

# Minutes

## Prospect Park East River Road NRP - 2 Steering Committee Meeting of November 1, 2004

1. The meeting was called to order by Dick Poppele, co-chair of the steering committee, at 7:30 pm in the multi-purpose room at Luxton Park Community Center. There were 8 members in attendance Dick introduced himself and proposed the printed agenda. There were no objections and a consensus was assumed. (see attached copy)
2. Steve Cross said he had looked over the minutes of the Oct 13 neighborhood meeting and found them to be accurate and moved to adopt the minutes. Dick Poppele said he had also looked them over. Harrison Nelson seconded the motion. There were no objections and the motion to adopt the minutes was carried.
3. Steve Cross noted that he had taken the minutes at the first steering committee meeting on Oct 20. Liz Richards wanted it to be noted that although there were no “nay” votes, some members did not vote on some issues. Harrison Nelson moved to approve the minutes. Joe Ring seconded the motion. There were no objections and the motion to adopt was carried.
4. Agenda item 4 was skipped. It was noted that at the last meeting, there were not enough members present to ratify the election of officers, rules, etc, and that there were even fewer members present at this meeting. This was thought to be due to the Ramadan holiday and to members working on the upcoming election. There were 8 steering committee members and a total of 16 persons present.
5. The University of Minnesota student interns presented the results of their research:

Eric Sahnaw (also a steering committee member): The interns divided the Minneapolis neighborhoods among themselves and looked into what each neighborhood had done (using NRP funds) for housing, especially affordable housing. They also met with Barb Lickness, the NRP specialist for the neighborhood, who was able to give them a lot of good information. Eric's neighborhoods used a combination of grants, low interest, revolving and deferred loans to support housing, many with no income limits. Some programs were for purchase or for either interior or exterior home improvement. One neighborhood used a sliding scale based on income and the cost of the project. One program targeted homes that needed the most repair.

Matt Haller: He felt that many of the ideas he saw wouldn't apply to this neighborhood because there is less space available here and less blight. The programs included mostly loans and grants. One program identified blighted structures to demolish. He had attended the Oct 28<sup>th</sup> NRP meeting which was held to explain the 8 housing funds proposed by NRP (see attachment). Some neighborhoods had multiple loan programs at the same time, rather than just one. Individuals were selected for the programs by a variety of means including income, lottery, 1<sup>st</sup> come, 1<sup>st</sup> served. Programs included adding handicapped accessibility, additions, solar energy, home inspections, fix-up loans, and information programs.

Alexis Karl: Most of the programs she found involved traffic, parking, safety, and crime rather than housing. It was noted that “Protection” neighborhoods (like Prospect Park) do not have much

blighted housing to fix and that the sites targeted with NRP funds in Phase 1 here were in blighted industrial sites. It was also noted that this neighborhood had the Motley home loan program, which was under-utilized. Other funding originally designated for housing but not spent was re-allocated for Pratt school.

Kevin Shields: Found that need and the amount of money available generally determined the use of the funds. Some neighborhoods bought and demolished blighted properties and left re-development to others. He noted that any project spending much over \$10,000 had involvement by Minneapolis Public Housing Authority or other agency to make the money go farther. Neighborhood plans ranged from very thick documents to 1 page plans. Where there was huge community involvement, there was the potential for a huge impact. He introduced Pat Connolly, Housing Development Manager for Common Bond. See item 7.

Kassandra Nystrom: Had nothing to report here.

6. Barb Lickness was introduced. She is the NRP Specialist for this neighborhood. Barb distributed two handouts that were given out at the Oct 28<sup>th</sup> NRP housing meeting. The allocation to Prospect Park for NRP Phase 1 is approximately \$347,000, 70% of which needs to go to housing. She did not attend that meeting but had been briefed. The first document defined “housing and housing related” activities. (See attachment.) The 1994 NRP document was amended on Sept 27, 2004 to include activities not specifically included in NRP language previously but that are vital to neighborhood housing efforts. The second document was a multi-page document detailing 8 NRP housing fund proposals that are intended to allow neighborhoods to invest in housing by joining with other neighborhoods to take advantage of reduced administrative costs and a larger pool of money. Barb emphasized that they are voluntary, that neighborhoods should decide which, if any, of the funds make sense for their neighborhood situations. Pools were used for NRP Phase 1 also. Prospect Park could join one or more of these pools and/or come up with a program that more specifically fits the need. Barb noted that in Phase 1 only eight neighborhoods used NRP money for affordable housing and they were “impact” neighborhoods. NRP is encouraging affordable housing for Phase 2.

The following are brief summaries of the 8 NRP Housing Fund Proposals:

Fund 1: NRP/MHFA Home Improvement Program for 1-4 Unit Owner Occupied Structures. A joint effort to leverage neighborhood funds with the Minnesota Housing Finance Agency (MHFA) to help property owners improve their existing structures. Household income must not exceed 80% of the Metropolitan Median Income (MMI) for their family size.

Fund 2: Rental Property Improvement Loan Fund. A rental property rehabilitation and improvement program targeted at properties that provide rental units affordable to and occupied by low-income persons and households. Household income must not exceed 80% of the Metropolitan Median Income (MMI) for their family size.

Fund 3: Emergency Loan Fund. A fund to provide financial assistance to homeowners that are in difficult financial circumstances and have either a hazardous or serious home repair situation that will cause further damage to the home or adversely affect the health and safety of the homeowner if it is

not immediately addressed.

Fund 4: Purchase and Major Rehab Loan Fund. A fund that supports low-income families purchasing properties that need significant rehabilitation and renovation. Household income must not exceed 80% of the Metropolitan Median Income (MMI) for their family size.

Fund 5: First Time Homebuyer Assistance Fund. A fund for first time home buyers. Annual household income must be below 80% of the Metropolitan Median Income (MMI) for their family size.

