



To: Mayor & City Council

Agenda Item #: VI. A.

From: Joyce Repya, Senior Planner

Action

Discussion

Date: February 17, 2015

Information

Subject: PUBLIC HEARING – 2015 Community Development Block Grant ,
Resolution No. 2015-20

Action Requested:

Approve recommended 2015 CDBG budget for submission to Hennepin County.

Information / Background:

The CDBG Community Development Block Grant Program is a federal entitlement program administered by HUD who in turn, charges Hennepin County to oversee the distribution of funds to its communities. These funds are to be directed toward the improvement of housing opportunities and providing a suitable living environment for persons with low and moderate incomes. As a recipient of HUD funds, the County, and each community must affirmatively further fair housing. Hennepin County encourages all communities to be proactive by addressing impediments to fair housing choices.

The use of CDBG funds to address local needs must be consistent with priorities identified in the Consolidated Plan for affordable housing, community development and human services. HUD mandates that no more than 15% of the city's budget may be directed toward funding public service agencies with the remaining 85% addressing community development needs. Edina's preliminary 2015 budget allotment for planning purposes is **\$126,866**, the 2014 approved budget amount. Once HUD establishes the 2015 CDBG budget later this spring, Hennepin County and its respective cities will be notified of any changes to the allotments. If a change in the budget occurs, a paragraph in the accompanying Resolution provides for Edina's final 2015 CDBG budget to be readjusted without coming back to the City Council.

The following agencies requesting 2015 CDBG funds are those which the City has supported for many years:

Public Services – 15% of total (\$126,866) budget = \$19,030

- **Senior Community Services (HOME – Household & Outside Maintenance for Elderly)**
The mission of HOME is to assist adults 60 years of age and older to maintain their dignity and live independently by providing accessible, reliable, and affordable homemaker, home maintenance and chore services. In 2014, 47 seniors received services totaling 1,704 hours - reflecting a slight reduction in people served from 2013, but maintaining a high level of service hours. Historically, the total HOME operating budget for Edina has been \$26,000, and since 2000 the City Council has asked the Edina Housing Foundation to make up the difference between the availability of CDBG funds to ensure that services to Edina seniors are met. SCS is requesting \$10,095 (the 2014 distribution), however the recommended allotment is \$8,955 in order to provide additional funding for HOME Line; with the understanding that the Edina Housing Foundation will work with SCS to meet their funding needs.

- Community Action Partnership for Suburban Hennepin (CAPSH)**
 CAPSH provides full-cycle homeownership services to include foreclosure prevention, first time homebuyer education, reverse mortgage counseling, home repair and maintenance, energy assistance, free legal services and tax preparation, employment counseling and financial/budget counseling. In 2014, CAPSH programs benefited 32 households: 15 took advantage of the Reverse mortgage counseling; 9 foreclosure prevention; 4 homebuyer education; and 6 Homebuyer prepurchase counseling. CAPSH is requesting \$6,000 (an \$835 increase from 2014). However, an allotment of is \$5,165 (the 2014 distribution) is recommended with the understanding that once the 2015 CDBG budget is finalized, if an increase in funding is available, CAPSH could receive additional funds.
- HOME Line**
 HOME Line provides tenant advocacy services for low income Edina renters with a Tenant Hotline offering tools necessary to keep their homes safe and affordable. In 2014 they experienced a 13% increase in clientele, serving 125 families and preventing approximately 8 evictions. Recently, HOME Line added Somali and Spanish speaking tenant advocates to their staff and has embarked on an initiative to make sure these immigrant communities are aware of the services available. HOME Line is requesting \$4,910 (a \$1,140 increase from 2014), and it is recommended that their request be met.

The following is a breakdown of the Public Services final 2014 CDBG budget, the 2015 requests from the service providers, and the recommended 2015 CDBG budget:

PROVIDER	2014 BUDGET	2015 REQUESTS	2015 RECOMMENDATION
H.O.M.E.	\$ 10,095	\$ 10,095	\$ 8,955
C.A.P.S.H.	\$ 5,165	\$ 6,000	\$ 5,165
HOME Line	\$ 3,770	\$ 4,910	\$ 4,910
TOTAL	\$ 19,030	\$ 21,050	\$ 19,030

Community Development – 85 % of total (\$126,866) budget = \$107,836

After the \$19,030 distribution for public services, \$107,836 remains to be directed toward community development projects addressing the housing needs of low and moderate income individuals in the community. In years past, the Community Development funds have been distributed between the **Rehabilitation of Private Property** program and **West Hennepin Affordable Housing Land Trust (WHAHLT)**.

