

# Action Plan

**Grantee: Minneapolis, MN**

**Grant: B-11-MN-27-0001**

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<b>LOCCS Authorized Amount:</b>	\$ 2,671,275.00
<b>Grant Award Amount:</b>	\$ 2,671,275.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL Funds:</b>	\$ 117,414.61
<b>Total Budget:</b>	\$ 2,788,689.61

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## Funding Sources

**No Funding Sources Found**

## Narratives

### Summary of Distribution and Uses of NSP Funds:

Eligible Uses C (Land Banking) and D (Demolition)- \$657,573. Due to the high foreclosure rates in the priority 1 and 2 areas an unusually large number of properties have been abandoned and left to deteriorate and become a problem due to lack of care and maintenance. This activity will treat 10 vacant or foreclosed blighted properties through acquisition and through demolition in Activity Number 2. These properties will be held for future redevelopment. The City has programs in place to ensure that neighborhood residents, women and minority owned businesses participate in the demolition and redevelopment of NSP properties, meeting vicinity hiring and Section 3 goals. Properties acquired and demolished will be held for a minimum of 12 months to be redeveloped at a time when the housing market is healthy and can absorb new construction homes in the area. Eligible Use E (Redevelopment) Single Family Homes-Ownership -- \$930,000 Development gap funding to be provided as a grant for the rehabilitation of 12 vacant or foreclosed single family homes for homeownership. Provide homeowner incentive (0%) of \$7,500. All households with income at or below 80% AMI will be eligible for an additional \$10,000. Households who acquire properties rehabilitated through the NSP 3 program will be required to remain as owner occupants in compliance with HOME regulations based on the amount of assistance provided to the project or direct assistance to the home buyer. Eligible Use E (Redevelopment) Rental (2+ units) -- \$188,000 Development gap funding provided as a grant for the rehabilitation of 10 rental units. As a result of the foreclosure crisis, small rental properties which have historically not been an issue have increasingly become vacant. Recognizing this problem we have made these properties a priority for development of affordable rental housing in our priority areas. This activity provides for the development of affordable rental housing and will assist in meeting the requirement that 25 % of the funds be set aside for households with incomes at or below 50% of Area Median Income. The affordability period for (5-10-15 years in compliance with HOME Regulations except in cases of new construction the affordability term will be 20 years) will be determined on the basis of the amount of NSP subsidy in each project. Standard HOME monitoring and enforcement standards apply to both single family and multifamily redevelopment. For rental development, the affordability requirements are included in the executed contract with the developers and supported by a zero interest Note and Mortgage. CPED will conduct onsite monitoring as required by HOME regulations and NSP developers will report on the continued affordability on an annual basis. Eligible Use B (Purchase Rehab) Rental (2+ units) -- \$682,000 Development gap funding provided as a grant for the rehabilitation of rental units. As a result of the foreclosure crisis, small rental properties which have historically not been an issue have increasingly become vacant. Recognizing this problem we have made these properties a priority for development of affordable rental housing in our priority areas. This activity provides for the development of affordable rental housing and will assist in meeting the requirement that 25 % of the funds be set aside for households with incomes at or below 50% of Area Median Income. The affordability period for (5-10-15 years in compliance with HOME Regulations) will be determined on the basis of the amount of NSP subsidy in each project. Standard HOME monitoring and enforcement standards apply to both single family and multifamily redevelopment. For rental development, the affordability requirements are included in the executed contract with the developers and supported by a



zero interest Note and Mortgage. CPED will conduct onsite monitoring as required by HOME regulations and

### **How Fund Use Addresses Market Conditions:**

As of October 5, 2012, the NSP3 priority areas were amended in the Action Plan. The change was made necessary by changing housing market conditions and original target area was expanded. A map of the new area can be found at [http://www.minneapolismn.gov/foreclosure/foreclosure\\_nsp\\_3](http://www.minneapolismn.gov/foreclosure/foreclosure_nsp_3)

Minneapolis submits a revised Minneapolis NSP3 Priority Area Map consisting of:

This activity will take place in the North Minneapolis Priority Area in the North Minneapolis Neighborhood. This area is bounded by I-94 in the east, by 18th Avenue in the south, by Vincent Avenue in the west, and by Dowling Avenue in the north.

If the market changes significantly by the time the NSP3 funds are available to implement the proposed activities, additional priority areas with the greatest need as established by the HUD mapping tool will be considered.

Analysis of the data sources above with input from stakeholders including: neighborhood residents, non profit and for profit developers, philanthropic organizations, realtors, lenders, City Officials and staff.

