



Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED

Date: December 13, 2011

To: Council Member Lisa Goodman, Community Development Committee

Subject: Authorize appropriate City officials to sign an Acknowledgement of Receptivity to an LCA Funding Award in the event that the Metropolitan Council awards Livable Communities Local Housing Incentive Account grant funds to certain projects located in the City of Minneapolis

Recommendation: That the appropriate City officials be authorized to sign an Acknowledgement of Receptivity to an LCA Funding Award form for projects recommended for Livable Communities Local Housing Incentive Account grant awards.

Previous Directives: n/a

Department Information

Prepared by: Paula Mazzacano, Development Grants Coordinator, 612 673-5129
Approved by: Jeffrey Streder, Director, Development Finance _____
Presenters in Committee: Paula Mazzacano, 612 673-5129

Reviews

- Permanent Review Committee (PRC): Approval n/a Date _____
- Civil Rights Approval Approval n/a Date _____
- Policy Review Group (PRG): Approval n/a Date _____

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification - n/a at this time
- City Goals - A Safe Place to Call Home – Healthy homes, welcoming neighborhoods; Homelessness eliminated.
- Sustainability Targets – Affordable Housing Units
- Comprehensive Plan - Section 4.9: Minneapolis will grow by increasing its supply of housing. Section 4.10: Minneapolis will increase its housing that is affordable to low and moderate income households. Section 4.11: Minneapolis will improve the availability of housing options for its residents.
- Zoning Code – n/a
- Other – n/a

Supporting Information

Since 1996, the Metropolitan Council has awarded grants through its Local Housing Incentive Account Program. 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 LCA housing goals. In Minneapolis, the match is usually provided by the developer-applicant. Recent Minneapolis projects awarded LHIA funds include Alliance Scattered Site Rehabilitation, City of Lakes Community Land Trust, Habitat for Humanity Foreclosure Remediation, and Riverside Plaza Rehabilitation.

The LHIA program is conducted in coordination with Minnesota Housing through their semi-annual RFP common application process. For 2011, Multi-Family Housing applications were due on June 15; Single-Family Housing applications were due on June 24. Developers apply directly to Minnesota Housing. There is little or no City staff involvement in the application process, and, unlike other Metropolitan Council grant programs, a resolution of City support is not a required component of the RFP LHIA application. Minnesota Housing and Metropolitan Council staff review each RFP and decide which agency will participate in the project financing for selected projects. The Council's Livable Communities staff recommendations are then presented to the Metropolitan Council for consideration and final approval. The staff report must include an Acknowledgement of Receptivity to an LCA Funding Award form signed by the City for each project recommended for LHIA funding. The form states that the recipient community "supports the affordable and life cycle objectives of the Livable Communities Act" and will "accept and make available in a timely manner to RFP applicant any LCA award to the city to assist the housing program or activity proposed in the application if such an award is made."

Metropolitan Council staff have provided the City with a roster of projects being recommended for LHIA funding. Therefore, City staff is seeking authorization for the appropriate City officials to sign Acknowledgement of Receptivity to an LCA Funding Award forms on behalf of the following projects:

Project Name: Currie Park Lofts Phase I
Developer: Fine Associates
Funding award: \$400,000

Project Name: Homebuyer Initiated Program
Developer: City of Lakes Community Land Trust
Funding award: \$175,000

Project Name: Spirit on Lake
Developer: PRG, Inc.
Funding award: \$250,000

The Metropolitan Council is expected to finalize its 2011 LHIA grant awards in January 2012. The City Council will formally accept the grant awards and appropriate the grant funds soon thereafter.

Authorizing the proper City officials to sign an Acknowledgement of Receptivity to an LCA Funding Award form in support of the award of Metropolitan Council Livable Communities Local Housing Incentive Account grant funds to certain projects located in the City of Minneapolis

Whereas, the City of Minneapolis (the "City") was and is a participant in the Livable Communities Act's Housing Incentives Program as determined by the Metropolitan Council, and is therefore eligible to participate in the Local Housing Incentive Account grant program; and

Whereas, the Metropolitan Council has notified the City that the following projects applied for funds through the Minnesota Housing Common Application process: Currie Park Lofts Phase I, Homebuyer Initiated Program, and Spirit on Lake; and,

Whereas, the City intends to accept and make available in a timely manner to these applicants any Livable Communities Act award to the City to assist the housing program or activity proposed in the applications submitted for the above-mentioned projects in June of 2011, subject to final staff verification of each payment request's compliance with the Local Housing Incentive Account grant program's purposes and criteria; and

Whereas, the City has the institutional, managerial and financial capability to ensure adequate project administration; and

Whereas, upon approval of one or more of its applications, the City may enter into agreements with the Metropolitan Council for one or more of the above-reference projects and will comply with all applicable laws and regulations stated in such agreements;

Now, Therefore, Be It Resolved By The City Council of the City of Minneapolis:

That the City Council authorizes the appropriate City officials to sign an Acknowledgement of Receptivity to an LCA Funding Award in support of the award of Metropolitan Council Livable Communities Local Housing Incentive Account grant funds to certain projects located in the City of Minneapolis, and to execute such agreements as are necessary to implement the projects.