The Rehabilitation of Private Property program provides deferred repayment loans of up to \$30,000 to make structural improvements to owner occupied homes with no more than 4 dwelling units per property. Eligibility for the program is based on a household income schedule established by HUD for the Minneapolis/St. Paul area. The income limits may not exceed 120% of the Area Median Income (AMI), which for a 4 person household is currently \$99,500. Hennepin County facilitates this program and reports that currently, there is \$180,000 available in the program with no waiting list. The large reserve of funds is a result of former loans being paid off and recycled back into the program to again assist Edina homeowners maintain their homes. In an effort to raise awareness of the housing rehab program, we are working with the Communication’s Department to advertise the program in the city’s publications. However, due to the large reserve of funds currently available for the Rehabilitation of Private Properties program it is recommended that the program not receive funding in the 2015 budget cycle.

It is recommended that all of the \$107,836 community development funds be distributed to **West Hennepin Affordable Housing Land Trust (WHAHLT)** for their Homes Within Reach program

which provides an affordable homeownership opportunity using the Community Land Trust model for income eligible homebuyers.

The Community Land Trust model removes the market value of the land from the mortgage equation, thus reducing the cost of a home for a work-force family by approximately 30-50 percent, making it more affordable than houses on the open real estate market. WHAHLT owns the land and the homeowner owns the home. A Ground Lease signed by both parties defines and secures the roles and responsibilities of both WHAHLT and the homeowner, including, but not limited to a resale/recapture provision, and long-term rights and use of the land.

One of the strategies identified in the Housing element of the Comprehensive Plan calls for the City's commitment to fund and expand its financial and technical support of community land trusts. Attesting to this goal, since 2007, the City has provided \$804,253 in CDBG assistance to WHAHLT - assisting in the purchase, rehabilitation and resale of nine Edina homes to income eligible buyers. The last Edina home purchased by WHAHLT completed in January 2014 required combining the 2012 and 2013 CDBG budgets totaling \$108,222 due to the high cost of housing in the community. The 2014 CDBG budget of \$56,903 has yet to be spent.

Moving forward, the proposed \$107,836 when added to the \$56,903, 2014 funds, will provide \$164,739 toward assisting WHAHLT to purchase two land trust homes, reinforcing the City's commitment to providing and securing affordable housing in the community.

Over the past year, the city has advertised the aforementioned programs as well as other social services available to Edina residents through the City of Edina's website, the "About Town" magazine, and activities directories; and will continue to do so in the year to come.

ATTACHMENTS:

***Resolution 2015-20**

***Hennepin County PRELIMINARY 2015 CDBG Allocations**

***2010 – 2015 CDBG Budget Breakdown**

***Requesting Agencies Funding Requests**





**RESOLUTION NO. 2015-20
APPROVING PROPOSED USE OF 2015 URBAN HENNEPIN COUNTY
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FUNDS
AND
AUTHORIZING EXECUTION OF SUBRECIPIENT AGREEMENT
WITH HENNEPIN COUNTY AND ANY THIRD PARTY AGREEMENTS**

WHEREAS, the city of Edina, through execution of a Joint Cooperation Agreement with Hennepin County, is cooperating in the Urban Hennepin County Community Development Block Grant Program; and

WHEREAS, the city of Edina has developed a proposal for the use of 2015 Urban Hennepin County Community Development Block Grant funds made available to it; and

WHEREAS, the city held a public hearing on February 17, 2015 to obtain the views of citizens on housing and community development needs and priorities and the City's proposed use of \$126,866 from the 2015 Urban Hennepin County Community Development Block Grant.

BE IT RESOLVED, that the City Council of the City of Edina approves the following projects for funding from the 2015 Urban Hennepin County Community Development Block Grant Program and authorizes submittal of the proposal to Hennepin County.