NSP3 funds will give priority emphasis to areas of greatest need in Priority Area North Minneapolis. Based on our analysis we found that these neighborhoods have the highest percentage of home foreclosures, vacant and abandoned small rental properties (less than 8 units), the highest percentage of properties financed by subprime mortgage related loans, and have been identified as likely to face a significant rise in the rate of home foreclosures.

Low-income targeting will be met through redevelopment of affordable rental property. In Minneapolis, the program design calls for any rehabilitation of properties with two or more units to be rental. Additionally, all rental will be affordable to households with incomes at, or below 50% AMI. Minneapolis has experience addressing this, as three of the eight non-profit partners we plan to work with on NSP3 are developers that have assisted us in addressing affordable rental in NSP1 and are poised to do same in NSP2 and 3.

### **Ensuring Continued Affordability:**

The affordability period for both rental and ownership units (5-10-15 years in compliance with HOME Regulations except in cases of new construction the affordability term will be 20 years) will be determined on the basis of the amount of NSP subsidy in each project. Standard HOME monitoring and enforcement standards apply to both single family and multifamily redevelopment. For single family redevelopment, a declaration will be placed with the property. Resale will be used to preserve affordability. For rental development, the affordability requirements are included in the executed contract with the developers and supported by a zero interest Note and Mortgage. CPED will conduct onsite monitoring as required by HOME regulations and NSP developers will report on the continued affordability on an annual basis.

### **Definition of Blighted Structure:**

Blighted structure is defined by the City of Minneapolis Code or Ordinances Chapter 249 standards for nuisance.

249.30. "Nuisance condition" defined; waiver of waiting period. (a) A building within the city shall be deemed a nuisance condition if:

- (1) It is vacant and unoccupied for the purpose for which it was erected and for which purpose a certificate of occupancy may have been issued, and the building has remained substantially in such condition for a period of at least six (6) months; or
  - (2) The building is unfit for occupancy as it fails to meet the minimum standards set out by city ordinances before a certificate of code compliance could be granted, or is unfit for human habitation because it fails to meet the minimum standards set out in the Minneapolis housing maintenance code, or the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty (60) days; or
  - (3) Evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building; or
  - (4) Evidence, including but not limited to rehab assessments completed by CPED, clearly demonstrates that the cost of rehabilitation is not justified when compared to the after rehabilitation resale value of the building.
- (b) When it is determined by the director of inspections or the city fire marshal that a building constitutes an immediate hazard to the public health and safety, and after approval by the city council, the sixty-day waiting period set out in this section may be waived and the other procedures, as set out in this chapter, may be implemented immediately.
- (c) Notwithstanding the foregoing provisions, accessory buildings such as garages, barns and other similar structures, not intended to be used for human habitation, shall be deemed to constitute a nuisance condition when such buildings are in violation of section 244.1560 of the housing maintenance code which regulates non-dwelling structures or when such accessory buildings are structurally unsound in the opinion of the director of inspections. (76-Or-102, § 1, 7-9-76; 77-Or-226, § 2, 11-10-77; 78-Or-233, § 2, 11-9-78; 79-Or-016, § 1, 1-26-79; 80-Or-181, § 1, 8-8-80; 84-Or-095, § 1, 6-15-84; 86-Or-236, § 1, 10-10-86; 91-Or-157, § 1, 8-9-91; 92-Or-110, § 2, 9-11-92; 93-Or-142, § 1, 10-1-93; 94-Or-123, § 2, 9-16-94; 2006-Or-059, § 1, 5-26-06)

### **Definition of Affordable Rents:**

Affordable rents are as defined by HOME. See the HUD established Fair Market Rents at: <http://www.huduser.org/portal/datasets/fmr.html>



## Housing Rehabilitation/New Construction Standards:

The rehabilitation standards meet Energy Star requirements and ASHRAE standards, will require Energy Star-46 and WaterSense labeled products as appropriate, and mitigate the impact of disasters. Rehabilitation Standards NSP HOUSING REHAB STANDARDS NOTE: All details and/or materials listed may be subject to change or deletion, as required by specific location or structure. All changes must be approved in writing by CPED Project Staff. The City of Minneapolis will adopt the following standards for all rehab projects associated with the Neighborhood Stabilization Program. These guidelines are to be used in conjunction with the minimum code associated with all permits pulled for the completion of the rehabilitation. Additionally, all developers are encouraged to perform sustainability techniques and use Energy Star products and standards.

**BASEMENT**

- Basement floors shall be concrete with no tripping hazards or exposed dirt.
- Replace hazardous or unserviceable stairways
- All structural concerns need to be addressed, including cracks and limestone foundations must be properly tuck-pointed.
- Basement walls should be free of scaling or spalling material. Apply two coats of waterproofing.

