



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

Date: April 17, 2007
To: Council Member Lisa Goodman, Community Development Committee
Referral to: Council Member Paul Ostrow, Ways & Means Budget/Committee

Subject: The allocation of CDBG Program Income

Recommendation:

- 1) Allocate \$2,000,000 of the Community Development Block Grant (CDBG) Program Income earned from Community Planning and Economic Planning (CPED) programs to fund the continued acquisition and disposition activities associated with the Vacant and Boarded Housing Program within the City of Minneapolis.
- 2) Amend the 2007 General Appropriation Resolution by increasing the Community Planning and Economic Development agency Fund 0400 – CDBG and UDAG Funds (0400-890-8953-32VB) appropriation by \$2,000,000 from the available Community Block Development Program Income balance.-

Previous Directives: None

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Approved by: Charles T. Lutz, Deputy Director, CPED _____
Elizabeth Ryan, Director of Housing Policy & Development _____
Presenters in Committee: Elfric K. Porte, II., Manager Single Family Housing Dev.

Reviews

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

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: Not Applicable

City Goals: A SAFE PLACE TO CALL HOME In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.

Sustainability Targets: Not Applicable

Comprehensive Plan: Not Applicable

Zoning Code: Not Applicable

Other: Not Applicable

Supporting Information

One of the City of Minneapolis' goals is a safe place to call home. As part of this goal, all Minneapolis residents will live in a healthy environment. To accomplish this, one of the approaches employed by the City of Minneapolis is the removal of blighted properties and making them available for housing. This is accomplished through activities of the Vacant & Boarded Program administered through the Department of Community Planning & Economic Development's (CPED) Single Family Housing Development section.

The program is designed to acquire blighted structures that have outlived its economic value and is unfeasible for rehabilitation. The structure is demolished and the resulting parcel is sold to a developer for owner-occupancy. During the period of city's ownership, there is on-going maintenance of the property—snow removal and mowing. These expenses are funded through the Vacant & Boarded Program. Additionally, some of these properties are placed in the Scattered Site Tax Increment Finance District. The District allows for the inclusion of up to 100 parcels city-wide. This is a tool that allows the City to get reimbursed up to 75% of eligible costs, including but not limited to acquisition, demolition and site preparation expenses.

The source of funds budgeted for the Vacant & Boarded Program is Community Development Block Grant. Currently, there is a need for more funds to be made available to support this program. There is approximately \$2.4M remaining from the CDBG program income generated from the Vacant & Boarded Program and other CPED programs. It is recommended that \$2.0M be allocated to support the activities of the Vacant & Boarded Program.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by:

Increasing the appropriation for the Community Planning and Economic Development Agency Fund 0400 - CDBG UDAG Fund (0400-890-8953-32VB) by \$2,000,000 from the available CDBG Program Income balance.