

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

Date: July 29, 2008

To: Lisa Goodman, Chair, Community Development Committee

Subject: Adoption of Resolution approving Hennepin County Housing and Redevelopment Authority (HRA) Affordable Housing Incentive Fund (AHIF) financial assistance to twelve (12) projects located in Minneapolis.

Recommendation: Adopt the attached resolution approving Hennepin County Housing and Redevelopment Authority (HRA) Affordable Housing Incentive Fund (AHIF) financial assistance to the twelve (12) projects listed in this report.

Previous Directives:

- 1. City of Lakes Community Land Trust/Greater Metropolitan Housing Corporation Affordability Initiative – None.**
- 2. City of Lakes Community Land Trust Homeowner Initiated Program – The Council approved 2005 and 2006 Affordable Ownership Housing Program funds in the approximate amount of \$165,000.**
- 3. Project: Reclaim – None.**
- 4. Minnesota Lead-Safe Housing Partnership – None.**
- 5. Alliance Scattered Site Rehabilitation: In 1998, the MCDA Board approved a \$200,000 Multi-Family Program HOME loan to Alliance Housing for the stabilization of nine properties. In 1999, the MCDA Board approved a \$200,000 Multi-Family Program CDBG loan to stabilize seven properties. On December 7, 2007, the Council awarded a \$300,000 AHTF loan and \$30,000 Non-Profit Development Assistance Fund grant.**
- 6. Fremont Flats: In 1983, the MCDA provided a \$59,781 Multi-Family Program loan for the acquisition and rehabilitation of this project. In 1987, the MCDA provided a \$309,188 Multi-Family Program loan for rehabilitation. In 1994, the MCDA provided a \$100,210 Multi-Family Program loan for rehabilitation. In 1995, the MCDA provided a \$69,000 Multi-Family Program grant for rehabilitation.**
- 7. Hope Stabilization: In December 2007, the Council approved a \$538,000 AHTF loan and a \$30,000 Non-Profit Development Assistance Fund grant for this project.**
- 8. Little Earth – Phase V: In 1991, the Council approved a \$500,000 Multi Family Program CDBG grant and a \$125,000 Multi-Family Program CDBG loan to Little Earth Phase I. In December, 2002, the Council approved a \$500,000 Multi-Family Program loan and a \$30,000 grant from the Non Profit Development Assistance Fund to Little Earth Phase III. In July 2004, the Council approved restructured loan terms for the \$125,000 1995 CDBG loan. In December 2005, the Council approved a \$500,000 loan from the AHTF and a \$30,000 Non Profit Assistance Fund grant for Little Earth Phase**

IV. In April 2006, the Council approved a \$350,000 AHTF loan for Little Earth Phase IV.

9. Penn Avenue Apartments: On November 27, 2007 the Council approved a \$275,000 AHTF loan and a \$30,000 Non Profit Development Assistance Fund grant to this project.
10. Alliance Addition: In November 2005 the Council approved \$400,000 AHTF loan and a \$30,000 Non Profit Development Assistance Fund grant for this project. In February 2008, the Council approved \$225,000 AHTF loan for this project.
11. Old Third Avenue Town homes: On November 21, 1983, the MCDA acquired 929 Third Avenue N.E. for \$40,000 during site assembly for the I-335 Highway Corridor. On November 25, 2002, the MCDA Board granted exclusive development rights to Clare Housing for a six month period which initially included this land as well as the actual site of the Clare Apartments development. On July 29, 2003, the MCDA Board approved the sale of the referenced land to Central Community Housing Trust for \$79,650 for the development of the Old Third Avenue Townhomes Project. In October, 2007, the Council approved \$360,000 Affordable Ownership Housing Development program affordability gap financing to the Old Third Town homes.
12. Nicollet Square: On October 19, 2007, the Council authorized an application to the Metropolitan Council's Metropolitan Livable Communities Tax Base Revitalization Account (TBRA). On December 7, 2007, the Council approved a \$977,584 AHTF loan and a \$30,000 Non-Profit Development Assistance Fund grant. On February 29, 2008, the Council acted to accept and appropriate \$107,000 in TBRA funds received from the Metropolitan Council.

