

City of Minneapolis
Request for Committee Action

To: Community Development & Regulatory Services
Date: 12/1/2015
Referral: Ways & Means
From: Community Planning & Economic Development
Prepared by: Robert S. Russell
Presented by: Robert S. Russell
File type: Action
Subcategory: Budget

Subject:
Appropriation of HOME Program Income

Description:
Passage of Resolution amending the 2015 General Appropriation by increasing the Community Planning and Economic Development Agency Fund 01500 – HOME (01500-8900220, Residential Finance) appropriation by \$14,500.00 for the Affordable Housing Trust Fund program, and increasing the Community Planning and Economic Development Agency Fund 01500 – HOME (01500-8900230, Residential and Real Estate Development) appropriation by \$1,008,630.03 for the Home Ownership Works program and program administration from the available fund balance.

Previous Actions:
None

Ward/Address:
Not Applicable

Background/Analysis:
Annually the City of Minneapolis receives an appropriation of HOME funds through the federal Department of Housing and Urban Development (HUD). These appropriations can generate program income in the following ways:

- 1) In the Affordable Housing Trust Fund (AHTF) program, interest payments from a project with amortized debt.
- 2) In the Home Ownership Works (HOW) program, proceeds from the sale of houses to eligible owner occupants when interim construction financing is awarded and repaid.

All program income generated by HOME activities must be used in accordance with HUD rules for the production of affordable housing. CPED staff has identified a total of \$1,023,130.03 in program income – accrued from December 12, 2014 to October 20, 2015 – that must be added to the operating budget.

The additional appropriation of \$14,500.00 will increase the 2015 HOME budget for the AHTF program from \$1,406,189.00 to \$1,420,689.00.

The additional appropriation of \$1,008,630.03 will increase the 2015 HOME budget for the HOW program from \$531,850 to \$1,540,480.03.

Financial Review:

No additional appropriation required, amount included in current budget.

Future budget impact anticipated.

Increase the CPED Agency Fund 01500 – HOME (01500-8900220, Residential Finance) appropriation by \$14,500.00 for the AHTF program.

Increase the CPED Agency Fund 01500 – HOME (01500-8900230, Residential and Real Estate Development) appropriation by \$1,008,630.03 for the HOW program and program administration.

Approved by the Permanent Review Committee.

Meets Small and Underutilized Business Program goals.

Attachment:

1. HOME Program Income Appropriation_Resolution