

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

**Date:** January 18, 2011

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

**Subject:** Information Report about 2010 Affordable Housing Trust Fund  
Supplemental Pipeline Request for Proposals

**Recommendation:** Receive and File.

**Previous Directives:** None.

## Department Information

Prepared by: Donna Wiemann, Principal Project Coordinator, 612-673-5257	
Approved by: Thomas A. Streitz, Director, Housing & Policy Development	_____
Charles T. Lutz, Deputy Director	_____
Presenters in Committee: Donna Wiemann	

## Financial Impact

- No financial impact.

## Community Impact

- Neighborhood Notification – Not applicable.
- City Goals – A Safe Place to Call Home, Eco-Focused, Many People, One Minneapolis, Jobs & Economic Vitality, Livable Communities, Healthy Lives, and A City That Works.
- Sustainability – AHTF projects must 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 will comply.

## Supporting Information

The City Council award of 2010 Affordable Housing Trust Fund (AHTF) loans to seven (7) multi-family rental projects leaves approximately \$2,500,0000 of CDBG funds in the budget for production and stabilization.

The City Council has established a process to solicit proposals to use remaining AHTF monies. This process accomplishes the following purposes:

1. It assists CPED to commit and spend federal HOME and CDBG funds (two primary sources of the AHTF) in accordance with federal funding deadlines.
2. It allows projects moving through the Interagency Stabilization Group (ISG) more timing flexibility for funding consideration.
3. It allows projects with unexpected shortfalls/gaps to be dealt with in a timely manner.

4. It allows CPED to move forward when a proposal has other funding commitments in place and the City financing will help move the project towards closing and construction.

Staff proposes to issue a supplemental 2010 AHTF RFP for the \$2,500,000. The RFP time frame will be five weeks and will be issued in early February, 2011. It is anticipated that funding recommendations will be submitted to the City Council in early May, 2011. The source of funds will be federal CDBG funds only; therefore, a project must have costs which are CDBG eligible.

#### Eligible Projects:

1. 2010 RFP AHTF projects not yet approved.
2. Previous AHTF or Low Income Housing Tax Credit projects experiencing unexpected shortfall/gap.
3. Interagency Stabilization Group projects moving through the ISG technical review process.
4. New proposals receiving MHFA, HUD, and/or County funding awards.
5. Proposals with strong neighborhood support. This would be project proposals that have been reviewed and are supported (in writing) by the City recognized official neighborhood group on all of the following measures:
  - A) Identity of developer and identity of owner;
  - B) Number of units;
  - C) Project size (square footage number of floors);
  - D) Number of affordable units and number of market rate units; and
  - E) Projects physical design to the degree known.

#### Project Criteria:

1. Proposals must meet all AHTF guidelines, the minimum point threshold, and the total point threshold.
2. Applicant adequately demonstrates project financial soundness and feasibility.
3. Project must be CDBG eligible.

#### RFP Process:

1. Pipeline proposals will be due on a particular day and a specific time, rather than a "first come, first serve" approach. The exact day and time will be included in the RFP materials when it is issued and will be approximately five weeks from the day it is issued.
2. The applicant must submit the full AHTF application and exhibits.
3. Staff will conduct is proposal review and project underwriting of all CDBG eligible proposals.
4. Each CDBG eligible proposal will be scored and ranked according to the AHTF project selection criteria and the highest scoring projects will be recommended for approval until such time as the \$2,500,000 CDBG money is committed.
5. Development Finance Committee (if necessary) and City Council consideration of staff recommendations is expected to occur in early May, 2011.