<u>Activity</u>	<u>Budget</u>
Senior Community Services	\$ 8,955
Community Action Partnership for Suburban Hennepin (CAPSH)	\$ 5,165
HOME Line	\$ 4,910
Homes Within Reach – Affordable Housing	\$ 107,836

BE IT FURTHER RESOLVED, that the City Council hereby authorizes and directs the Mayor and its City Manager to execute the Subrecipient Agreement and any required Third Party Agreement on behalf of the City to implement the 2015 Community Development Block Grant Program.

BE IT FURTHER RESOLVED, that should the final amount of FY2015 CDBG available to the city be different from the preliminary amount provided to the city, the City Council hereby authorizes the City Manager/Administrator to adjust project budget(s) to reflect an increase or decrease in funding.

Dated: February 17, 2015

Attest: _____
Debra A. Mangen, City Clerk

James B. Hovland, Mayor

STATE OF MINNESOTA)
COUNTY OF HENNEPIN)SS
CITY OF EDINA)

CERTIFICATE OF CITY CLERK

I, the undersigned duly appointed and acting City Clerk for the City of Edina do hereby certify that the attached and foregoing Resolution was duly adopted by the Edina City Council at its Regular Meeting of February 18, 2014, and as recorded in the Minutes of said Regular Meeting.

WITNESS my hand and seal of said City this _____ day of _____, 20____.

Hennepin County Estimated 2015 CDBG Allocations

Community	Based on 2014 Allocation
Brooklyn Center	\$243,462
Brooklyn Park	\$486,089
Crystal	\$107,956
Edina	\$126,866
Hopkins	\$113,831
Maple Grove	\$136,273
New Hope	\$136,323
Richfield	\$205,188
St. Louis Park	\$199,308
Subtotal	\$1,755,296
Consolidated Pool	\$459,093
Community Allocation Total	\$2,214,389
Hennepin County Administration	\$330,886
County Entitlement Total	2,545,275



**CDBG BUDGET
2010 - 2015**

					Final	Planning
	2010	2011	2012	2013	2014	2015
CDBG BUDGET	\$173,786 (+7.7%)	\$145,365 (-16.1%)	\$110,285 (-24.1%)	\$124,671 (+13%)	\$126,866 (+1.76%)	Same as 2014
Public Service: 15%	\$26,067	\$21,805	\$16,543	\$18,700	\$19,030	\$19,030
Sr. Comm. Services - H.O.M.E.	\$17,789	\$14,880	\$9,618	\$10,095	\$10,095	\$8,955
CAPSH	\$5,624	\$4,700	\$4,700	\$5,000	\$5,165	\$5,165
HOME Line	\$2,654	\$2,225	\$2,225	\$3,605	\$3,770	\$4,910
Community Development: 85%	\$147,719	\$123,560	\$93,742	\$105,971	\$107,836	\$107,836
Rehab of Private Property	\$65,719	\$54,985	\$41,891	\$50,000	\$50,933	
Affordable Housing (WHAHLT)	\$82,000	\$68,575	\$52,251	\$55,971	\$56,904	\$107,836





Senior Community Services

Executive Committee

Woody Love
President

Thad Standley
1st Vice President

Laurie Lafontaine
2nd Vice President

Beth Falkenberg
Secretary

Bruce Thiel
Treasurer

Terri Urbaniak
Executive Member-at-Large

Matt Bochnick
Executive Member-at-Large

Jim Crist
Past President

Board of Directors

Sharon Burnham

David Fisher

Rochelle Gill

Marvin Johnson

John Lawson

Cathy Medich

Jeanette Metz

Dr. Chinyere Njaka

Gen Olson

Walter White

Scott Zerby

Deb Taylor, CEO

Programs

- Caregiver Support Services
- Community Senior Centers
- Health Insurance Counseling
- H.O.M.E.
- Senior Outreach
- Senior Partners Care

10201 Wayzata Boulevard
Suite 335
Minnetonka, MN 55305

fax: 952.541.0841

tel: 952.541.1019

www.seniorcommunity.org

January 13, 2015

Joyce Repya
Associate Planner
City of Edina
4801 West 50th Street
Edina, MN 55424

Dear Joyce,

Thank you for the opportunity to submit a CDBG application to the City of Edina for \$10,095. The Household & Outside Maintenance for Elderly (HOME) program's operating budget for the City of Edina is \$26,000. The Edina Housing Foundation has partnered with the HOME program in the past to make up the difference in our operating budget for the city.

