

City of Minneapolis

Green Homes North Program Guidelines

The Green Homes North Program will provide home buyers with newly constructed green homes on City-owned vacant lots in North Minneapolis to strengthen the sustainability of our communities. Green Homes North will incorporate: quality green design standards; green, energy efficiency, and sustainability standards; job creation and workforce development; sourcing of local green products; and marketing to meeting homebuyer expectations.

Strategic partners in developing program guidelines include: Minnesota Housing, The McKnight Foundation, Family Housing Fund, Northside Home Fund, Twin Cities Community Land Bank, Urban Research and Outreach-Engagement Center, University of Minnesota -The Center for Sustainable Building Research and the College of Design, Architects, Employers, Green Product Providers, Realtors, Developers, Neighborhoods and Residents of North Minneapolis.

PURPOSE AND OBJECTIVES

Build 100 green homes in North Minneapolis

- Minneapolis and our partners will create a subsidy and loan pool to produce approximately 20 homes a year for the next 5 years in North Minneapolis.
- Development Gap will be provided as a grant to the developer. The grant will be determined by the difference between the fair market value sales price and the total development cost.
- Interim Construction Financing will come in the form of a loan to the developer. Terms will be based on the funding provided to the project.
- Building new green housing on available CPED vacant lots will build market value, boost confidence for the Northside housing market, and increase confidence of current “under water” owners.
- Homeownership incentives available in other existing programs will assist in bringing new homebuyers to this market.

Increase Energy Efficiency and Sustainability

- Green homes with increased energy efficiency will have lower utility costs, and may reduce maintenance and repair costs to the buyer.
- Green and sustainable homes contribute to the health, safety and well-being of home buyers and communities.

Create Job Opportunities for Local Residents and Minority and Women-owned Businesses

- Connect North Minneapolis residents and neighborhoods to the job creation and environmental returns of Green Homes North, revitalizing communities through quality job creation, advanced skills-based training and healthy, sustainable economic development strategies.
- Meet City of Minneapolis local??, minority and women hiring goals.

Promote Minneapolis businesses providing green housing products

- Sourcing locally manufactured green building products and materials.

ELIGIBILITY CRITERIA

Eligible Developer

- Private and Non-profit Developers with demonstrated new home construction knowledge and experience

Eligible Home Buyer

- Income restrictions will apply depending on source of funds, as follows:
- Local/Foundation Funds: Unrestricted
- State Funds: 115% of the Area Median Income (\$96,500)*

- Federal Funds: 80% of the Area Median Income (67,200)*
- *Based on household size of four

Mortgage

- The first mortgage product must be considered an “A” or “prime” lending product. It must be a fixed rate FHA, VA, or Conventional, or Fannie Mae or Freddie Mac insured loan.
- Contract for Deed programs are eligible, but must meet the City of Minneapolis Contract for Deed Policy.

Target Areas

- Vacant City-owned properties in North Minneapolis. There are currently nearly 400 City owned buildable lots in North Minneapolis, including 20 buildable lots in the Tornado Impacted Area.
- Targeted development in North Minneapolis neighborhoods where there are existing City and City partners’ investment (examples: Cottage Park Cluster and Hawthorne Eco Village Cluster) or blocks with several vacant lots to be developed (example: Humboldt Greenway).

Design Review

- The design review committee will consist of the following representatives: City of Minneapolis Community Planning and Economic Development, Housing; City of Minneapolis Community Planning and Economic Development, Planning; a North Minneapolis neighborhood resident; and an architect.
- The design review committee will provide design feedback on proposals. The proposals will also be submitted to the applicable neighborhood organization for review.

Green, Energy Efficiency and Sustainability

- Minimum Green Requirements: Minnesota Green Communities Standards as developed by the State of Minnesota.
- Additional levels of energy efficiency and sustainability will be advocated in the Green Homes North Request for Proposals process.

Green Product Sourcing

- Green Homes North will place an emphasis on sourcing locally manufactured green building products and materials as part of the work of the regional Thinc.GreenMSP initiative, with the intent of 1) boosting business for local cleantech manufacturers and service providers, and 2) creating jobs for “green collar” workers.
- Developers participating in Green Homes North will, to the extent feasible, locally source green building materials and services, as well as green products and services for general business operations, using the Twin Cities Green Products & Services Directory as a guide.

Workforce Development

- The City of Minneapolis Employment and Training Program (METP) will provide free training, site-based internships and job placement services through RENEW- Green Homes North, delivering high-quality workforce development focused on green construction skills.
- RENEW- Green Homes North will engage North Minneapolis residents in industry-driven job training programs, ensuring a well-prepared and certified labor pool for Green Homes North. Through this process, METP will establish best practices for interns and contractors receiving instruction in Minnesota Green Communities building criteria.
- RENEW will recruit Section 3-certified contractors, in collaboration with the City of Minneapolis Department of Civil Rights, who are in need of advanced green skills training. Fifteen additional recruits will receive contextualized construction skills training, featuring twelve weeks of paid internships augmented by continued instruction in green construction techniques, aligning to Minnesota Green Communities standards and Green Homes North contracting criteria.
- All trainees will earn at least one industry-recognized credential: these include (but are not limited to): LEED Green Associate; Repair, Renovation and Painting certification (EPA required); BPI Single Family Building Analyst; BPI Envelope Professional; Residential Energy Auditor/Minnesota Energy Scorecard; OSHA series.

