

City of Minneapolis
Request for Committee Action

To: Community Development & Regulatory Services
Date: 1/19/2016
Referral: Ways & Means
From: Finance & Property Services
Prepared by: Paula Mazzacano, Development Grants Coordinator
Presented by: Paula Mazzacano, Development Grants Coordinator
File type: Resolution
Subcategory: Appropriation

Subject:

Authorizing the City of Minneapolis to Accept and Appropriate Metropolitan Council Livable Communities Local Housing Incentive Account (LHIA) grants awarded to the City of Minneapolis on behalf of City of Lakes Community Land Trust (\$150,000) and Marshall Flats (\$400,000); authorize execution of Grant and Sub-recipient Agreements.

Description:

Passage of Resolution amending the 2016 General Appropriation by increasing the Community Planning and Economic Development Agency Fund 01600 - Other Grants – State and Local (01600-8900230) appropriation by \$150,000 and (01600-8900220) by \$400,000. Authorizing appropriate City staff to execute such agreements as may be necessary to implement the Metropolitan Council Livable Communities Local Housing Incentive Account (LHIA) grants with the Metropolitan Council, and with City of Lakes Community Land Trust and Clare Housing and/or their related entities.

Previous Actions:

City of Lakes Community Land Trust:

- City of Lakes Community Land Trust received LHIA grant awards in 2006, 2008, 2011 and 2014, which the City Council accepted and appropriated.
- On December 11, 2015, the City Council adopted a Resolution authorizing City officials to sign an Acknowledgement of Receptivity to an LCA Award Form for this project.

Marshall Flats:

- On October 18, 2013, the City Council approved an allocation of 2013 AHTF loan of up to \$555,000 for the Marshall Flats project;
 - On May 10, 2013, the City Council recommended a maximum of \$150,000 to be allocated to Clare Lowry NE Minneapolis project from available HOPWA funds;
 - On October 31, 2014, the City Council approved an allocation of 2014 AHTF loan of an additional loan of up to \$100,000 for the Marshall Flats project; and
 - On October 31, 2014, the City Council approved an allocation of 2015 LIHTC of \$371,688 for the Marshall Flats-Clare Housing project.
 - On December 11, 2015, the City Council adopted a Resolution authorizing City officials to sign an Acknowledgement of Receptivity to an LCA Award Form for this project.
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Ward/Address:

Select a ward.

City of Lakes Community Land Trust – Wards 4, 5 and 7; Marshall Flats Ward 1

Background/Analysis:**Supporting Information – 2015 Local Housing Incentive Account Grant Awards**

On December 9, 2015, the Metropolitan Council awarded Livable Communities Local Housing Incentive Account (LHIA) grants to two projects located in the City of Minneapolis: City of Lakes Community Land Trust (\$150,000) and Marshall Flats (\$400,000). Staff is now requesting City Council authorization to accept and appropriate the LHIA grant awards, and to execute such agreements as may be necessary to implement the projects.

Grant Application and Award Process

The Local Housing Incentive Account (LHIA) helps expand lifecycle and affordable rental and ownership housing development and preservation in the region. Grants awarded from this account must be matched on a 1:1 ratio by the recipient community with local dollars for affordable housing activities, and may be used for costs associated with projects that help municipalities meet their negotiated Livable Communities Act housing goals. The program is conducted in coordination with the Minnesota Housing Finance Agency. Developers may apply directly to the Metropolitan Council for LHIA funding, using the consolidated Request for Proposals published by Minnesota Housing. While the LHIA program does not require direct City application, the grants are awarded to the City and funds passed to the developer applicant via a sub-recipient agreement.

The Metropolitan Council awarded eight (8) LHIA rental and ownership housing grants totaling \$2,200,000 in this funding round. The awards to projects located in the City of Minneapolis - City of Lakes Community Land Trust and Marshall Flats - represent 25% of the rental and ownership housing funds awarded. Both projects were also awarded funds from Minnesota Housing: City of Lakes Community Land Trust (\$727,500) and Marshall Flats (\$420,000).

Grant Award Summaries**City of Lakes Community Land Trust \$150,000 (City of Lakes Community Land Trust or related entity)**

City of Lakes Community Land Trust (CLCLT) was awarded grant funds for affordability gap and value gap assistance for its Homebuyer Initiated Program (HIP) in the City of Minneapolis. HIP is a buyer-driven homeownership model that allows the homebuyer to select and purchase a home via the community land trust model. With these funds, CLCLT will help transform foreclosed and vacant/boarded homes in North Minneapolis into opportunities for low-and moderate-income households. CLCLT will work with homebuyers to develop a scope of work to address issues of deferred maintenance, mechanical system repairs or upgrades, safety and code requirements, and energy efficiency retrofits.

The LHIA funding award will be matched by Minneapolis HOME/NSP funds.

Marshall Flats \$400,000 (Clare Housing or related entity)

The Marshall Flats development, to be developed by Clare Housing, involves construction of a 4-story, 36-unit permanent affordable supportive housing community for people living with the HIV/AIDS (PLWH/A) virus, many of whom are homeless or at-risk of homelessness, including seven (7) Long Term Homeless (LTH) units. The development will include 22 efficiency units and 14 one-bedroom units on floors 2 through 4. At least 15% of the units will be fully-accessible to serve residents experiencing health and mobility challenges. The first floor will house common areas featuring a community room with a small kitchen, supportive service offices and meeting

space, and a front desk staffed 24/7. This new construction project is subject to MHFA's Green Communities overlay, which requires the use of green design elements and materials. There will be eight (8) surface parking stalls on-site along with a shared parking arrangement for additional parking on the adjacent southern half of 201 Lowry Avenue NE.

The LHIA funding award will be matched by the City's Affordable Housing Trust Fund.

Financial Review:

Additional appropriation required.

Amend the 2016 General Appropriation by increasing the Community Planning and Economic Development Agency Fund 01600 – Other Grants – State and Local (01600-8900220) by \$400,000 and (01600-8900230) by \$150,000.

Future budget impact anticipated.

Grant administration fees totaling \$16,500 will help offset the City's cost of administering these grants.

Approved by the Permanent Review Committee.

Meets Small and Underutilized Business Program goals.

Attachments:

1. 2015 LHIA Awards Appropriation Resolution