**PLUMBING**

- Provide a minimum of a single laundry tub and washer bib-cocks.
- Provide one exterior sill-cock centrally located to reach front and rear yards.
- When the water heater needs to be replaced, install a new 40-gallon water heater in 2 bedroom homes and 50-gallon water heater in 3+ bedroom homes.
- Sewer systems must be individual and separate from adjacent buildings / properties. If the existing sewer system is retained, it must be cleaned out to the city sewer main. Install a Clean Out, if there is no Main Clean Out.
- Provide an exterior vent for clothes dryer through the rim joist area. If rim joist venting is not accessible, alternatives can be discussed. Window venting is not acceptable. Glass block venting may be acceptable as determined by CPED.
- Replacement of bathtubs shall be restricted to either cast iron tubs or fiberglass tub enclosures. **NO STEEL TUBS!**

**HEATING & VENTILATION**

- If an existing heating plant will be retained, general contractor must provide written certification from a licensed heating contractor that the plant is at least 80% efficient, and the existing system meets code. All valves on radiators must be operational.
- If replacement is required, replacement units shall be a minimum of 90% efficient and be placed on a 2" concrete pad or legs.
- All kitchens must have a hood fan, which shall be vented to the outside where possible. Where not possible, please notify CPED at the time plans and specs are submitted for review.
- Bathroom fans will be vented to the exterior.
- Whole House Ventilation: Provide a low zone ceiling exhaust fan vented to the exterior, and a wall switch set for continuous half speed venting with full speed boost.

**ATTIC ACCESS**

- Install attic access with weather-stripping and insulate to code. Attic access must be open at final inspection for verification of insulation.

**ELECTRIC**

- Minimum of 100-amp service per unit.
- Dwelling and garage must be wired to code (Note: all non-grounded to grounded type).
- Dwelling to have a minimum of two exterior receptacles for the (1) front and (1) rear.
- Each outside entry door to have lightg.

**INSULATION NOTE:** Order energy audit and insulate according to energy audit recommendations. In the event of any inconsistencies between the Energy Audit and these Rehab Standards, the Energy Audit shall prevail. Minimally the following standards shall apply:

- If rim joist is accessible, insulate to R-19.
- Insulate sidewalls, if sidewalls are enclosed insulate to R-14 with the "blow-in-blanket" system or R-13 batts to code on all exposed framing areas.
- Insulate attic to R-44.
- & amp

## Vicinity Hiring:

Minneapolis has great success with NSP1 with Section 3 goals and we plan to employ similar strategies to achieve vicinity hiring requirements in NSP3. Vicinity hiring requirements will be met by connecting with neighborhood organizations to get the word out in NSP3 target areas, identifying contractors that are currently on the City's Section 3 list that are located in the project area and agree to hire from the NSP3 target areas, advertising in local newspapers that cater to the target area and continue to encourage contractors that work on NSP1 and NSP2 projects to hire from the target area. Our vicinity hiring goals are employ residents of 1) first priority NSP3 target area, 2) second priority NSP3 target areas, 3) NSP target areas, 4) City of Minneapolis Section 3 residents.

## Procedures for Preferences for Affordable Rental Dev.:

Low-income targeting will be met through redevelopment of affordable rental property. In Minneapolis, the program design calls for any rehabilitation of properties with two or more units to be rental. Additionally, all rental will be affordable to households with incomes at, or below 50% AMI. Minneapolis has experience addressing this, as three of the eight non-profit partners we plan to work with on NSP3 are developers that have assisted us in addressing affordable rental in NSP1 and are poised to do same in NSP2 and 3.

## Grantee Contact Information:

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## Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1	Demolition and LandBanking	1N3LandBankAcq 1N3LandBankDemolition	LandBank Acquisition LandBankDemolition
2	Redevelopment-	2N3RedevelopmentSingle Family Homes - Ownership	Redevelopment Single Family Homes - Ownership



3	Redevelopment Rental (2+ units)	2N3RedevelopmentSingleFam ilyHomes-H/O<50	Redevelopment Single Family Homes Ownership <50%
4	NSP3 Administration	3N3RedevelopmentRental	RedevelopmentRental
5	PurchaseRehabRental<50%AMI	4N3Adminstration	Administration
9999	Restricted Balance	5N3PurchaseRehabRental<50	Purchase RehabRental<50% AMI
		<i>No activities in this project</i>	



# Activities

## Project # / 1 / Demolition and Land Banking for Future

**Grantee Activity Number:** 1N3LandBankAcq  
**Activity Title:** LandBank Acquisition

**Activity Type:**  
 Land Banking - Acquisition (NSP Only)

**Project Number:**  
 1

**Projected Start Date:**  
 03/16/2011

**Project Draw Block by HUD:**  
 Not Blocked

**Activity Draw Block by HUD:**  
 Not Blocked

**Block Drawdown By Grantee:**  
 Not Blocked

**National Objective:**  
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Benefit Report Type:**  
 Area Benefit (Census)

