

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

Date: August 12, 2008

To: Council Member Lisa Goodman, Chair, Community Development Committee

**Subject:** Minneapolis Northside Initiative

**Recommendation:** Authorize the CPED Director to enter into a grant agreement of \$1,000,000 for the Minneapolis Northside Initiative.

**Previous Directives:** On December 12, 2007, the City Council approved the 2008 budget for the City of Minneapolis.

Prepared by: Earl Pettiford, Senior Project Coordinator Phone 612-673-5231
Approved by: Charles T. Lutz, Deputy CPED Director _____
Thomas A. Streitz, Director Housing Policy & Development _____
Presenters in Committee: Earl Pettiford, Senior Project Coordinator

**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
- 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: Not Applicable
- City Goals: A SAFE PLACE TO CALL HOME.
- Sustainability Targets: Not Applicable
- Comprehensive Plan: Not Applicable
- Zoning Code: Not Applicable
- Living Wage/Business Subsidy Agreement Yes \_\_\_\_\_ No  X
- Job Linkage Yes \_\_\_\_\_ No  X
- Other

**Supporting Information**

As part of the 2008 budget approval, the City Council approved \$1,000,000 from the Legacy fund as a match to \$1,000,000 which the Greater Metropolitan Housing Corporation (GMHC) secured from the Minnesota Housing Finance Agency (MHFA) for

gap financing required for the Minneapolis Northside Initiative which GMHC administers. The city's match, coupled with the funds from MHFA, will be used as development gap financing in the form of a grant to construct new or rehab homes resulting from foreclosures on the Northside. All of the completed properties will be sold to owner-occupied households.

The purpose of this report is to request City Council's authorization for CPED staff to enter into a grant agreement with GMHC for these funds.