

## **Request for City Council Committee Action from the Department of CPED**

Date: July 7, 2009

To: Council Member Lisa Goodman, Chair  
Community Development Committee

Referral to: Council Member Paul Ostrow, Chair  
Ways and Means Committee

Subject: Fiscal Year 2009 HOME Budget

Recommendation: Approve the Fiscal Year 2009 HOME Budget

Previous Directives: On April 10, 2009, the City Council approved the 2009 Consolidated Plan and authorized staff to submit the plan to HUD. The plan included the estimated Fiscal Year 2009 HOME funding amount for Minneapolis.

### Department Information

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

### **Financial Impact**

- No financial impact.

### **Community Impact**

- Neighborhood Notification: The Consolidated Plan with the Fiscal Year 2009 HOME funding amount was made public on March 13, 2009 to April 14, 2009. It was mailed to everyone on the Consolidated Plan mailing list and was posted on the City's website.
- City Goals: In five years all Minneapolis residents will have a better quality of life and access to housing and services.
- Sustainability Targets: Affordable housing production.
- Comprehensive Plan: 4.9 - Minneapolis will grow by increasing its supply of housing. 4:10 - Minneapolis will increase its housing that is affordable to low and moderate income households. 4.15 - Minneapolis will carefully identify project sites where housing redevelopment and/or housing revitalization are the appropriate responses to neighborhood conditions and market demand.
- Zoning Code: All projects approved for HOME funds will comply with the zoning code.

## Supporting Information

On April 10, 2009, the City Council approved the staff recommendation to submit the Fiscal Year (FY) 2009 Consolidated Plan to HUD. The plan included the estimated FY 2009 HOME funding amount; the Fiscal Year runs from June 1, 2009 to May 31, 2010. The total amount of HOME funds allocated to the City of Minneapolis for FY 2009 is \$3,802,361.

The HOME funds will be used for programs that will assist in the production and maintenance of decent affordable rental and ownership housing. Ten percent (10%) of the FY 2009 HOME funds will be used for administrative purposes. The proposed allocation of the FY 2009 HOME funds is as follows:

Affordable Housing Trust Fund (AHTF)	\$2,822,125
Home Ownership Works (HOW)	\$ 600,000
CPED Admin	\$ 365,236
Grants/Special Projects Admin	\$ 15,000
TOTAL	\$3,802,361

Funds allocated to the AHTF are used to provide gap financing for the production and stabilization of affordable rental housing. The program provides funds to develop or stabilize affordable rental projects needing gap financing to cover the difference between the total development cost and the amounts that can be secured from other sources. On average, approximately 225 units are either produced or stabilized annually. The Council approves the funding of each project.

Funds allocated to the HOW Program are used for either the renovation or new construction and sale of 10 to 20 vacant, single family dwellings. It is designed to address the goal of providing home ownership opportunities to low and moderate income homebuyers who would otherwise have difficulty in attaining home ownership. It is also designed to address the problem of abandoned and foreclosed houses.