**Activity Status:**  
 Completed  
**Project Title:**  
 Demolition and Land Banking for  
**Projected End Date:**  
 06/30/2019

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 515,095.06  
**Most Impacted and Distressed Budget:** \$ 0.00  
**Other Funds:** \$ 0.00  
**Total Funds:** \$ 515,095.06

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# of Persons	25555	11954	7171	74.84

Proposed Accomplishments	Total
# of Properties	52

<b>LMI%:</b>	74.84
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**Activity is being carried out by**  
 Yes

**Activity is being carried out through:**  
 Grantee Employees and Contractors

**Organization carrying out Activity:**  
 City of Minneapolis Community Planning and Economic Development Department

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget
City of Minneapolis Community Planning and Economic Development	Local Government	\$ 515,095.06

**Location Description:**

This activity will take place in the North Minneapolis Priority Area in the North Minneapolis Neighborhood. This area is bounded by I-94 in the east, by 18th Avenue in the south, by Vincent Avenue in the west, and by Dowling Avenue in the north.

**Activity Description:**

Due to the high foreclosure rates in the priority 1 and 2 areas an unusually large number of properties have been abandoned and left to deteriorate and become a problem due to lack of care and maintenance. This activity will acquire several dozen properties as supply of appropriate vacant or foreclosed blighted properties and funding allow. The City conducted an assessment of vacant structures and determined which properties should be maintained in the Land Bank because the structures required demo and were not habitable. These properties will have blighted structures cleared, if necessary, and held in a land bank. They will then be maintained in the land bank until future redevelopment or other eligible NSP disposition.

The City has programs in place to ensure that neighborhood residents, women and minority owned businesses participate in the demolition and redevelopment of NSP properties, meeting vicinity hiring and Section 3 goals. Properties acquired and demolished will be held for a minimum of 12 months to be redeveloped at a time when the housing market is healthy and can absorb new construction homes in the area.

Minneapolis has great success with NSP1 with Section 3 goals and we plan to employ similar strategies to achieve vicinity hiring requirements in NSP3. Vicinity hiring requirements will be met by connecting with neighborhood organizations to get the word out in NSP3 target areas, identifying contractors that are currently on the City’s Section 3 list that are located in the project area and agree to hire from the NSP3 target areas, advertising in local newspapers that cater to the target area and continue to encouraging contractors that work on NSP1 and NSP2 projects to hire from the target area. Our vicinity hiring goals are employ residents of 1) first priority NSP3 target area, 2) second priority NSP3 target areas, 3) NSP target areas, 4) City of Minneapolis Section 3 residents.

**Environmental Assessment:** COMPLETED

**Environmental** None



**Grantee Activity Number: 1N3LandBankDemolition**  
**Activity Title: LandBankDemolition**

**Activity Type:**  
 Clearance and Demolition

**Activity Status:**  
 Completed

**Project Number:**  
 1

**Project Title:**  
 Demolition and Land Banking for

**Projected Start Date:**  
 03/16/2011

**Projected End Date:**  
 01/01/2020

**Project Draw Block by HUD:**  
 Not Blocked

**Project Draw Block Date by HUD:**

**Activity Draw Block by HUD:**  
 Not Blocked

**Activity Draw Block Date by HUD:**

**Block Drawdown By Grantee:**  
 Not Blocked

**Total Budget:** \$ 273,310.29

**Most Impacted and Distressed Budget:** \$ 0.00

**National Objective:**  
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Other Funds:** \$ 0.00

**Total Funds:** \$ 273,310.29

**Benefit Report Type:**  
 Area Benefit (Census)

**Ancillary Activities**

Responsible Organization	Activity Type	Project #	Grantee Activity #	Activity Title	Program Income Account
City of Minneapolis Community Planning and Economic Development Department	Land Banking - Acquisition (NSP Only)	1	1N3LandBankAcq	LandBank Acquisition	General Account

**Association Description:**

The City acquired and demolished blighted vacant structures. These properties were then held in the City's Land Bank. Performance measures are reflected in the Land Bank activity for outcome reporting purposes.

**Proposed Beneficiaries**

**# of Persons**

Total	Low	Mod	Low/Mod%
25555	11954	7171	74.84

<b>LMI%:</b>	74.84
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**Activity is being carried out by**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Minneapolis Community Planning and Economic Development Department

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget
City of Minneapolis Community Planning and Economic Development	Local Government	\$ 273,310.29

**Location Description:**

This activity will take place in the North Minneapolis Priority Area in the North Minneapolis Neighborhood. This area is bounded by I-94 in the east, by 18th Avenue in the south, by Vincent Avenue in the west, and by Dowling Avenue in the north.

