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

Date: July 26, 2005

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Elfric K. Porte, II. Manager Housing Development, 612-673-5145

Presenter in Committee: Elfric K. Porte, II. Manager Housing Development, 612-673-5145

Approved by: Chuck Lutz, Deputy Director—CPED
Elizabeth Ryan, Director, Housing Policy and Development

Subject: Memorandum of Understanding with Twin Cities Habitat for Humanity, Inc.

RECOMMENDATION: Receive and File

Previous Directives: Memorandum of Understanding agreed to by Twin Cities Habitat for Humanity and City of Minneapolis on December 7, 1998.

Financial Impact (Check those that apply)

_X_ No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
___ Action requires an appropriation increase to the Capital Budget
___ Action requires an appropriation increase to the Operating Budget
___ Action provides increased revenue for appropriation increase
___ Action requires use of contingency or reserves
___ Other financial impact (Explain):
___ Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact

Ward: All (Citywide effort)

Neighborhood Notification: NA

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: Development activities will conform to the City's and respective neighborhoods' land use plans.

Zoning Code: Development activities will comply with all existing zoning codes

Living Wage/Job Linkage: NA

Other: NA

Background/Supporting Information

On December 7, 1998, Twin Cities Habitat for Humanity, Inc. (Habitat) and the Minneapolis Community Development Agency entered into a Memorandum of Understanding. In this understanding, both parties agreed to set a goal of producing 100 new or rehabilitated affordable owner-occupied units in the City of Minneapolis through December 31, 2003.

Since entering into the agreement with Habitat, we have sold 51 City of Minneapolis' parcels to Habitat for $1.00 and three at fair market value. It should be noted that the City of Minneapolis has supported other Habitat efforts not specific to lot sales. Considering the goal of producing 100 new and rehabilitated affordable owner-occupied units was not reached, we have been approached by Habitat to extend the Memorandum of Understanding.

There have been minor changes agreed to by both Habitat and CPED, they are:

- Time extension through December 31, 2006
- Language change from *a goal of 100* to *a goal of* <u>*up to*</u> *100* new and rehabilitated affordable owner-occupied units

The Memorandum of Understanding calls for the City of Minneapolis making these properties available in locations in various neighborhoods of the City so as to "....avoid concentrating 100 homes in any neighborhoods in which there currently exists an adequate supply of low and moderate income housing units."

CPED and Habitat have agreed to enter into an extension to the Memorandum of Understanding with Twin Cities Habitat for Humanity, Inc. through December 31, 2006 for the already established goal of producing up to 100 new or rehabilitated affordable owner-occupied housing units in the City of Minneapolis.