

# Request for City Council Committee Action from the Department of IGR- Grants & Special Projects

**Date:** October 20, 2009

**To:** Lisa Goodman, Chair Community Development Committee

**Referral to:**

**Subject:** Set public hearing for the City of Minneapolis proposed Amendment #1 to the 2009 Consolidated Plan

**Recommendation:** Set Public Hearing for November 17, 2009 1:30 P.M. at the Community Development Committee to invite public comment for proposed Amendment #1 to the 2009 Consolidated Plan modifying the guidelines for the Homeownership Works (HOW) program to provide development gap financing to non-profit developers.

**Previous Directives:** April 10, 2009 – Approval of the 2009 Consolidated Plan; December 11, 2008 – Appropriation Resolution, City Budget footnote directing staff to develop and carry out the intent of the 2009 Consolidated Plan.

Prepared by: Peter O'Toole, Office of Grants & Special Projects, 673-5456

Approved by: Eugene Ranieri, IGR Director

Presenters in Committee: Edie Oliveto-Oates, Senior Project Coordinator; Peter O'Toole, Senior Resource Coordinator

- Permanent Review Committee (PRC): Approval \_N/A\_ Date \_\_\_\_\_
- Policy Review Group (PRG): Approval N/A Date \_\_\_\_\_

## Financial Impact

X 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
- Action requires a change to the Business Plan
- Other financial impact
- Request provided to the Finance Department when provided to the Committee Coordinator

## Community Impact

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code

- Other – Notice of this action is being mailed to those on the Consolidated Plan mailing list and a draft report made will be made available at Grants & Special Projects Office, City website, Minneapolis Public Libraries, Legal Aid Society Offices and upon request.

### **Supporting Information**

**The City proposes to amend the 2009 HOME Single Family program to modify the guidelines for the Homeownership Works (HOW) program. It will be modified to enable the City to provide development gap financing (the difference between total development cost and sales price) to non-profit developers. Under the existing program properties are owned and developed by the City of Minneapolis. Currently in the HOW program, non-profits are involved in bidding, construction management and marketing of the properties. By changing the program to provide development gap subsidy to the non-profit developers, the City can reduce its development costs. This proposed change increases the potential homeownership opportunities which can be developed through this program. Public comment period runs November 2 - December 1, 2009.**

**As defined in the City's HUD-approved Consolidated Plan, any substantial revisions will require an amendment process to include a 30-day comment period and public hearing (with approval of this requested). A notice of Public Hearing and a draft of the proposed change to the HOW program will be mailed to the Consolidated Plan mailing list. All comments received at the Public Hearing or during the public comment period (November 2 through December 1, 2009) and will be taken into consideration by the City of Minneapolis.**

**Background: The Consolidated Plan is the City's application to U.S. Department of Housing and Urban Development for 2009 Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA) funding, and American Dream Downpayment Assistance Initiative (ADDI) and it is an update to the 2005-09 Five-Year Strategy.**