**Activity Description:**

Due to the high foreclosure rates in the priority 1 and 2 areas an unusually large number of properties have been abandoned and left to deteriorate and become a problem due to lack of care and maintenance. This activity will treat ~18 vacant or foreclosed blighted properties through acquisition and through demolition. These properties will be held for future redevelopment or disposed of through change of use. The City has programs in place to ensure that neighborhood residents, women and minority owned businesses participate in the demolition and redevelopment of NSP properties, meeting vicinity hiring and Section 3 goals. Properties acquired and demolished will be held for a minimum of 12 months to be redeveloped at a time when the housing market is healthy and can absorb new construction homes in the area. Minneapolis has great success with NSP1 with Section 3 goals and we plan to employ similar strategies to achieve vicinity hiring requirements in NSP3. Vicinity hiring requirements will be met by connecting with neighborhood organizations to get the word out in NSP3 target areas, identifying contractors that are currently on the City's Section 3 list that are located in the project area and agree to hire from the NSP3 target areas, advertising in local newspapers that cater to the target area and continue to encouraging contractors that work on NSP1 and NSP2 projects to hire from the target area. Our vicinity hiring goals are employ residents of 1) first priority NSP3 target area, 2) second priority NSP3 target areas, 3) NSP target areas, 4) City of Minneapolis Section 3 residents. In the end 23 properties had demolition costs under this activity, and all of these properties later flowed through the landbank activity and are included in the 80 properties reported there. All address and performance measure reporting associated with this activity appears in that associated activity.

**Environmental Assessment:** COMPLETED

**Environmental:** None

**Project # / 2 / Redevelopment-Single+Family+Homes-Ownership**

**Grantee Activity Number:** 2N3RedevelopmentSingle Family Homes - Ownership

**Activity Title:** Redevelopment Single Family Homes -



## Ownership

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

2

**Projected Start Date:**

03/16/2011

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Activity Status:**

Completed

**Project Title:**

Redevelopment-Single+Family+Homes-

**Projected End Date:**

06/30/2019

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 430,295.28

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 430,295.28

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# Owner Households

Total	Low	Mod	Low/Mod%
12		8	66.67
12		8	66.67

# of Households

**Proposed Accomplishments**

# of Singlefamily Units

**Total**

# of Housing Units

# of Substantially Rehabilitated Units

#Units & other green

#Sites re-used

#Units exceeding Energy Star

#Units with bus/rail access

#Low flow showerheads

#Low flow toilets

#Dishwashers replaced

#Clothes washers replaced

#Refrigerators replaced

#Light fixtures (outdoors) replaced

#Light Fixtures (indoors) replaced



#Replaced hot water heaters	12
#Replaced thermostats	6
#Efficient AC added/replaced	6
#High efficiency heating plants	12
#Additional Attic/Roof Insulation	12
#Energy Star Replacement Windows	24
# of Properties	12

**Activity is being carried out by**

Yes

**Activity is being carried out through:**

Grantee Employees and Contractors

**Organization carrying out Activity:**

City of Minneapolis Community Planning and Economic Development Department

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget
City of Minneapolis Community Planning and Economic Development	Local Government	\$ 430,295.28

**Location Description:**

This activity will take place in the North Minneapolis Priority Area in the North Minneapolis Neighborhood. This area is bounded by I-94 in the east, by 18th Avenue in the south, by Vincent Avenue in the west, and by Dowling Avenue in the north.

**Activity Description:**

Development gap funding to be provided as a grant for the rehabilitation of 12 vacant or foreclosed single family homes for homeownership. Provide homeowner incentive (0%) of \$7,500. All households with income at or below 80% AMI will be eligible for an additional \$10,000. Homebuyer assistance is secured with a note and mortgage for recapture restrictions, or a declaration of covenants with resale requirements for resale restrictions. Homebuyer assistance cannot exceed 50% of required DPA plus closing costs.

Households who acquire properties rehabilitated through the NSP 3 program will be required to remain as owner occupants in compliance with HOME regulations based on the amount of assistance provided to the project or direct assistance to the home buyer. Minneapolis has great success with NSP1 with Section 3 goals and we plan to employ similar strategies to achieve vicinity hiring requirements in NSP3. Vicinity hiring requirements will be met by connecting with neighborhood organizations to get the word out in NSP3 target areas, identifying contractors that are currently on the City's Section 3 list that are located in the project area and agree to hire from the NSP3 target areas, advertising in local newspapers that cater to the target area and continue to encouraging contractors that work on NSP1 and NSP2 projects to hire from the target area. Our vicinity hiring goals are employ residents of 1) first priority NSP3 target area, 2) second priority NSP3 target areas, 3) NSP target areas, 4) City of Minneapolis Section 3 residents.

