



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

Date: May 3, 2005

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: Cynthia Lee, Manager Multifamily Housing, Phone 612-673-5266

Presenter in Committee: Cynthia Lee

Approved by: Elizabeth Ryan, Director, Housing _____

Subject: Non Profit Development Assistance for the Corridor Housing Initiative

RECOMMENDATION: Approval of up to \$28,800 of Non Profit Development Assistance for the Center for Neighborhoods to administer the Corridor Housing Initiative for 2005

Previous Directives: Corridor Housing Strategies are identified as a key initiative in the 2005 CPED Business Plan.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- 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 (Summarize below)

Ward: Citywide

Neighborhood Notification: Notice has been provided to neighborhoods regarding the Corridor Housing Initiative guidelines and selection process.

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: 4.10 Minneapolis will increase its housing that is affordable to low and moderate income households.

Zoning Code: Projects will comply

Living Wage/Job Linkage: Not applicable.

Background/Supporting Information

The 2005 CPED Business Plan identifies four key initiatives for housing (page 53). Corridor strategies are the primary initiative for Multifamily housing, specifically:

“Implement Corridor Housing Strategies

CPED is pursuing several integrated corridor housing strategies in order to achieve the city’s goals to promote future growth and increase housing that is affordable to low and moderate income households, starting with the Corridor Housing Initiative, a first step towards engaging neighborhoods in proactively identifying opportunities and sites for corridor housing development, giving neighborhood organizations an early and comprehensive role in the planning process, and encouraging participation from communities that are not designated as poverty-concentrated in order to achieve expanded locational choice. Second, the city has launched the Higher Density Corridor Housing program to acquire critical corridor sites. Strategic public acquisition was identified as a necessary component of the Corridor strategy, in order to ensure control of key multifamily Corridor sites. Finally, the City will award priority funding for corridor housing development through the city’s competitive multifamily housing funding programs. The respective program guidelines give increased priority to proposals demonstrating proximity to jobs and transit and density appropriate to the location. In 2005, CPED will proceed with the implementation of the selected Corridor Housing Initiative areas and the selected Higher Density Corridor sites, and will also be pursuing acquisition and development of key sites along the Hiawatha LRT corridor. The city is actively seeking housing and mixed-use development consistent with Transit Oriented Development (TOD) principles for these sites. “

Recently, the Minneapolis Corridor Housing Strategy was selected as a finalist for the Ash Institute Innovations in American Government Awards.

The Corridor Housing Initiative (CHI) was funded in 2003-04 as a pilot project by the Minneapolis and Saint Paul Family Housing Fund and Twin Cities LISC. The Minneapolis Planning Department also provided a \$5,000 start-up grant.

The CHI program is administered by the Center for Neighborhoods, in partnership with the City, neighborhood organizations and the U of M Metropolitan Design Center. The CHI model is based on proactive community engagement in the planning and development of higher density affordable housing on key Minneapolis corridors. Five

project areas were selected to participate in the CHI in 2004 and are moving forward with corridor planning and implementation.

In 2005, the Center for Neighborhoods will proceed to work with these first five areas towards final development guidelines. Technical assistance is being provided by the Metropolitan Design Center and Dewar & Associates. Further selection rounds may occur later in 2005 once the first five areas are well underway.

Although the Family Housing Fund is considering providing extended financial support for the program, the CHI needs additional funding to implement this 2005 work plan. The Center for Neighborhoods has requested \$28,800 of CPED Non Profit Development Assistance for this purpose. The CHI program is generally consistent with the guidelines for the Non Profit Development Assistance Program, with the exception that some form of site control is typically required. Site acquisition for individual corridor projects has not yet started and will be occurring over the next several years. Approval of this funding request requires a waiver of Section III.H of the program guidelines regarding the site control requirement.