



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

Date: January 20, 2015

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

Referral to: Council Member John Quincy, Chair, Ways and Means Committee

Subject: Appropriation of HOME Program Income

Recommendation:

1) Amend the 2015 General Appropriation Resolution by increasing the Community Planning and Economic Development Agency Fund 01500 – HOME (01500-8900220, Residential Finance) appropriation by \$51,235.09 for Affordable Housing Trust Fund program, and increasing the Community Planning and Economic Development Agency Fund 01500 – HOME (01500-8900230, Residential and Real Estate Development) appropriation by \$635,155.52 for Home Ownership Works program and program administration from the available fund balance

Previous Directives: None.

Department Information

Prepared by: Roxanne Young Kimball, Senior Project Coordinator, 612-673-2794	
Approved by: D. Craig Taylor, Executive Director, CPED	_____
Charles T. Lutz, Deputy Director, CPED	_____
Presenters in Committee: Roxanne Young Kimball and Jon Clevenger	
Funding Source and Appropriation	
Language Reviewed by Development Finance:	_____ X _____

Financial Impact

X Action requires an appropriation increase to the Operating Budget
Dept Name: Community Planning and Economic Development - 8900220 and 8900230
Fund Name: 01500 (HOME)
Amount: \$51,235.09 (in 8900220)
\$635,155.52 (in 8900230)

The additional appropriation of \$51,235.09 for the Affordable Housing Trust Fund (AHTF) program will increase the project 2014 budget of G5890HM56 from \$1,618,842.00 to \$1,670,077.10 that will be used for the production and stabilization of affordable rental housing.

The additional appropriation of \$568,316.46 to the Home Ownership Works (HOW) program will increase the project 2014 budget of G5890HM55 from \$404,711.00 to \$973,027.46 that will be used for either renovation of existing or construction of new single family dwellings.

The additional appropriation of \$66,839.06 for HOME administrative services will increase the project 2014 budget of G5890HM57 from \$209,839.00 to \$276,678.05.

Community Impact

- Neighborhood Notification: Not applicable, however the neighborhoods will be notified of prospective HOME-funded projects in their neighborhoods.
- City Goals: Living Well: Minneapolis is safe and livable and has an active and connected way of life; high quality, affordable housing choices exist for all ages, incomes, and circumstances.
- Comprehensive Plan: 4.10 – Minneapolis will increase its housing that is affordable to low and moderate income households. 4.91 – Minneapolis will grow by increasing its supply of housing.
- Zoning Code: All projects approved for HOME funding will comply with the zoning code.

Supporting Information

Annually the City of Minneapolis receives an appropriation of HOME funds through the federal Department of Housing and Urban Development. All program income generated by HOME funded activities (revenue) must be used in accordance with HOME rules for the production of affordable housing. CPED staff identified a total of \$686,390.61 in revenue that has accrued from October 9, 2013 through December 11, 2014 and must be added to the operating budget. The program income has accumulated due to the following reasons:

- 1) In the AHTF program, interest payments from a project with amortized debt.
- 2) In the HOW program, proceeds from the sale of houses to eligible owner occupants.

Staff recommends the \$686,390.61 of HOME program income currently available be allocated to the specific program (AHTF or HOW) that generated the income and up to 10% for administrative costs as follows:

HOME Administration (G5890HM57)

Residential and Real Estate Development (01500-8900230): \$66,839.06

HOME Residential Finance (G5890HM56)

Affordable Housing Trust Fund (01500-8900220): \$51,235.09

HOME Residential Real Estate Development (G5890HM55)

Home Ownership Works (01500-8900230): \$568,316.46

Total \$686,390.61