**Environmental Assessment:** COMPLETED

**Environmental** None





**Grantee Activity Number:** 2N3RedevelopmentSingleFamilyHomes-H/O<50

**Activity Title:** Redevelopment Single Family Homes Ownership <50%

**Activity Type:**  
Rehabilitation/reconstruction of residential structures

**Project Number:**  
2

**Projected Start Date:**  
03/16/2011

**Project Draw Block by HUD:**  
Not Blocked

**Activity Draw Block by HUD:**  
Not Blocked

**Block Drawdown By Grantee:**  
Not Blocked

**National Objective:**  
LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Benefit Report Type:**  
Direct (Households)

**Activity Status:**  
Completed

**Project Title:**  
Redevelopment-Single+Family+Homes-

**Projected End Date:**  
06/09/2019

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 477,184.20

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 477,184.20

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	4	4		100.00
# of Households	4	4		100.00

Proposed Accomplishments	Total
# of Singlefamily Units	4
# of Housing Units	4
#Units & other green	4
#Sites re-used	4
#Units exceeding Energy Star	4
#Units with bus/rail access	4
#Low flow showerheads	4
#Low flow toilets	4
#Units with solar panels	
#High efficiency heating plants	4
#Additional Attic/Roof Insulation	4
# of Properties	4



**Activity is being carried out by**

No

**Activity is being carried out through:****Organization carrying out Activity:**

City of Minneapolis Community Planning and Economic Development Department

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget
City of Minneapolis Community Planning and Economic Development	Local Government	\$ 477,184.20

**Location Description:**

This activity will take place in the North Minneapolis Priority Area in the North Minneapolis Neighborhood. This area is bounded by I-94 in the east, by 18th Avenue in the south, by Vincent Avenue in the west, and by Dowling Avenue in the north.

**Activity Description:**

Development gap funding to be provided as a grant for the rehabilitation of vacant or foreclosed single family homes for homeownership. Provide homeowner incentive (0%) of \$7,500. All households with income at or below 80% AMI will be eligible for an additional \$10,000. Homebuyer assistance is secured with a note and mortgage for recapture restrictions, or a declaration of covenants with resale requirements for resale restrictions. Homebuyer assistance cannot exceed 50% of required DPA plus closing costs.

Households who acquire properties rehabilitated through the NSP 3 program will be required to remain as owner occupants in compliance with HOME regulations based on the amount of assistance provided to the project or direct assistance to the home buyer. Minneapolis has great success with NSP1 with Section 3 goals and we plan to employ similar strategies to achieve vicinity hiring requirements in NSP3. Vicinity hiring requirements will be met by connecting with neighborhood organizations to get the word out in NSP3 target areas, identifying contractors that are currently on the City's Section 3 list that are located in the project area and agree to hire from the NSP3 target areas, advertising in local newspapers that cater to the target area and continue to encouraging contractors that work on NSP1 and NSP2 projects to hire from the target area. Our vicinity hiring goals are employ residents of 1) first priority NSP3 target area, 2) second priority NSP3 target areas, 3) NSP target areas, 4) City of Minneapolis Section 3 residents.

**Environmental Assessment:** COMPLETED

**Environmental:** None

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**Project # / 3 / Redevelopment Rental (2+ units)**

**Grantee Activity Number:** 3N3RedevelopmentRental

**Activity Title:** RedevelopmentRental

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Completed



**Project Number:**

3

**Projected Start Date:**

03/16/2011

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Project Title:**

Redevelopment Rental (2+ units)

**Projected End Date:**

06/30/2019

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:****Total Budget:** \$ 188,000.00**Most Impacted and Distressed Budget:** \$ 0.00**Other Funds:** \$ 0.00**Total Funds:** \$ 188,000.00**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Renter Households	10	10		100.00
# of Households	10	10		100.00

**Proposed Accomplishments**

	<b>Total</b>
# of Singlefamily Units	10
# of Housing Units	10
# of Substantially Rehabilitated Units	10
# ELI Households (0-30% AMI)	
#Sites re-used	10
#Units with bus/rail access	10
#Low flow showerheads	10
#Low flow toilets	10
#Clothes washers replaced	10
#Refrigerators replaced	10
#Light fixtures (outdoors) replaced	10
#Light Fixtures (indoors) replaced	10
#Replaced hot water heaters	10
#Replaced thermostats	10



