



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

**Date:** May 4, 2004

**To:** Council Member Lisa Goodman, Community Development Cmte  
Council Member Barbara Johnson, Ways and Means/Budget Cmte

**Prepared by:** Donna Wiemann, Senior Housing Project Coordinator, Phone 612-673-5257

**Presenter in Committee:** Donna Wiemann, Senior Housing Project Coordinator

**Approved by:** Lee Pao Xiong, Director, Housing \_\_\_\_\_

**Subject:** 2004 HOME Program Budget

**RECOMMENDATION:** Approval of the Fiscal Year 2004 HOME Program Budget

**Previous Directives:** On April 2, 2004, the City Council approved the Year 2004 Consolidated Plan and authorized staff to submit the plan to HUD. The plan includes the Fiscal Year 2004 HOME Program funding.

**Financial Impact** (Check those that apply)

- 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): Increases grant revenue.
- Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact** (Summarize below)

**Ward:** City wide.

**Neighborhood Notification:** The Consolidated Plan, including the Fiscal Year HOME Program amount, was made public on March 5, 2004. It was mailed to the Consolidated Plan mailing list and it was made available via the City's website.

**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:** Sections 4.9 and 4.10: Minneapolis will grow by increasing its supply of housing and Minneapolis will increase its housing that is affordable to low and moderate income households.

**Zoning Code:** Projects selected for funding will comply.

**Living Wage/Job Linkage:** NA

### Background/Supporting Information

In April, 2004, the City Council approved the staff recommendation to submit the Year 2004 Consolidated Plan to HUD; the plan includes the Fiscal Year 2004 HOME Program funds. Staff expects HUD to approve the 2004 Consolidated Plan prior to June 1, 2004, the beginning of Fiscal Year 2004. The total HOME Program funds allocated to the City for Fiscal Year 2004 is \$3,934,916.

The HOME Program funds will be used for programs and activities that will assist in the production and maintenance of decent affordable rental and ownership housing, Ten (10%) of the HOME Program funds will be used for administrative purposes.

The proposed allocation of Fiscal Year 2004 HOME Program funds is as follows and is consistent with the approved 2004 budget:

Program	Allocation
Affordable Housing Trust Fund	\$2,941,425
Home Ownership Works	600,000
CPED Admin	378,491
Grants & Special Projects Admin	<u>15,000</u>
TOTAL	\$3,934,916

Funds allocated to the Affordable Housing Trust Fund (AHTF) will be used to provide gap financing for the production and stabilization of affordable rental housing. On average, approximately 200 to 250 units are either produced or stabilized through the AHTF program annually. The City Council approves the funding for each project.

Funds allocated to the Home Ownership Works will be used for either the renovation or new construction and sale of 15 to 20 vacant, three and four bedroom, single family dwellings. It is designed to address the goal of providing home ownership opportunities for residents who otherwise would have difficulty in attaining home ownership. It is also designed to address the problem of abandoned and foreclosed houses. The program will also be used to treat properties in need of demolition and new construction.