HOME provides the following services to help seniors remain independent and continue to lead a vital and engaging life:

Homemaking (dishwashing, laundry, grocery shopping, cleaning)

Yard work

Snow removal

Indoor & outdoor painting

Minor home repairs/handyman services

Safety improvements

Your consideration of this request is greatly appreciated. If you have any questions or need more information please feel free to call me at 952-767-7897 or email me at d.taylor@seniorcommunity.org.

Sincerely,

Deb Taylor
CEO



Public Service Application (family , youth and senior services)
 Urban Hennepin County CDBG Program Year 2015

Please answer below in this column

General Information:

Organization: Senior Community Services

Type of entity:

Nonprofit Organization 501 (c) 3

CDBG funding request:

\$10,095

Use of CDBG funding (e.g. staff labor costs):

Fund the Sliding Fee Scale

Contact person:

Deb Taylor

Phone/Email:

952-767-7897 / d.taylor@seniorcommunity.org

Program Information:

What is the program name/type of service?

Household & Outside Maintenance for Elderly (HOME) Chore Service, a program of Senior Community Services

Is this an existing CDBG-funded program?

Yes

Where is the program located, if applicable?

Administrative Office is located in Minnetonka

What is the service area of this program?

Bloomington, Brooklyn Center, Brooklyn Park, Crystal, Deephaven, Eden Prairie, Edina, Excelsior, Golden Valley, Greenwood, Hopkins, Long Lake, Maple Grove, Minneapolis, Minnetonka, Minnetonka Beach, Mound, New Hope, Orono, Osseo, Plymouth, Richfield, Robbinsdale, Shorewood, Spring Park, St. Louis Park, Tonka Bay, Wayzata, and Woodland.

Who is the target clientele?

Services are provided to Edina residents, age 60+, on a sliding fee basis.

What needs does this program address?

The mission of Household & Outside Maintenance for Elderly (HOME) is to assist older adults to maintain their dignity and live independently by providing accessible, reliable, and affordable homemaker, home maintenance and chore services.

Is the need growing?

Yes. According to the former MN State Demographer, Tom Gillaspay, by the year 2020, there will be more people over the age of 65 than school age children. Suburban Hennepin County has more people over the age of 60 than Dakota and Ramsey Counties combined (2010 Census Data). A host of studies show that seniors prefer to stay in their own homes and in their local neighborhoods.

How does the program address these needs?

Household and Outside Maintenance for Elderly (HOME) helps seniors remain in their homes in dignity and safety by providing reliable and affordable homemaking, grab bars & other safety installations, minor repairs, exterior home maintenance, interior and exterior painting, yard work, lawn mowing, and snow removal on a sliding fee scale based on income.

How many persons were served by this program in the last 12 months?

47 residents served. This number is down, but the hours of service remained high at 1,703.5

What is your goal for number of persons served July 2015 - June 2016?

70

What percentage of clients are (or are estimated to be) low and moderate-income persons? CDBG requires at least 51%.

100%

Staffing and Financial Capacity:

Describe the organization's experience in providing this service, staff capacity and staff qualifications:

Jon Burkhow is the Director of the Household & Outside Maintenance for Elderly (HOME) program. He has been working in the field of aging since 2001. He currently oversees all aspects of the HOME program and is focused on expanding HOME's service offerings as well as bringing Minneapolis into the HOME delivery area. Jon graduated from Gustavus Adolphus College with a BA in Asian Studies. **Jeanne Tramel Rasmussen** has over ten years of expertise regarding volunteer management. She has worked for over fifteen years in a variety of nonprofit organizations and has a Master of Education from the University of Minnesota. Jeanne is the Outreach & Volunteer Coordinator for the HOME program. **Valerie Anderson** has been working in the non-profit field for over 13 years and is currently working on her AA in business management. She has been responsible for recruiting, training and overall direction of employees and volunteers that perform services for seniors. Valerie is currently a coordinator of the HOME program where she assesses, and assigns homemakers for seniors. **Christine Tzanakis** graduated from the University of Minnesota – Twin Cities in May of 2012. She is currently a coordinator for the HOME program where she coordinates lawn mowing, snow removal, maintenance and painting services for seniors enrolled in the program. **Beth Hambel** brings over 25 years of diverse experience in corporate management to the HOME Program. She is the point of first contact for potential new clients and helps all clients connect with a HOME Program Coordinator or Senior Community Services program they need. She is also using her skills in data management, accounting and office administration to strengthen and broaden the agency's resources for operational needs.