#Efficient AC added/replaced	10
#High efficiency heating plants	10
#Additional Attic/Roof Insulation	10
#Energy Star Replacement Windows	10
# of Properties	3

**Activity is being carried out by**

Yes

**Activity is being carried out through:**

Grantee Employees and Contractors

**Organization carrying out Activity:**

City of Minneapolis Community Planning and Economic Development Department

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget
City of Minneapolis Community Planning and Economic Development	Local Government	\$ 188,000.00

**Location Description:**

This activity will take place in the North Minneapolis Priority Area in the North Minneapolis Neighborhood. This area is bounded by I-94 in the east, by 18th Avenue in the south, by Vincent Avenue in the west, and by Dowling Avenue in the north.

**Activity Description:**

Development gap funding provided as a grant for the rehabilitation of 10 rental units. As a result of the foreclosure crisis, small rental properties which have historically not been an issue have increasingly become vacant. Recognizing this problem we have made these properties a priority for development of affordable rental housing in our priority areas. This activity provides for the development of affordable rental housing and will assist in meeting the requirement that 25 % of the funds be set aside for households with incomes at or below 50% of Area Median Income. The affordability period for (5-10-15 years in compliance with HOME Regulations except in cases of new construction the affordability term will be 20 years) will be determined on the basis of the amount of NSP subsidy in each project. Standard HOME monitoring and enforcement standards apply to both single family and multifamily redevelopment. For rental development, the affordability requirements are included in the executed contract with the developers and supported by a zero interest Note and Mortgage. The City of Minneapolis provided financing in amounts ranging from \$60,000 to \$80,000 per affordable rental unit. Units were restricted to 50% of area median income and NSP investment is secured through a declaration of covenants. The selected developer owns and manages the properties during the affordability period. The City has contracted with a 3rd party rental monitoring company to provide oversight and audit compliance during the affordability period. CPED will conduct onsite monitoring as required by HOME regulations and NSP developers will report on the continued affordability on an annual basis. Minneapolis has great success with NSP1 with Section 3 goals and we plan to employ similar strategies to achieve vicinity hiring requirements in NSP3. Vicinity hiring requirements will be met by connecting with neighborhood organizations to get the word out in NSP3 target areas, identifying contractors that are currently on the City's Section 3 list that are located in the project area and agree to hire from the NSP3 target areas, advertising in local newspapers that cater to the target area and continue to encouraging contractors that work on NSP1 and NSP2 projects to hire from the target area. Our vicinity hiring goals are employ residents of 1) first priority NSP3 target area, 2) second priority NSP3 target areas, 3) NSP target areas, 4) City of Minneapolis Section 3 residents.

**Environmental Assessment:** COMPLETED

**Environmental** None



**Project # / 4 / NSP3 Administration**

**Grantee Activity Number:** 4N3Adminstration  
**Activity Title:** Administration

**Activity Type:**

Administration

**Project Number:**

4

**Projected Start Date:**

03/16/2011

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

**Benefit Report Type:**

NA

**Activity Status:**

Completed

**Project Title:**

NSP3 Administration

**Projected End Date:**

06/30/2019

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 222,804.78

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 222,804.78

**Activity is being carried out by**

Yes

**Activity is being carried out through:**

Grantee Employees and Contractors

**Organization carrying out Activity:**

City of Minneapolis Community Planning and Economic Development Department

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

City of Minneapolis Community Planning and Economic Development

**Organization Type**

Local Government

**Proposed Budget**

\$ 222,804.78



**Location Description:**

This activity will predominantly take place at the various city offices in Minneapolis MN.

**Activity Description:**

The administration activity will cover the administrative costs associated with this grant.

**Environmental Assessment:** EXEMPT

**Environmental** None

**Project # / 5 / PurchaseRehabRental<50%AMI**

**Grantee Activity Number:** 5N3PurchaseRehabRental<50  
**Activity Title:** Purchase RehabRental<50% AMI

**Activity Type:**  
Rehabilitation/reconstruction of residential structures

**Project Number:**  
5

**Projected Start Date:**  
03/16/2011

**Project Draw Block by HUD:**  
Not Blocked

**Activity Draw Block by HUD:**  
Not Blocked

**Block Drawdown By Grantee:**  
Not Blocked

**National Objective:**  
LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Benefit Report Type:**  
Direct (Households)

**Activity Status:**  
Completed  
**Project Title:**  
PurchaseRehabRental<50%AMI  
**Projected End Date:**  
06/30/2019

**Project Draw Block Date by HUD:**  
  
**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 682,000.00  
**Most Impacted and Distressed Budget:** \$ 0.00  
**Other Funds:** \$ 0.00  
**Total Funds:** \$ 682,000.00

