

Request for City Council Committee Action from the Department of Inter-Governmental Relations-Grants & Special Projects and the Department of Community Planning and Economic Development

Date: February 15, 2011
To: The Honorable Lisa Goodman, Chair, Community Development Committee
Referral to: The Honorable Betsy Hodges, Chair, Ways & Means/Budget Committee
Subject: **2010 Consolidated Plan Amendment #1- Neighborhood Stabilization Program 3 (NSP3) Action Plan**

Recommendation:

1. Receive and file public comments received at the February 15, 2011 public hearing, for the City of Minneapolis' 2010 Consolidated Plan Amendment #1 – Neighborhood Stabilization Program 3 Action Plan application; and
2. Direct staff to include a summary of the public comments received during the public comment period into the 2010 Consolidated Plan Amendment #1 – Neighborhood Stabilization Program 3 submitted to the U.S. Department of Housing and Urban Development (HUD) as required by HUD.

Previous Directives:

February 1, 2011 – Set the public hearing for February 15, 2011 and the NSP3 public comment period for February 1 -15, 2011; approved and authorized staff to submit 2010 Consolidated Plan Amendment #1- Neighborhood Stabilization Program (NSP) 3 Abbreviated Action Plan to the U.S. Department of Housing and Urban Development for \$2,671,275 in NSP3 funds, submit an application to Minnesota Housing Finance Agency for \$600,000 in NSP3 funds, and develop and execute related funding agreements; and authorized CPED Director to make changes to the proposed NSP3 activities if necessitated by refinements made to NSP3 to meet HUD, MHFA or programmatic requirements.

The Minneapolis City Council approved the allocation of nearly \$30 million in NSP1 and NSP2 funds in 2008, 2009 and 2010 for Minneapolis foreclosure recovery efforts.

Prepared by: Cherie Shoquist, Foreclosure Recovery Coordinator, 612.673.5078
Approved by: Thomas Streitz, Director, Housing & Policy Development _____
Charles T. Lutz, Deputy CPED Director _____
Presenters in Committee: Matt Bower, Project Coordinator

Reviews

- Permanent Review Committee (PRC): Approval ___ Date _____
- Policy Review Group (PRG): Approval ___ Date _____

Financial Impact

- Other financial impact: If awarded, NSP3 funds will provide an increase to the Capital and Operating budgets and increased revenue.

Community Impact

- Neighborhood Notification: Each Neighborhood is notified of the NSP3 applications and afforded an opportunity to partake in the community review process.
- City Goals: Livable Communities, Healthy Lives
 - Our built and natural environment adds character to our city, enhances our health and enriches our lives.
 - High-quality, affordable housing for all ages and stages in every neighborhood.
 - Sustainability: Green standards will be employed in construction and rehabilitation of affordable housing units developed under this program.

Supporting Information

The 2010 Consolidated Plan Amendment #1 is the City's NSP3 Action Plan application to the U.S. Department of Housing and Urban Development for Neighborhood Stabilization Program 3 (NSP3) funds under the Housing and Economic Recovery Act of 2008 (HERA), as amended, and the American Recovery and Reinvestment Act of 2009 (ARRA), as amended, and an additional allocation of funds provided by the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). The 2010 Consolidated Plan Amendment will be submitted to HUD by March 1, 2010. The submitted plan will contain an amendment to the 2010 General Budget Resolution reflecting budget allocations for the local NSP grant of \$2,671,275 and additional allocations from Minnesota Housing Finance Agency of \$600,000.

A public hearing for this Amendment to the City's FY 2010 Consolidated Plan is scheduled for February 15, 2011 before your committee. Staff requests approval for any comments received during the Public Hearing or during the February 1-15, 2011 public comment period to be included in the City's Consolidated Plan Amendment.

On February 1, 2011, a draft version of the HUD Amendment and the Minnesota Housing Finance Agency NSP3 Description was made available for public review and comment, and comments will be accepted through February 15, 2011. This meets the fifteen-day review and comment period required by HUD before staff submits the Amendment to HUD.