



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

Date: June 21, 2005

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

Prepared by: Tiffany Glasper, Sr. Project Coordinator, Phone 612-673-5221

**Presenter in
Committee:** Elfric K. Porte, II., Manager Housing Development, Phone X-5145

Approved by: Chuck Lutz, Deputy CPED Director _____
Elizabeth Ryan, Director, Housing
Policy and Development _____

Subject: Accept & Appropriate Family Housing Fund and Minnesota Housing
Finance Agency CRV funds

RECOMMENDATION:

1. Accept the following grants:

Minnesota Housing Finance Agency	\$225,000
Family Housing Fund	\$250,000
<u>Family Housing Fund</u>	<u>\$ 50,000</u>
Total	\$525,000

2. Amend the 2005 General Appropriation Resolution by increasing the Community Planning & Economic Development Agency Fund SMN0 – CPED State Grants & Loans (SMN0-890-8933) appropriation by \$525,000
3. Authorize appropriate City officers to execute grant, subrecipient, and/or disbursement and related agreements for these funds.

Previous Directives: On December 24, 2004, the City Council approved the terms of the City's \$1 million pledge to the Northside Home Fund initiative.

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):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 3, 4, 5

Neighborhood Notification: North Minneapolis neighborhood organizations were advised of the Northside Home Fund initiative in August 2003.

City Goals: The proposed projects are consistent with and contribute to attainment of the City goal to "Preserve and enhance our natural and historic environment and promote a clean, sustainable Minneapolis."

Comprehensive Plan: The project complies with the provision of a healthy environment element of the Minneapolis Plan.

Zoning Code: The projects either are in compliance or will comply.

Living Wage/Job Linkage: NA

Background/Supporting Information

To implement the Northside Home Fund, Community Planning & Economic Development (CPED) applied to the Minnesota Housing Finance Agency (MHFA) for \$450,000 from its Community Revitalization Fund in the spring of 2005. CPED is proud to report that the application was selected for \$225,000 in funding. These funds will be used to supplement already existing Northside Home Fund project dollars, in the form of a 2% interim construction financing (\$100,000) and value gap financing in the form of a grant (\$125,000).

MHFA's Community Revitalization Fund (CRV) is the umbrella name for a variety of limited funding resources that are provided under one fund. Funding resources include the Economic Development and Housing Challenge Fund Program (Challenge Program), along with MHFA's internal interim construction financing programs.

CPED is also pleased to report that two (2) requests to the Family Housing Fund have also been approved by the Family Housing Fund's Board. The Family Housing Fund has dedicated a total of \$300,000 to the Northside Home Fund initiative. Of this, \$250,000 is dedicated to the general initiative, with an additional \$50,000 being dedicated to the Cluster Demonstration Pilot identified at 25th and James Avenue North.

The Northside Home Fund Initiative

The mission of the Northside Home Fund is to add value to existing neighborhood and institutional efforts to improve the quality of the housing stock in North Minneapolis. Staff is recommending that the \$525,000 funding awards (Minnesota Housing Finance Agency—\$225,000 and the Family Housing Fund—\$300,000) be accepted and appropriated.