**Proposed Beneficiaries** **Total** **Low** **Mod** **Low/Mod%**



# Renter Households	9	9	100.00
# of Households	9	9	100.00

**Proposed Accomplishments**

	<b>Total</b>
# of Multifamily Units	9
# of Housing Units	9
# of Substantially Rehabilitated Units	9
# ELI Households (0-30% AMI)	
#Units $\checkmark$ other green	9
#Sites re-used	9
#Units exceeding Energy Star	9
#Units with bus/rail access	9
#Low flow showerheads	9
#Low flow toilets	9
#Units with solar panels	
#Clothes washers replaced	9
#Refrigerators replaced	9
#Light fixtures (outdoors) replaced	9
#Light Fixtures (indoors) replaced	9
#Replaced thermostats	9
#Efficient AC added/replaced	9
#High efficiency heating plants	9
#Additional Attic/Roof Insulation	9
#Energy Star Replacement Windows	9
# of Properties	3

**Activity is being carried out by**

Yes

**Activity is being carried out through:**

Grantee Employees and Contractors

**Organization carrying out Activity:**

City of Minneapolis Community Planning and Economic Development Department

**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed Budget</b>
City of Minneapolis Community Planning and Economic Development	Local Government	\$ 682,000.00

**Location Description:**

This activity will take place in the North Minneapolis Priority Area in the North Minneapolis Neighborhood. This area is bounded by I-94 in the east, by 18th Avenue in the south, by Vincent Avenue in the west, and by Dowling Avenue in the north.

**Activity Description:**

Development gap funding provided as a grant for the rehabilitation of rental units. As a result of the foreclosure crisis, small rental properties which have historically not been an issue have increasingly become vacant. Recognizing this problem we have made these properties a priority for development of affordable rental



housing in our priority areas. This activity provides for the development of affordable rental housing and will assist in meeting the requirement that 25 % of the funds be set aside for households with incomes at or below 50% of Area Median Income. The affordability period for (5-10-15 years in compliance with HOME Regulations) will be determined on the basis of the amount of NSP subsidy in each project. Standard HOME monitoring and enforcement standards apply to both single family and multifamily redevelopment. For rental development, the affordability requirements are included in the executed contract with the developers and supported by a zero interest Note and Mortgage. The City of Minneapolis provided financing in amounts ranging from \$60,000 to \$80,000 per affordable rental unit. Units were restricted to 50% of area median income and NSP investment is secured through a declaration of covenants. The selected developer owns and manages the properties during the affordability period. The City has contracted with a 3rd party rental monitoring company to provide oversight and audit compliance during the affordability period. CPED will conduct onsite monitoring as required by HOME regulations and NSP developers will report on the continued affordability on an annual basis.

**Environmental Assessment:** COMPLETED

**Environmental** None

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## Action Plan Comments:

Reviewer - Updated boundaries based on new area for Penn Lowry Ctg Pk need to be added throughout the Action Plan.

Reviewer - No changes made. City opened to start making changes and realized they weren't ready yet.

Reviewer - The grantee increased their budgets due to PI received in: Demolition, Land Bank, Redevelopment, and Redevelopment 25.

Reviewer - Action Plan was approved without complete review in order for grantee to submit QPR.

Reviewer - Grantee updated contact information and made revisions/updates to two activities.

Reviewer - Grantee continues to move towards closeout. Grantee has projects with projected end date of 06/30/19. Grantee contacted field office to state that they are updating beneficiary information.

Reviewer - Grantee is preparing for closeout and completed the following:  
1. Updated activities as complete  
2. Updated activity descriptions  
3. Verified final addresses

Reviewer - Grantee is preparing for closeout in January 2020.



## Action Plan History

Version	Date
B-11-MN-27-0001 AP#1	04/28/2011
B-11-MN-27-0001 AP#2	10/31/2012
B-11-MN-27-0001 AP#3	03/18/2013
B-11-MN-27-0001 AP#4	10/31/2013
B-11-MN-27-0001 AP#5	11/14/2013
B-11-MN-27-0001 AP#6	01/23/2014
B-11-MN-27-0001 AP#7	06/05/2015
B-11-MN-27-0001 AP#8	10/19/2016
B-11-MN-27-0001 AP#9	01/31/2017
B-11-MN-27-0001 AP#10	12/07/2017
B-11-MN-27-0001 AP#11	11/21/2018
B-11-MN-27-0001 AP#12	02/13/2019
B-11-MN-27-0001 AP#13	07/31/2019
B-11-MN-27-0001 AP#14	11/06/2019
B-11-MN-27-0001 AP#15	01/28/2020