Local, Minority and Women Workforce Hiring

- The City of Minneapolis employment goals are 32% minority and 6% female. The City encourages local workforce hiring and the use of local, minority and women contractors and businesses.

Marketing

- Proposals would include strategies to market and sell the newly constructed green home to potential homebuyers.
- Fair Housing Marketing strategies will be required.

SELECTION PROCESS

Development Gap Subsidy

- Proposals that minimize the use of the subsidy and provide the highest standards of quality design, energy efficiency and overall sustainability will be prioritized in the selection process.
- Development Gap determination will be based on development proposals, actual costs and sales price supported by appropriate documentation.
- Funds will be provided as a loan and converted to a grant upon satisfactory completion of the project.
- A developer fee of up to 10% of total development cost may be made available.

Request for Proposals

- It is anticipated that private developers and non-profit developers would respond to requests for proposed development to be released as funding is available each year of the program.
- Eligible proposals would be reviewed by a design review committee and by the neighborhood where the property is located.
- Proposals for development by property would be submitted to the Minneapolis City Council for land sale and financing approval.

FUNDING AND COSTS

Grants and Loans

- Initially, grants totaling \$1 million will provide a development subsidy to support the gap between the cost of developing new homes and the sales price at market value in the area.
- A loan pool totaling up to \$2 million is also available for developers to access.
- Grants and loans will be pursued for subsequent years of the program based on the success of the prior years.

Funding Source	Amount/ Interest Rate	Income Restriction	Target Area
Minnesota Housing Community Revitalization Fund (CRV) Grant	\$500,000 (0%)	115% of AMI	North Minneapolis
Family Housing Fund Grant	\$200,000 (0%)	115% of AMI	North Minneapolis
City of Minneapolis Tornado Tax Increment Financing (TIF) Grant	\$300,000 (0%)	None	North Minneapolis Tornado Damaged Properties
Twin Cities Community Land Bank Loans	TBD (6½ - 7%)	115% of AMI	North Minneapolis
Twin Cities Community Land Bank Tornado Loans	TBD (5%)	None	North Minneapolis Tornado Damaged Properties

Homebuyer Assistance

- Two programs will provide homeownership assistance and further incentives for Green Homes North buyers, namely:
 - Bridge to Success is a \$50 million contract for deed program will foster the sale of these homes to a wider audience.
 - The Minneapolis Advantage Program is a down payment and closing cost assistance of up to \$10,000 designed to incentivize home buyers to purchase homes by reducing costs.

ADMINISTRATION

- The Green Homes North program will be administered by the City of Minneapolis Department of Community Planning and Economic Development—Single Family Housing Development.

BUILDABLE LOT MAPS

The addresses and maps are available on the City of Minneapolis Green Homes North web page:

<http://www.minneapolismn.gov/foreclosure/WCMS1P-092486>

Green Homes North Buildable Lots
Green Homes North Zone 1
Green Homes North Zone 2
Green Homes North Zone 3
Hawthorne Eco Village Cluster
Cottage Park and James Avenue Clusters
North Minneapolis Tornado Impacted Area

RESOURCES

Twin Cities Green Products and Services Directory

<http://www.minneapolismn.gov/foreclosure/WCMS1P-092486>

North Minneapolis Housing Market Index

A Report by the Folwell Center for Urban Initiatives, October 2011

<http://www.cura.umn.edu/publications/catalog/h2011-1>

Minnesota Overlay to the Enterprise Green Communities Criteria

http://mnhousing.gov/housing/architects/MHFA_012470.aspx

Enterprise Green Communities Criteria

<http://www.enterprisecommunity.com/solutions-and-innovation/enterprise-green-communities/criteria>

Enterprise Charrette Grants

<http://www.enterprisecommunity.com/charrette-grants>

Minnesota Green Communities

<http://www.mngreencommunities.org/about/index.htm>

Minnesota Housing Community Revitalization Fund Program Procedural Manual

http://www.mnhousing.gov/idc/groups/public/documents/webcontent/mhfa_002409.pdf

Administrative Site Plan Review for Single Family Development Application Standards

The Minneapolis zoning code requires that all single family homes obtain administrative site plan review approval before a building permit may be issued for construction.

http://www.minneapolismn.gov/www/groups/public/@cped/documents/webcontent/convert_268302.pdf

City of Minneapolis Request for Council Committee Action from the Department of Civil Rights

<http://www.minneapolismn.gov/www/groups/public/@clerk/documents/webcontent/wcms1p-089615.pdf>

Bridge to Success

For more information, contact: Greater Metropolitan Housing Corporation at 612-588-3033.

http://www.housingresourcecenter.org/loan_programs.htm

Minneapolis Advantage Program

For more information, contact: Greater Metropolitan Housing Corporation at 612-588-3033.

http://www.minneapolismn.gov/cped/housing/cped_minneapolis_advantage_nsp_mortgage_assistance