

# City of Minneapolis

## Request for Committee Action

**To:** Community Development & Regulatory Services  
**Date:** 9/13/2016  
**Referral:** Ways & Means  
**From:** Community Planning & Economic Development  
**Lead Staff:** Cherie Shoquist, Principal Project Coordinator x5078  
**Presented by:** Cherie Shoquist  
**File Type:** Action  
**Subcategory:** Contract/Agreement

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**Subject:**

Homeownership Opportunity Minneapolis (HOM) Down Payment and Closing Cost Assistance Program

**Description:**

1. Approving an increase in the costs of loan administration from \$1,000 per loan to \$1,200 per loan in the contracts with Greater Metropolitan Housing Corporation and BuildWealth Minnesota to administer the HOM program. The cumulative cost of administering the loans will continue to be capped at a combined total of \$75,000.

**Previous Actions:**

On August 19, 2016, the City Council authorized a contract with Greater Metropolitan Housing Corporation (GMHC) to serve as the City's lender and administrator for mortgage assistance loan programs for a fee of \$1,200 per loan ([16-01129](#)). On June 17, 2016, the City Council authorized contracts with Greater Metropolitan Housing Corporation and BuildWealth Minnesota to administer HOM loans for a fee of \$1,000 per loan ([16-00763](#)). On February 13, 2015, the City Council approved the Homeownership Opportunity Minneapolis (HOM) program to provide down payment and closing cost assistance to Minneapolis homebuyers ([15-00146](#)). The HOM funds are included in the 2016 City of Minneapolis Budget.

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**Ward/Address:**

All Wards

**Background/Analysis:**

On June 17, 2016, the City Council authorized contracts with the Greater Metropolitan Housing Corporation (GMHC) and BuildWealth Minnesota to administer program loans in compliance with the City's HOM Program Guidelines. The HOM program is expected to launch in September 2016. The organizations have indicated that their costs for administration and overhead have increased. On August 19, 2016, the City Council approved an increase in the cost of GMHC's mortgage assistance loans from \$1,000 - \$1,200 per loan. Based on this action, staff recommends approval of the fee for loan administration of the HOM program for both administrators to increase from \$1,000 to \$1,200 per loan closed.

**Financial Review:**

**No additional appropriation required, amount included in current budget.**