Awards must be spent by June 30, 2016, and it is requested that funds be spent by April 1, 2016. When is the anticipated date to expend the funds?

By April 1, 2016.

Funding Sources	Amount
CDBG	\$84,973
Other federal	\$159,000
State funding	\$27,000
Local funding	\$26,575
Corporate contributions	\$
Foundation contributions	\$73,000
Other (specify) Fee for Services - Sliding Fee Scale	\$295,000
Other (specify) United Way & Individual Donations	\$32,200

Consistency with Plans and Public Support:

Is this a high, medium, or low priority service according to the 2010-2014 Consolidated Plan? *Applications will be reviewed and ranked based on the 2015-2019 Consolidated Plan high priorities, use the 2010-2014 priorities as a reference.

Senior Services: Home Maintenance & Chores, which is identified as a high priority in the Consolidated Plan.

Describe any multi-community, multi-agency or public/private partnership support:

Participation in the Household & Outside Maintenance for Elderly (HOME) program assures access to additional resources and services that would benefit the older adult. Additional services are provided in a seamless manner, consistent with our Mission, as part of our comprehensive approach to helping older adults live independently in their own homes. Many frail elders utilize other Senior Community Services' services, such as care coordination, participation in physical fitness, educational, recreational and social activities outside their home through Senior Community Services' five senior center and community-based programs; or support for their family members through caregiver coaching and counseling. In addition, Senior Community Services has successfully established partnerships with over 255 other agencies, units of government, churches, school districts and local community programs to provide access to services such as respite, adult day services and home care, meals on wheels, transportation, etc., and ensures that Senior Community Services provides an integrated, non-duplicative service system for every elder, regardless of that person's entry point into Senior community Services.

Describe how the activity meets a need not currently or adequately being addressed by other services:

There are many other for profit providers that provide some parts of the comprehensive services that HOME provides, but these services are provided at market rate. The HOME program provides critical services to help seniors remain in their home on a sliding fee scale. We also use volunteers to provide spring and fall yard clean up free of charge to the client. There are often trust issues when it comes to a senior letting a stranger in their home to provide any service. The HOME program surveys its clients and the top three reasons that seniors chose the HOME program over other for profit providers is: 1. They cannot afford to pay the market rate. 2. They trust the HOME program's staff. 3. They are unable to do the work themselves.



- Energy Assistance
- Homebuyer Education
- Foreclosure Prevention
- Reverse Mortgage
- Home Maintenance & Rehab
- Homeless Services
- Employment Counseling
- Financial Counseling
- Planning & Development
- Community Development
- Tax Assistance
- Voter Education & Registration
- Asset Development

January 22, 2015

City of Edina
Community Development Department
4801 W. 50th Street
Edina, MN 55424

Attn: Joyce Repya, Senior Planner

RE: Community Action Partnership of Suburban Hennepin 2015 Application for CDBG Funding

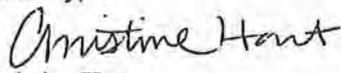
Dear Ms. Repya:

Community Action Partnership of Suburban Hennepin (CAPSH) is pleased to submit its 2015 CDBG Public Service Funding request to the **City of Edina**. We are requesting \$6,000 for the purpose of funding the CAPSH Full-Cycle Home Ownership Program.

CAPSH, as the anti-poverty Community Action agency serving Suburban Hennepin County, has provided residents of Edina with services for over 20 years. CAPSH services to Edina include: full-cycle homeownership, energy assistance, free legal services and tax preparation, employment counseling and financial/budget counseling. We look forward to continuing to partner with the city of Edina and its surrounding communities to ensure access to housing services for low to moderate-income households.

