

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

Date: April 6, 2010

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Urban Homeworks Rental Reclaim Project

Recommendation: Receive and file

Previous Directives

On March 20, 2009, the City Council approved an award up to \$550,000 through the Neighborhood Stabilization Program (NSP). On February 26, 2010 the City Council approved an award up to \$800,000 through the Affordable Housing Trust Fund and up to \$30,000 through the Non Profit Development Assistance Grant Fund.

Prepared by: Tiffany Glasper, Senior Project Coordinator, Housing, 673-5221

Approved by: Thomas A. Streitz, Director, Housing Policy & Development _____
Charles T. Lutz, Deputy Director CPED _____

Presenters in Committee: Tiffany Glasper

Financial Impact

- X No financial impact

Community Impact

- Neighborhood Notification – The official neighborhood organization reviewed the rehab project prior to the 2009 AHTF award.
- City Goals – In five years all Minneapolis residents will have a better quality of life and access to housing and services.
- Sustainability Targets – The proposed projects meet the affordable housing targets.
- Comprehensive Plan – 4.9: Minneapolis will grow by increasing its supply of housing; 4.11: Minneapolis will improve the availability of housing options for its residents.
- Zoning Code – All projects being recommended either comply or will comply with the zoning code.

Supporting Information

Urban Homeworks Rental Reclaim Project is located at 13 scattered sites in both north and south Minneapolis in the Near North, Hawthorne, Jordan, Central, Phillips and Whittier neighborhoods, Wards 3, 5, 6 and 8. The project proposes mixed income housing with support services and it is part of Urban Homeworks' Urban Neighbor Program which promotes neighborhood building through mixed income housing.

Urban Homeworks has already been approved for \$160,000 in County Lead Program loan funds, \$424,000 in City NSP funding, \$250,000 in Hennepin County AHIF Funds (2009), \$800,000 from Minnesota Housing, \$120,000 in grant funds from the Pohlad Foundation, \$800,000 in City AHTF, \$30,000 in City Non Profit Development Assistance Grant Funds and \$1,000,000 in private investor equity. Additionally, Urban Homeworks is providing \$1,175,939 of their funds to be paid out over time from project cash flow.

Total project costs are \$4,815,939.

The project proposes varying degrees of rehab, including mold, lead and asbestos remediation as required, exterior masonry and foundation repair, appliance and cabinet upgrades/replacement, common area improvements, including added security where necessary, HVAC and plumbing repair/replacement and kitchen and bath upgrades.

Originally, this project proposed rehab of 40 total units in 13 scattered sites. However, in order to move the NSP funded properties forward and comply with various HUD timelines, we are seeking to omit two properties, 4 total units from this project and allow them to move forward on a faster timeline. The two properties at 2200 6th Street North and 2119 James would no longer be funded with Affordable Housing Trust Funds. They would be funded with a combination of NSP, County AHIF and MN Housing Funds.

There would be no net loss of affordable units; the units would simply be funded via a different source, not Affordable Housing Trust Fund.