

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

Date: November 27, 2007

To: Council Member Lisa Goodman, Community Development Committee

Subject: Century Homes Programs - Property additions

Recommendation: Approve the addition of the two properties for development under the Century Homes Program.

Previous Directives: In November 2003, the City Council authorized the CPED Director to amend MCDA program guidelines from MCDA to CPED. On October 31, 1994, the MCDA Board of Commissioners authorized the Century Homes Program. In March 1983, the MCDA Board of Commissioners authorized entering into a contract for a revolving loan fund program known as the "Homeownership Program" to develop housing units in the City of Minneapolis.

Prepared by: Earl S. Pettiford, Senior Project Coordinator, Phone 673-5231

Approved by: Charles T. Lutz, Deputy CPED Director _____

Elizabeth Ryan, Director, Housing Policy & Development _____

Presenters in Committee: Earl S. Pettiford, Senior Project Coordinator

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: The Northside Residents Redevelopment Council and the Harrison Neighborhood Association have been notified and have recommended approval.

City Goals: Foster the development and preservation of a mix of quality housing types that is affordable, meets current needs and promotes future growth. (Use approved goals)

Sustainability Targets

Comprehensive Plan

Zoning Code

Living Wage/Business Subsidy Agreement Yes _____ No _____

Job Linkage Yes _____ No _____

Other

Supporting Information

The City of Minneapolis through its development department, Community Planning & Economic Development (CPED) and formerly the Minneapolis Community Development Agency, has two partnership agreements with the Greater Metropolitan Housing Corporation (GMHC). GMHC, a 501c3 non-profit corporation, has developed over 1,500 single family homes within the City of Minneapolis in partnership with the City of Minneapolis. These homes are developed through two programs—Homeownership Program and Century Homes.

The Minneapolis Public Housing Authority (MPHA) has offered to convey two parcels to GMHC. These parcels are held in their scattered site program and have been declared excess public property. The development of the properties is being proposed under the City's partnership programs with GMHC; the two properties are:

- 1600 Penn Avenue North – a vacant lot, zoned R1A which is 48' X 128' = approximately 5,904 square feet. GMHC proposes to build a 2,000 square foot two story, three bedroom, two and one half bath single family home with a wrap around porch and a double car detached garage.
- 400 Logan Avenue North – a vacant lot, zoned R1A which is approximately 40' x 126' = 5,040 square feet. GMHC proposes to build a 1,650 square foot two story, three bedroom, two and one half bath single family home with a double car detached garage.

The MPHA has proposed that the properties be conveyed for \$1.00 each and that GMHC escrows an amount equal to the fair market value of the land to assist buyers in qualifying for home ownership opportunities under one of the City of Minneapolis/GMHC partnership programs. It was agreed that up to 50% of the value of each site could be used to off set the extraordinary utility installation or soil correction costs associated with the site. It was agreed that GMHC would provide an additional \$30,000, \$15,000 for each purchase, in affordability funding to enhance the buyers' ability to qualify for home ownership. A qualified buyer must be a former MPHA program participant who has completed homeownership training. These buyers may choose from any of the houses within either of the two partnership programs. The two lots are programmed to be developed under the Century Homes Program.