If you have any questions, or need additional information, please do not hesitate to contact Marcy Harris, Director of Planning, Development and Legal Services at 952-697-1325, or mharris@capsh.org.

8800 Highway 7,
Suite 401
St Louis Park, MN 55426
Tel 952-697-1300
Fax 952-933-8016

Sincerely,

Christine Hart
Community Developer
952-697-1364
chart@capsh.org

Encl:



Our mission: To improve the quality of life in suburban Hennepin County by creating and supporting links between individuals and communities through: service, education, and collaboration.



Public Service Application (family , youth and senior services)
Urban Hennepin County CDBG Program Year 2015

Please answer below in this column

General Information:

Organization: Community Action Partnership of Suburban Hennepin (CAPSH)

Type of entity: Non-profit

CDBG funding request: \$6,000.00

Use of CDBG funding (e.g. staff labor costs): Program Costs – staff, program supplies, materials expenses

Contact person: Marcy Harris

Phone/Email: (952) 967-1325/ mharris@capsh.org

Program Information:

What is the program name/type of service? **Full-Cycle Homeownership and Financial Literacy Programs**
CAPSH's certified Housing and Financial Literacy counselors provide services which include:

- Foreclosure Prevention Counseling
- First Time Homebuyer Education and Counseling
- Reverse Mortgage Counseling and Home Repair and Maintenance
- Financial Literacy Workshops
- Senior Financial Security Workshops: Avoiding Scams & Identity Theft

CAPSH Full-Cycle Homeownership and Financial Literacy Programs provide participating residents budget counseling and financial education, assistance with making smart home-buying choices, and offer a range of other services that enable Edina residents to obtain and maintain safe, affordable housing as well as be financially responsible.

Is this an existing CDBG-funded program? Yes

Where is the program located, if applicable? CAPSH provides services at various sites throughout suburban Hennepin County. Services are available to all Edina residents.

What is the service area of this program? Suburban Hennepin County

Who is the target clientele? For the Full-Cycle Homeownership programs, our target clientele are residents on the verge of foreclosure, first-time homebuyers, seniors (62 years and older) who are in need of reverse mortgage assistance, and houses requiring maintenance and repair in order to alleviate and prevent further structural problems. All of our clients are low- to moderate income residents of Suburban Hennepin County. Overall, approximately 80% of clients served have incomes of 80% or lower of AMI.
For Financial Literacy, our target clientele are low-income residents who need to repair and restore credit as well as improve budgeting skills. Our Senior Financial Security Workshops target seniors, who are vulnerable to identity theft and scams.

What needs does this program address?

Full-Cycle Homeownership programs address a variety of needs:

- **Foreclosure Prevention:** provides foreclosure prevention counseling to Edina residents in danger of losing their homes due to delinquency.
- **First Time Homebuyer Education & Counseling:** offers homeownership information to equip new homeowners with knowledge on what to expect and how to finance and care for their home. After completing the workshop, they are eligible to receive one-on-one counseling to improve financial status and credit.
- **Reverse Mortgage Counseling:** offers information on working with lenders and discusses the available options for eligible seniors (62 years and older) in need of additional finances. *CAPSH does not endorse taking a reverse mortgage, nor does it endorse particular lenders or products.*
- **Home Repair and Maintenance:** assists in critical home repairs or maintenance needed to maintain habitability.
- **Financial Literacy:** assists clients in restoring their credit, working with lenders, and using preventative measures to avoid scams and identity theft.

Is the need growing?

The most recent Minnesota Homeownership Center Report reported a 20% increase in the demand for pre-purchase counseling, a 7% increase in Homestretch homebuyer workshop participation, and a 29% decrease in foreclosures in Minnesota. While the decrease in the numbers of foreclosures is significant, it is important to note that homes are still being lost through foreclosure at rates exceeding twice those of historic levels. CAPSH's Homeownership program results in Edina, and overall, reflect these shifts. Pre-purchase counseling increased 5-fold in 2014 vs 2013 and homebuyer education increased 11% and foreclosure prevention counseling decreased 25%. Hennepin County research also shows the number of residents older than age 46 increased almost 70 percent between 1990 and 2010. As the number of seniors in suburban Hennepin County rises, so does the need to disseminate more information about different scams used to prey upon seniors in particular, and how to remain financially secure in the face of less income. The most successful way we have found to disseminate this information is through workshops.

