



## Request for City Council Committee Action from the Department of

**Date:** July 22, 2014  
**To:** Lisa Goodman, Chair, Community Development and Regulatory Services Committee  
**Subject:** Approval of additional funds for the Rehab Support Program – Emergency Relief Fund

**Recommendation:** Approve the following:

1. Allocate \$81,500 in existing funds from the Rebuilding Our Communities fund for the Rehab Support Program to finance the repair of properties remaining on the Regulatory Services list of tornado damage properties
2. Authorize the appropriate City staff to execute a contract with Greater Metropolitan Housing Corporation (GMHC) to administer these funds under the Rehab Support Program

**Previous Directives:** In 2011 the City Council approved a budget of \$240,000 to be used to complete emergency repairs to stabilize homes in north Minneapolis that were damaged by the May 22, 2011 Minneapolis tornado.

On October 26, 2013, the City Council directed Neighborhood and Community Relations staff to reserve \$25,000 each for the Willard Hay, Jordan, Folwell, Webber-Camden and McKinley neighborhoods to dedicate staff time or loan programs to deal with properties that have remaining tornado damage.

### Department Information

Prepared by:	Mark S. Anderson, Senior Contract Management Specialist	
Approved by:	Charles T. Lutz, Interim CPED Director	_____
	Cathy Polasky, Director, Economic Policy and Development	_____
Presenter in Committee:	Mark S. Anderson, x5289	

### Financial Impact

- The funding for the Emergency Relief Fund (\$81,500) is available through NCR's Rebuilding Our Communities fund.
- Action is within the Business Plan
- Request provided to the Finance Department

### Community Impact

- Neighborhood Notification—All affected neighborhoods have been notified and are working in collaboration on this project.
- City Goals - This action is consistent with the City Goal: "High quality, affordable housing for all ages and stages in every community."

### Supporting Information

On May 22, 2011 north Minneapolis experienced a large tornado that caused significant damage to 3,600 houses. Toward the end of 2011, the City Council authorized the use of

\$240,000 to help complete emergency stabilization repairs to homes that had no other resources to complete them. Some of the reasons for the lack of resources for homeowners include:

- They do not have homeowner's insurance and will not be able to afford homeowners insurance in the near future
- They are behind on their house payment or property taxes
- They have credit problems

Under the 2011 phase of this program, stabilization only involved fixing the roof and related components so rain no longer infiltrated the home causing further damage. With the \$240,000 previously allocated to this program the City treated 33 properties.

Since the 2011 program phase was started, a large percentage of the damaged homes have either been repaired or been demolished because the damage was too extensive. There are now only a few properties remaining on the Regulatory Services tornado damaged homes list and the affected neighborhoods have expressed a strong desire to have the City finance another phase of the program. The Neighborhood Community Relations staff has been asked to commit \$81,500 within the Rebuilding Our Communities fund to continue the program which, based upon the 2011 program phase average loan size, should cover an additional 10 to 12 homes.

After consulting with the neighborhoods, staff is proposing the following program requirements for this new phase:

- The eligible repairs would be expanded to include the following work associated with damage caused by the tornado:
  - Siding
  - Soffits chimneys flashing
  - Windows
  - Sidewalks
  - Fencing
- Eligible properties will include those remaining on the list of tornado damaged properties identified by the City's Regulatory Services Division would be eligible
- The maximum loan amount would be remain \$12,000
- The loan would be forgiven over five years with 20% forgiven each year
- The loan recipient must not be able to obtain help from another source, including MHFA's Fix-Up Fund, other neighborhood based programs, or insurance proceeds
- Applications would be funded on a first come-first served basis with a priority given to owner-occupied properties

The City currently has an agreement with GMHC to administer programs on behalf of the City. A separate contract will be prepared for this discrete program utilizing existing budgeted resources in fund 01800-8450100 (NCR Special Revenue Fund-Neighborhood Comm Relations Admin). GMHC's administrative costs along with other program related costs would be paid out of the \$81,500 and are estimated to be \$9,000.00.