



## Request for City Council Committee Action from the Department of Community Planning & Economic Development

Date: September 12, 2006

To: Council Member Lisa Goodman, Community Development Cmte  
Referral to: Council Member Paul Ostrow, Ways & Means/Budget Cmte

**Subject:** 2006 HOME Program Budget

**Recommendation:** Approve the Fiscal Year 2006 HOME Budget

**Previous Directives:** On December 23, 2005, the City Council approved the 2006 Consolidated Plan and authorized staff to submit the plan to HUD. The plan includes the Fiscal Year 2006 HOME funding.

Prepared by: Donna Wiemann, Principal Project Coordinator, 673-5257

Approved by: Chuck Lutz, Deputy CPED Director \_\_\_\_\_

Elizabeth Ryan, Director Housing Policy & Development \_\_\_\_\_

Presenter in Committee: Donna Wiemann, Principal Project Coordinator, 673-5257

### Financial Impact

- Other financial impact: Increases grant revenue

### Community Impact

- Neighborhood Notification: The Consolidated Plan with the 2006 HOME budget was made public on March 15<sup>th</sup> for six weeks. It was mailed to the Consolidated Plan mailing list and was made available on the City's website.
- City Goals: Increase the City's population and tax base by development and supporting housing choices citywide through preservation of existing housing and new construction.
- Comprehensive Plan: Section 4.9: Minneapolis will grow by increasing its supply of housing. Section 4.10: Minneapolis will increase its housing that is affordable to low and moderate income households. Section 4.11: Minneapolis will improve the availability of housing options for its residents.
- Zoning Code: Projects selected for HOME funding will comply.

## Supporting Information

On April 14, 2006 the City Council approved the staff recommendation to submit the Year 2006 Consolidated Plan to HUD. The plan includes the Fiscal Year 2006 HOME funds. HUD approved the Plan in June 2006. The total HOME funds allocated to the City for Fiscal Year 2006 is \$3,563,274. The Fiscal Year runs from June 1, 2006 to May 31, 2007.

The HOME funds will be used for programs and activities that will assist in the production and maintenance of decent affordable rental and ownership housing. Ten percent (10%) of the HOME funds will be used for administrative purposes.

The proposed allocation of FY 2006 HOME funds is as follows:

Affordable Housing Trust Fund (AHTF)	\$2,706,947
Home Ownership Works (HOW)	500,000
CPED Admin	341,327
Grants & Special Projects Admin	15,000
TOTAL	\$3,563,274

Funds allocated to the AHTF will be used to provide gap financing for the production and stabilization of affordable rental housing. On average, approximately 225 units are either produced or stabilized annually through the AHTF. The City Council approves the funding of each project.

Funds allocated to the HOW Program will be used for either the renovation or new construction and sale of approximate 10 to 20 single family dwellings. It is designed to address the goal of providing home ownership opportunities for low to moderate homebuyers who would otherwise have difficulty in attaining home ownership. It is also designed to address the problem of abandoned and foreclosed housing. In addition to the rehabilitation of existing homes, the program will be used to demolish properties to make way for new construction.