

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

Date: June 7, 2011

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

Subject: Approval of a Rehab Support Program modification to help housing affected by the tornado

Recommendation: Approve a change in the program guidelines to make the loan accessible to repair and improve more properties affected by the recent tornado and authorize the execution of an amendment to the agreement with MHFA allowing this change.

Previous Directives: This program was approved by the City Council on January 14, 2011.

Department Information

Prepared by: Mark Anderson, Senior Contract Management Specialist	
Approved by: Tom Streitz, Director of Housing Policy and Development	_____
Charles T. Lutz, Deputy CPED Director	_____
Presenters in Committee: Mark Anderson	

Financial Impact

No financial impact.

Community Impact

- Neighborhood Notification: N/A
- City Goals: Livable communities, healthy lives - High-quality, affordable housing for all ages and stages in every neighborhood

Supporting Information

On January 14, 2011 the City Council approved acceptance of \$750,000 from the Minnesota Housing Finance Agency (MHFA) and approved a program called the Rehab Support Program. This was a matching funds program that allowed a homeowner to obtain an interest free loan up to \$20,000 as long as they provided funds from any other source to match those dollars.

With the recent tornado damaging much of the property in north Minneapolis, the staff met to discuss possible changes to this program that make it more accessible for use to repair the affected properties. In a report to MHFA staff sought approval for four changes to the program:

1. The current program was designed to require the borrower to provide one dollar from another source for every one dollar provided by the City. For any tornado impacted household, we are seeking a waiver so that a match is no longer necessary.
2. Staff is requesting approval to allow on a case by case basis an increase in the loan amount to \$30,000.
3. All tornado related repairs and health and safety hazards must be addressed first, before any additional work is authorized.
4. The initial program design called for eligible properties to be limited to a detached single family or duplex property located in a neighborhood that has been approved for this funding. We are now seeking to include up to four units, with at least one of the units being owner-occupied.