



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: September 14, 2004

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Cynthia Lee, Manager, Multifamily Housing Development, Phone 612-673-5266

Presenter in Committee: Cynthia Lee

Approved by: Chuck Lutz, Deputy CPED Director _____
Lee Pao Xiong, Director, Housing _____

Subject: Receive and File Report re: Submission of Application for Fannie Mae Foundation Innovations in American Government Award in Affordable Housing (Ash Institute)

RECOMMENDATION: Receive and File

Previous Directives: None

<p>Financial Impact (Check those that apply)</p> <p><input checked="" type="checkbox"/> X No financial impact - or - Action is within current department budget. (If checked, go directly to next box)</p> <p><input type="checkbox"/> Action requires an appropriation increase to the Capital Budget</p> <p><input type="checkbox"/> Action requires an appropriation increase to the Operating Budget</p> <p><input type="checkbox"/> Action provides increased revenue for appropriation increase</p> <p><input type="checkbox"/> Action requires use of contingency or reserves</p> <p><input type="checkbox"/> Other financial impact (Explain):</p> <p><input type="checkbox"/> Request provided to the Budget Office when provided to the Committee Coordinator</p>

<p>Community Impact (Summarize below)</p> <p>Ward: Citywide</p>

Neighborhood Notification: Not applicable

City Goals: Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

Comprehensive Plan: Consistent with sections 4.9 through 4.19

Zoning Code: Not applicable

Living Wage/Job Linkage: Not applicable

Background/Supporting Information

The new Fannie Mae Foundation Innovations in American Government Award in Affordable Housing is sponsored by the Ash Institute for Democratic Governance and Innovation at Harvard University. This program strives to identify outstanding examples of creative problem solving in the public sector. Units of government may apply for awards of up to \$100,000.

Applications are due September 15, 2004. An application is being submitted for the city's innovative corridor housing initiatives as described below.

www.ashinstitute.harvard.edu

Excerpts from Draft Application:

The Minneapolis Corridor Housing Strategy combines proactive community engagement, site assembly, and prioritized financial resources to foster affordable housing growth, and its acceptance by communities, along the city's transit corridors.

Based on the Metropolitan Council's projection that Minneapolis will need 26,000 new housing units over the next 20 years in order to respond to population growth, Minneapolis has developed a coordinated Corridor Housing Strategy consistent with the city's Affordable Housing Policy direction that "new affordable housing will be targeted for designated growth areas and commercial and transit corridors that can benefit from and support increased housing density". Production and preservation of affordable and mixed-income housing is a very high priority for the city and the local Affordable Housing Policy requires that at least 20% of the units in all city-assisted housing projects of 10+ units must be affordable at <50% of median income.

Commercial, community and transit corridors are identified in the city's comprehensive plan, The Minneapolis Plan. The Plan further identifies a number of specific housing growth areas and major housing sites, plus Transit Station Areas (TSAs) connecting the city's new Hiawatha LRT corridor and other major busways. The city is actively seeking housing and mixed-use development consistent with Transit Oriented Development (TOD) principles for these sites.

The Corridor Housing Strategy encourages participation from communities that are not designated as poverty-concentrated in order to achieve expanded locational choice. Engaging these neighborhoods in the early planning process is a key element of the program, as opposed to seeking neighborhood's reaction to a formal development proposal. The neighborhood organization develops a sense of ownership of the process and of the resulting housing development, and the city becomes a partner in achieving the neighborhood's goals.

Pursuant to the City Council's January 2003 goal to "foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth", the city's Corridor Housing Strategy encompasses several coordinated and proactive city initiatives. These are:

Phase One: In June of 2003, Minneapolis launched the Corridor Housing Initiative. This planning/technical assistance concept was developed cooperatively by the Mayor, City Council, the Center for Neighborhoods, Family Housing Fund of Minneapolis and Saint Paul, and Twin Cities LISC as a first step towards engaging neighborhoods in identifying opportunities and sites for corridor housing development. Funding is provided from the city, the Family Housing Fund, and Twin Cities LISC.

Phase Two: In January of 2004 the city's Department of Community Planning and Economic Development (CPED) allocated \$1,000,000 of CDBG funding for the second phase of the Corridor strategy. This funding (the "Higher Density Corridor Housing Program") is designated for CPED acquisition of multifamily housing corridor sites. Strategic public acquisition was identified as a necessary component of the Corridor strategy, in order to ensure control of key Corridor sites.

Phase Three: The third phase of the Corridor strategy involves prioritized city funding for the resulting corridor housing development. The city administers a number of competitive multifamily housing funding programs, including housing revenue bonds, low income housing tax credits, tax increment financing, ownership workforce housing funding and the city's rental Affordable Housing Trust Fund (AHTF). The respective program guidelines give increased priority to proposals demonstrating proximity to jobs and transit and density appropriate to the location.

The Corridor Housing Initiative provides a “toolbox” of technical support, including a planning process, design expertise from the University of Minnesota’s Design Center for the American Urban Landscape, plus development and market analysis.

The Corridor Housing Initiative has conducted three competitive application rounds. To date, five Minneapolis Corridors have been selected to participate in the Corridor Housing Initiative:

- Nicollet Avenue in Loring Park
- East Lake Street
- Nicollet Avenue in Kingfield
- South Lyndale Avenue
- West Broadway Avenue

Site selection is underway in the Higher Density Corridor Housing program, including sites in the above Loring Park, Kingfield, and East Lake Street corridors.

Numerous Minneapolis corridor housing projects are already underway with the assistance of city funding, notably:

- Franklin Portland Gateway (Phase I Children’s Village Center): multi-use, mixed income supportive housing project, 36 units of affordable rental and 4 units of ownership housing. Future phases in process.
- Midtown Exchange (Lake Street Corridor): 223 mixed-income rental and 88 for-sale units in the historic 1928 Sears Tower.
- Many Rivers East and West (Franklin Avenue Corridor): 76 units of mixed-income rental housing with first floor commercial space.
- 19th and Central Avenue Central Avenue Corridor): 51 units of mixed-income senior rental housing with commercial.
- The Boulevard (Lyndale Avenue Corridor): mixed-income and mixed-use family rental housing (24 units).
- Village in Phillips (Bloomington Avenue Corridor): 28 units of mixed-income for-sale housing. Future phases in process.