Fund 6: Purchase and Rehab Perpetual Affordability Fund Community Land Trust Homebuyer Initiated Program (HIP). A fund that supports homebuyer initiated land trust transactions, providing significant affordability gap and limited rehabilitation funding for low income families and individuals. Annual household income must be below 80% of the Metropolitan Median Income (MMI) for their family size. Preference will be given to households with incomes below 50% of MMI.

Fund 7: Affordable Housing Investment Fund. A fund that invests in the City's Affordable Housing Trust Fund to develop and construct new long-term (at least 15 years) affordable rental housing units for low-income families and individuals, including the elderly and persons with special needs.

Fund 8: Lot Acquisition and Redevelopment Fund. A fund for acquisition and redevelopment of vacant, underutilized and blighted properties.

7. A general discussion followed, with many questions being answered by Barb. To date, no neighborhood action plans have been approved for Phase 2. Plans must first be approved by the NRP Policy Board, then 2 City Council committees, then the full City Council. Seward and Logan Park will be the first to be reviewed by the City Council, and what is allowable under the definition of housing will likely be worked out as the first few neighborhoods go through the process.

If Prospect Park chooses to put money into a plan, Bob Miller (NRP Director) would call for proposals for administering the funds. Probably there would be three administrators – one for revolving funds, one for the land trust proposal, and Minneapolis Community Planning and Economic Development (CPED) for affordable housing.

It is possible to mandate that the neighborhood's money be used for projects in this neighborhood, or let it be used in others. Three programs were named that can leverage NRP money: Center for energy and the Environment, Greater Metropolitan Housing Corporation, and one other. Some programs effectively leverage the NRP dollars as much as 4:1. This is an important point, since there is far less money to work with in Phase 2 (around \$347,000) compared with Phase 1 (around \$3,200,000).

It was noted that there seems to be disagreement between NRP and the city as to what is allowable under the definition of housing. Barb was asked what the city wants and whether the city is OK with NRP's definition of housing. Barb's feeling was that the Mayor want the money to go to affordable

housing, but that the city is backing off of its previous hard stance. The Powderhorn and Seward neighborhoods need a decision quite soon so they can begin using Phase 2 funds, or they will “close down”. A city decision should come soon as these neighborhoods go through the process.

Several questions and discussion points were centered around the issue of affordable housing. How is it defined? Affordable housing by the federal standards is 100% of the metro median income, which is around \$78,000. The city standard is 30-50% of the metro median income. How many people in the neighborhood fall into that category, and what is the median Prospect Park income?

It was noted that East River Mews on the Barber Oil site bought down the number of affordable housing units from 10 to 4, presumably to help finance the construction of affordable units in other places in the city. Most of the CPED money for affordable housing went to eight neighborhoods which are classified as “impacted” by federal standards.

At this point, Pat Connolly, Housing Development Manager for Common Bond, introduced himself. Common Bond is a non-profit agency that builds and runs “supported housing”, which provide services to residents to help them become or remain independent. They leverage money from many sources. He pointed out that the neighborhood needs to decide whether we want to target rental or owner occupied and how much risk we want to take. It costs about \$50,000 to put together a good proposal. The rest of our money could go to buying down the cost of building or fixing up units. The cost to build new senior rental housing is \$100,000 per unit and \$50-75,000 to fix up an existing unit. He noted many ways to subsidize housing. Common Bond could work with NRP housing fund proposals 8 and 9.

Joe Ring stated that we generally believe that there is no land available in Prospect Park for affordable housing. He says this is not true and pointed out the somewhat blighted housing on University Ave, currently rented mainly by students. Three houses were on the market last summer. NRP housing fund proposal number 8 provides for a 50/50 match for site acquisition. One problem there is that these properties are privately owned. Barb noted that we should refrain from being publicly site-specific, or the price will double. Also, there are a number of small, affordable bungalows in the neighborhood. We could bring them up to code, in order to help maintain the affordable housing we have.

Cassie (Kassandra Nystrom) suggested that the group assign the interns to look into who is in the neighborhood, what are the income levels and need for housing. Much of this information should be available on the city website. She suggested a short survey also to help the neighborhood decide what the neighborhood wants /needs for housing.

A discussion ensued on the idea of surveys and focus groups, noting that how the information is obtained slants the info gathered. White homeowners who already come to the meetings are the ones who fill out surveys. Renters and homeowners have different needs. Renters can't afford to buy here. Students and renters may not come to focus groups. Ten minute phone focus groups/surveys were suggested. Another suggestion was made to meet with the public housing authority. Perhaps they would partner with us, perhaps for single site houses in the neighborhood.

The student interns volunteered and were assigned to put together a group of survey questions (Cassie) and to gather basic census data (acknowledging that much student housing was added to the

neighborhood after the 2000 census). They will try to get information from the University as to how many students live in the neighborhood in the large housing facilities (Melrose, University Village, Jefferson Commons) and throughout the neighborhood. They will also find out the range of property values in the neighborhood, broken down in quartiles and separated into homestead and non-homestead, if possible. This will tell us what affordable housing already exists in the neighborhood.

It was noted that projects go nowhere if there are no dedicated volunteers who take ownership of it. Perhaps if some new ideas come out of focus groups or surveys, a volunteer will rise up.

It was noted that the park closes at 9 pm and it was after 9, and the remaining items on the agenda (items 8, 9 and 10) were postponed until the next meeting. Only 4 proposals have been submitted to date, and the committee was encouraged to review the budget handout for the next meeting.

8. The next meeting will be in 2 weeks, on November 15, from 7:30 to 9 pm. A motion was made to adjourn at approximately 9:15 pm. The motion passed.

Submitted by Joyce Barta  
November 2, 2004