years to revitalize neighborhoods in North Minneapolis. Green Homes North incorporates: quality green design standards; green, energy efficiency, and sustainability standards; job creation and workforce development; sourcing of local green products; and marketing.

Launched in 2012, Round 1 funding has been awarded to non-profit and private developers to build 12 green homes in 2013, with the first homes completed by the end of 2013 and all homes to be completed in the summer of 2014. Round 2 construction on an additional 15 green homes began in the fall of 2013 and will be completed in the summer of 2013. Round 2 construction on an additional 18 green homes began in July 2014 and will be completed by the end of 2014 or early winter 2015. The first 47 homes will be built by seven non-profit developers: Artspace, City of Lakes Community Land Trust, Greater Metropolitan Housing Corporation, PRG, Inc., Project for Pride in Living, Twin Cities Habitat for Humanity and Urban Homeworks and two private developers: Peyser, LLC and TVM Development (TVM). For Round 4, it is anticipated that interested developers will begin construction in April 2015 and all homes will be completed by the end of 2015.

To complete the Green Homes North Round 4 selection process in time for ground breaking in early spring 2015, staff is proposing to use a Request for Proposals process to select and approve proposed house plans selection from new and existing Green Homes North developers in advance of lot selection and before funding is awarded. Funding of \$500,000 has been included in the CPED Housing 2014 budget to leverage a proposal for \$500,000 from the 2014 Minnesota Housing Community Housing Impact Fund. If funds of \$1 million are granted, it is anticipated that twenty additional homes will be built in Round 4.

The Request for Proposals will be released in July of 2014 pending Council approval. The neighborhood and design review process will be completed by the end of the year so that proposals for development of selected lots may be recommended for selection in January 2015 as soon as available funding is committed.

The process will be improved and expedited by allowing the Rounds 1, 2 and 3 Green Homes North developers to resubmit existing approved green home designs along with an updated project budget. Should there be a desire to submit new plans; those schematic plans would need to be submitted for review and consideration during the Request for Proposals process. Developers new to the Green Homes North program will be required to complete the Green Homes North proposal form with proposed schematic designs and estimated budget. Once the qualified developers are approved by the City Council, developers will submit detailed plans and staff will work with the Design Committee on approving all new designs.

During the Request for Proposals process, each developer will be asked how many projects they plan to do in Round 4. If there are enough funds to cover all proposed projects, we will recommend approval for all. Otherwise, priority will be given to developers that:

- leverage Green Homes North Program funds,
- request the least amount of Green Home North Program funds,
- are most ready to proceed,
- best respond to energy efficiency and overall sustainability in design,

- have the capacity to perform, and
- have made significant progress on already-funded projects.

An additional emphasis and priority will be given to developers that propose to construct green homes for large families; homes with four bedrooms and two baths, or more.

The goal is to fund at least one project per approved developer, taking into consideration the above selection criteria. Once the developers are advised of the number of projects staff will recommend for support, developers will tender completed *Offer to Purchase* forms for eligible city-owned parcels. Based on the submitted documents, staff will bring forward a report to Council recommending funding to the approved developers and sale of the applicable city-owned parcels.