How does the program address these needs?

Foreclosure Prevention: through its certified program and certified counselors CAPSH will provide foreclosure prevention counseling to Edina residents in danger of losing their homes due to delinquency. Our counselors work directly with clients to resolve their housing needs in a manner best suited to their financial status and other needs.

- Counselors work with clients from initial stages of facing foreclosure through sheriff's sales (and even provide counseling up to eviction following the redemption period).
- Significant counseling time is devoted to reviewing clients' financial situations to evaluate if they are able to maintain their current housing in the long run.
- Counselors work directly with clients and their lenders to renegotiate mortgage terms that allow clients to stay in their homes when feasible. Foreclosure prevention counselors work with lenders to negotiate mortgage modifications, refinancing, short sales and other means of resolving the homeowner's housing crisis.

Homebuyer Education: CAPSH provides First-Time Homebuyer workshops using the Homestretch curriculum developed by the Minnesota Homeownership Center.

- Workshops are offered in multiple-session evening classes or single-session workshops to make them easily accessible.
- Participants review budget and financial considerations, what things to look for when purchasing, and options for financing. Participants also learn about repair and maintenance issues to consider before and after a purchase.
- Participants hear from real estate agents and lenders about the home-buying process from their perspective, giving participants insight into what to expect.
- Homebuyer workshops total 8 hours, after which time the clients receive certificates of completion. Many lenders now require first-time homebuyers complete the workshop to ensure they understand the lending process and their financial obligations.

Homebuyer Prepurchase Counseling: once participants have completed the Homestretch workshop they are eligible to receive individual counseling at CAPSH.

- Counselors examine a client's financial status in more detail, and work with clients to develop budgets and work on credit repair, with the goal of positioning clients to obtain home purchase financing.
- Counseling may take place in different time increments to allow clients time to improve their credit.
- Clients meet with the counselor in 45 minute – 2 hour increments depending on needs and circumstances.

Reverse Mortgage: CAPSH provides one-on-one, in-person counseling to eligible clients (one spouse must be at least 62 years old and meet financial eligibility requirements) who are interested in a reverse mortgage.

- The Reverse Mortgage counselor meets with seniors interested in the program to discuss with them the nature and requirements of a reverse mortgage, available options, and the consequences of taking out this mortgage. The counselor provides information about how to work with lenders.
- CAPSH does not endorse taking a reverse mortgage, nor does it endorse particular lenders or products.

Home Repair and Maintenance: the Home Rehab counselor works with low-income clients in need of critical home repairs or maintenance needed to maintain habitability.

- Counselor provides advice about what types of repairs are necessary, how to obtain suitable contractors, and how to obtain financial assistance, particularly through municipal programs.
- The counselor may work with city housing authorities to advise the client on necessary repairs, review the work after completion, and certify whether the work was appropriately completed.
- This is a much-needed service for low-income homeowners who may not be able to determine on their own the repair work needed, or how to pick out a legitimate contractor.

How many persons were served by this program in the past 12 months?

- Homebuyer Education: 4 Edina households
- Homebuyer Prepurchase Counseling: 4 Edina households
- Foreclosure Prevention: 9 Edina households
- Reverse Mortgage: 15 Edina households
- Home Repair and Maintenance: 0 Edina households
- Total: 32 Edina households

What is your goal for number of persons served July 2015 to June 2016?