Prepared by: Donna Wiemann, Principal Project Coordinator, 673-5257
Approved by: Thomas Streitz, Director, Housing Policy & Development _____
Charles T. Lutz, Deputy Director CPED _____
Presenters in Committee: Wesley Butler, Manager, MF Housing

Reviews

Permanent Review Committee (PRC): Approval ___ Date _____
Policy Review Group (PRG): Approval ___ Date _____

Financial Impact

- No financial impact
 Action requires an appropriation increase to the Capital Budget _____ or
Operating Budget _____
 Action provides increased revenue for appropriation increase
 Action requires use of contingency or reserves
 Action is within the Business Plan
 Other financial impact

Community Impact

Neighborhood Notification: Not Applicable

City Goals: A SAFE PLACE TO CALL HOME: In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles.

Sustainability Targets: Development and preservation of affordable housing.

Comprehensive Plan: 4.10 Minneapolis will increase its housing that is affordable to low and moderate income households.

Zoning Code: Projects will comply.

Supporting Information

On June 24, 2008 and July 22, 2008, Hennepin County Housing and Redevelopment Authority approved up to \$3,360,500 Affordable Housing Incentive Fund (AHIF) financing for the following twelve (12) projects located in Minneapolis. The County's AHIF program is an important funding resource to the City of Minneapolis for the creation and stabilization of affordable rental and ownership housing.. The final section of this report provides a short summary of each project approved for AHIF.

<u>PROJECT NAME</u>	<u>APPROVED AHIF AMOUNT</u>
CLCLT/GMHC Affordability Initiative	\$ 210,000
CLCLT Homeowners Initiated Program	\$ 150,000
Project: Reclaim	\$ 300,000
MN Lead-Safe Housing Partnership	\$ 52,120
Alliance Scattered Site Rehabilitation	\$ 223,380
Fremont Flats	\$ 300,000
Hope Stabilization	\$ 200,000
Little Earth of United Tribes – Phase V	\$ 740,000
Penn Avenue Apartments	\$ 385,000
Alliance Addition	\$ 300,000
Old Third Avenue Townhomes	\$ 300,000
Nicollet Square	\$ 200,000
TOTAL	\$3,360,500

City of Lakes Community Land Trust/Greater Metropolitan Housing Corporation Affordability Initiative involves the acquisition of 15 foreclosed, vacant and boarded single family homes for ownership using the land trust model.

The City of Lakes Community Land Trust Homeowner Initiated Program involves the acquisition of five (5) single family housing units for affordable ownership using the land trust model.

Project: Reclaim involves the acquisition of ten (10) foreclosed single family units for the creation of affordable ownership units using the land trust model.

MN Lead-Safe Housing Partnership is a countywide program to address lead-based paint hazards in foreclosed and vacant properties.

Alliance Scattered Site Rehabilitation involves the renovation of eight buildings providing 28 affordable housing units by Alliance Housing.

Fremont Flats involves the stabilization of three adjacent properties consisting of ten (10) Project Based Section 8 units by Project for Pride in Living.

Hope Stabilization involves the stabilization of 19 affordable single family, duplex and tri-plex rental housing units by Hope Community.

Little Earth of United Tribes – Phase V involves rehabilitating 40 units in this 212 unit Project Based Section 8 housing community by Little Earth United Tribes Housing Corporation.

Penn Avenue Apartments involves the acquisition and rehabilitation of eleven (11) supportive rental units for ex-offenders to be located at 3003 Penn Avenue by Christian Restoration Services.

Alliance Addition involves the new construction of an addition to Alliance Apartments providing supportive housing for single adults located at 724 East 17th Street by Aeon.

Old Third Avenue Townhomes will be the development of eight town home units providing affordable ownership by Aeon.

Nicollet Square will be the new construction of 42 supportive rental units for youth who are experiencing homelessness by Plymouth Church Neighborhood Foundation.