

City of Minneapolis

Request for Committee Action

To: Community Development & Regulatory Services
Date: 6/7/2016
Referral: N/A
From: Community Planning & Economic Development
Lead Staff: Carrie Flack, Multifamily Finance Specialist
Presented by: Carrie Flack, Multifamily Finance Specialist, 673-5240
File Type: Resolution
Subcategory: Grant

Subject:

Hennepin County Housing and Redevelopment Authority (HRA) financial assistance from the 2016 Affordable Housing Incentive Fund (AHIF) to seven projects located in Minneapolis.

Description:

Passage of Resolution approving the Hennepin County Housing and Redevelopment Authority (HRA) to provide financial assistance from the 2016 Affordable Housing Incentive Fund (AHIF) to seven projects located in Minneapolis:

1. Affirmation House at 3310 Penn Ave N;
2. CLCLT Homebuyer Initiated Program consisting of several scattered project sites not yet identified;
3. Indian Neighborhood Club Expansion at 2010 S 5th Ave;
4. Marshall Flats at 2525 2nd St NE;
5. PPL YouthLink at 41 12th St N;
6. PRG 1 Portfolio at 3708 Elliot Ave SE;
7. Project: Reclaim 4 consisting of several scattered project sites not yet identified.

Previous Actions:

Affirmation House: On October 31, 2014, the City Council approved a loan of \$125,250 from the AHTF program.

CLCLT Homebuyer Initiated Program: 2015 AHIF funds approved

Indian Neighborhood Club Expansion: On October 31, 2014, the City Council approved a loan of \$160,000 from the AHTF program and on November 6, 2015, the City Council approved a loan of \$81,900 from the AHTF program.

Marshall Flats: On April 26, 2013, the City Council approved a loan of \$555,000 from the AHTF program. On October 31, 2014, the City Council approved a loan of \$100,000 from the AHTF program.

PPL YouthLink Supportive Housing: On October 31, 2014, the City Council approved a loan of \$1,150,000 from the AHTF program.

PRG 1: On November 6, 2015, the City Council approved a loan of \$525,000 from the AHTF program.

Project: Reclaim 4: No previous actions

Ward/Address:

All Wards

Affirmation House – Ward 4 – Folwell - 3310 Penn Ave N
CLCLT Homebuyer Initiated Program – Scattered ownership housing
Indian Neighborhood Club Expansion – Ward 6 – Ventura Village – 2010 S 5th Ave
Marshall Flats – Ward 1 – Marshall Terrace – 2525 2nd St NE
PPL YouthLink – Ward 3 – North Loop – 41 12th St N
PRG 1 Portfolio – Ward 2 & 9 – Powderhorn Park – 3708 Elliot Ave SE
Project: Reclaim 4 – Scattered ownership housing

Background/Analysis:

On May 3, 2016, the Hennepin County Housing and Redevelopment Authority (HRA) approved Affordable Housing Incentive Fund (AHIF) financial assistance in the total amount of \$2,932,755 for 10 projects. Seven of these projects are located in Minneapolis with a cumulative award of \$1,798,755. The County HRA's funding process requires that the City Council adopt a resolution approving the awards prior to executing funding agreements. The County HRA's AHIF program is an important funding resource for the City of Minneapolis to create and stabilize affordable rental and ownership housing. Program guidelines include providing affordable long-term housing units and promoting the connection of affordable housing to local employment, schools, transit corridor development and supportive services. AHIF is used as a last resort for gap financing and as a vehicle to leverage other public and/or private funding sources. Since Hennepin County administers these funds without City assistance, there is no appropriation associated with approving these funding awards. The attached resolution declares there is a need for and approves the County HRA exercising its powers in the City for the limited purpose of providing \$1,798,755 of AHIF funds from the County HRA for projects within in the City.

The 2016 AHIF awards for projects located in Minneapolis are:

#	Development Name	Applicant	Amount
1	Affirmation House	Project for Pride in Living (PPL)	\$210,000
2	CLCLT Homebuyer Initiated Program	City of Lakes Community Land Trust (CLCLT)	\$210,000
3	Indian Neighborhood Club Expansion	Indian Neighborhood Club	\$358,755
4	Marshall Flats	Clare Housing	\$370,000
5	PPL YouthLink Supportive Housing	PPL and YouthLink	\$350,000
6	PRG I	CommonBond Communities	\$200,000
7	Project: Reclaim 4	Urban Homeworks and CLCLT	\$100,000
TOTAL FUNDING			\$1,798,755

The following is a brief description of each approved project:

Affirmation House: PPL is continuing its foreclosure recovery efforts by purchasing and rehabbing a 12 unit building occupied by formerly homeless, disabled adults receiving Group Residential Housing assistance. Affirmation House is the service provider and the project has received NSP funding which was used to acquire and perform some initial repair/rehab work such as roofing, window repair and replacement and lead/asbestos abatement. The current scope of work includes interior common area upgrades, kitchen and bath upgrades, flooring replacements, mechanicals upgrades and repairs and exterior grading and landscaping

CLCLT Homebuyer Initiated Program: This ownership acquisition rehab project is a continuation of City of Lakes Community Land Trust's (CLCLT) Homebuyer Initiated Program (HIP) that provides affordability and rehabilitation financial assistance to moderate income buyers

purchasing and renovating market rate single family homes and owner-occupied duplexes in the City of Minneapolis. This project includes seven scattered sites.

Indian Neighborhood Club Expansion: This project provides sober housing and support for homeless and near homeless chemically dependent men. There will be 20 SRO units in four (4) pods. Each pod will have shared kitchens, bathrooms, and common areas and will provide residents with a supportive community.

Marshall Flats: Construction of a 4-story, 36 unit, permanent supportive housing development for people living with HIV/AIDS (PLWH/A). There will be common areas on each floor as well as a community room with a small kitchen, and supportive service offices and meeting rooms on the first floor. The development will include nine surface parking stalls on-site. The target population is single PLWH/A, many of whom are homeless or at-risk of homelessness, including seven long-term homeless individuals. Many residents will also have physical disabilities, chemical dependency and/or mental health conditions.

PPL YouthLink Supportive Housing: This project will provide 46 units of supportive housing in a new 5-story building attached to the Youth Opportunity Center for homeless youth ages 18-23. The majority of the SRO-style units will be grouped into suites of four rooms, with shared kitchens and bathrooms to encourage community building amongst residents and to fight against the isolation that can be a barrier to these youths' success. The ground floor will house community spaces such as lounge, activity room, and a computer lab, in addition to offices for property management and service provider staff.

PRG 1: This 42 unit scattered site project has five units set aside for homeless households and will have a part time service coordinator at the sites. The financing will provide much needed capital improvements for long-term preservation and stabilization. The rehab will provide energy efficient exteriors and interiors, unit finishes, and building elements needing updates. Project improvements include new roofs, mechanicals, windows, kitchens, and baths. The project includes six properties which are duplexes, triplexes, and fourplexes. The properties serve large families and include Dovetail, Success Family Housing, Mulberry Flats and Greenwood.

Project: Reclaim 4: The project includes the acquisition and rehabilitation of four foreclosed, tax forfeited or at risk single family properties.

Financial Review:

No financial impact.

- Future budget impact anticipated.**
- Approved by the Permanent Review Committee.**
- Meets Small and Underutilized Business Program goals.**

Attachments:

1. Municipal Consent Resolution