



Request for City Council Committee Action

from the Department of Community Planning and Economic Development - CPED

Date: May 19, 2015

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

Subject: Request for approval for submission of applications for 2015-2016 Minnesota Housing Community Impact Fund

Recommendation: Approve the submission of Community Impact Fund Applications to Minnesota Housing for the following City programs:

1. Rehab Support Program in the amount of up to \$1.2 million.
2. Green Homes North in the amount of up to \$1 million.
3. Homeownership Opportunity Minneapolis in the amount of up to \$250,000.

Previous Directives:

The Rehab Support Program was first approved by Council on November 18, 2011. The Green Homes North Program was approved by the City Council on July 20, 2012. The City Council approved Green Homes North Round 1 on October 19, 2012, Round 2 on June 28, 2013, Round 3 on April 25, 2014, and Round 4 on January 30, 2015. The Homeownership Opportunity Minneapolis (HOM) Program was approved by Council on February 13, 2015.

Prepared by: Cherie Shoquist, Principal Project Coordinator

Approved by: D. Craig Taylor, Executive Director, Community Planning and Economic Development ____

Presenter in Committee: Cherie Shoquist, cherie.shoquist@minneapolismn.gov, 612.673.5078

Community Impact

Neighborhood Notification: Impacted neighborhoods will be informed of future Impact Funds received and will assist in providing information to City residents on the benefits of each program. Feedback from neighborhoods and community based non-profit organizations generally support the need for these programs.

City Goals:

Living well: Minneapolis is safe and livable and has an active and connected way of life.

- All neighborhoods are safe, healthy and uniquely inviting.
- High-quality, affordable housing choices exist for all ages, incomes and circumstances.

- Neighborhoods have amenities to meet daily needs and live a healthy life.
- One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper.
- All people have access to quality essentials, such as housing, education, food, child care and transportation.
- Racial inequities (including in housing, education, income and health) are addressed and eliminated.

Supporting Information

The Minnesota Housing Community Homeownership Impact Fund (Impact Fund) provides funding for developers and administrators of single-family, owner-occupied affordable housing activity throughout the state. Funding can be accessed through a competitive Request for Proposal process offered once a year in the spring.

The Rehab Support Program provides homeowners up to \$20,000 to complete improvements to their home with the goal of improving the value of the homes in the neighborhoods where the homes are located. Homeowners are required to provide a 1:1 match for the funds in order to qualify. Over the past four years the City has closed 118 loans under this program.

Green Homes North is an initiative of the City of Minneapolis to build 100 energy efficient homes over five years to revitalize neighborhoods in North Minneapolis. Launched in 2012, funding has been awarded to nine developers to build 56 homes to date: 24 have sold, 2 are currently on the market, 16 are under construction, and 14 are expected to begin construction this summer.

Homeownership Opportunity Minneapolis provides down payment and closing cost loan assistance of up to \$7,500 with the goal of increasing the number of homeowners in Minneapolis. This is part of a comprehensive effort to reduce the racial disparity in homeownership rates. The eligible income of homebuyers receiving a loan will be up to 115% of area median income which is currently \$95,500. The program is currently funded with City of Minneapolis and Minnesota Housing resources.