- Homebuyer Education: 5 Edina households
- Homebuyer Prepurchase Counseling: 6 Edina households
- Foreclosure Prevention: 7 Edina households
- Reverse Mortgage: 15 Edina households
- Home Repair and Maintenance: 2 Edina households
- Financial Literacy & Senior Financial Security Workshops: 6 Edina households
- Projected Total: 41 Edina households

We plan to increase the number of persons served by continuing to expand CAPSH's outreach activities. CAPSH is developing a plan to raise awareness of its Homeownership services by expanding its web based presence, adding links to its programs and services on the MNHOC and MHFA websites and public awareness campaigns. CAPSH makes available information on our programs through digital advertising on monitors at Hennepin County Service Centers and in-person at our numerous outreach events throughout suburban Hennepin County for CAPSH Programs including Energy Assistance, SNAP (Food Support), Legal Advice Clinics (5 Clinics per month) Tax Preparation Assistance Clinics (twenty plus Clinics scheduled from February 1 through April 15) . Our Outreach Team also attends numerous Community-sponsored events throughout suburban Hennepin County.

What percentage of clients are (or are estimated to be) low and moderate-income persons? CDBG

Overall, approximately 85% of clients served have incomes of 80% of lower of AMI.

Staffing and Financial Capacity:

Describe the organization's experience in providing this service, staff capacity and staff qualifications:

Describe the organization's experience in providing this service, staff capacity and staff qualifications:

CAPSH has offered housing services since 1992. CAPSH counselors are certified by Minnesota Homeownership Center (MNHOC), Minnesota Mortgage Foreclosure Prevention Association (MMFPA), and The Department of Housing and Urban Development (HUD). In fact, we are the only HUD certified provider of homeownership services that deliver services at no-cost to clients. Additionally, CAPSH recently completed the cross-training and certifications of all its Homeownership Counselors for the Home Buyer and Home Owner services offered. This provides the flexibility to respond to the changing demand for specific programs and service in response to the improving economy. Our counselors are now trained and certified to provide services across all our programs in response to the changing demands of the market.

Awards must be spent by June 30, 2016, and it is requested that funds be spent by April 1, 2016.

Funds will be expended by the requested due date of April 1, 2016.

Funding Sources	Amount
CDBG	\$6,000
Prior Year CDBG Funding - This Project	\$5,165
Other: HUD/ NFMF Counseling Funding	\$114,000
Other: Other CDBG Funding	\$116,855
Other: Community Action Grants	\$300,345
Other: MN Housing Counseling Grants	85,000
Other: Homebuyer Education Fees	25,000
Other: Hennepin County Foreclosure Assistance	215,000
Total	\$866,700

Consistency with Plans and Public Support:

Is this a high, medium, or low priority service according to the 2010-2014 Consolidated Plan?

High

*Applications will be reviewed and ranked based on

Describe any multi-community, multi-agency or public/private partnership support:

CAPSH partners with over 275 community organizations, faith-based organizations and local, state and federal governments and agencies. Aside from providing CDBG-funded programs on behalf of cities such as Edina, CAPSH provides information and referrals for housing matters (particularly first time homebuyer assistance programs and foreclosure prevention counseling) with city offices. Furthermore, CAPSH works closely with city offices to conduct and coordinate workshops and other events, including Financial Security Workshops. CAPSH participates with local, state, and federal housing agencies and social services providers to conduct housing fairs and outreach activities. In addition to being active participants in partnership and collaborative efforts involving government housing agencies at various levels of government, CAPSH has a staff member on the board of MMFPA.

Describe how the activity meets a need not currently or adequately being addressed by other services:

CAPSH's programs focus on low-income people's need for housing and financial stability through unique services not otherwise readily available in the community. For instance, low-income homeowners have the opportunity to get personalized counseling. Seniors are able to access services that protect them from range of problems, everything from losing their home to losing their savings. CAPSH makes these services accessible by offering them at multiple locations and times, and makes them accessible to low-income clients by offering the majority of services and programs for free (exception is Homebuyer Education - CAPSH is required by State of Minnesota to charge a fee).

Agency: Community Action Partnership of Suburban Hennepin - Edina
 Dates: 7/1/2013 through 6/30/2014

	0-30	31-50	51-80	80+	Total	11: White	12: Black	13: Asian	14: Am Ind	15: Hawaiian	16: Am In & W	17: Asain&W	18: B&W	20: Multi	Total	
7/01 - 9/30/2013	1	1		3	5	3	2									5
10/1 - 12/31/2013	0	4	0	1	5	5										5
1/1 - 3/31/2014	1	8	1	2	12	10	1	1								12
4/1 - 6/30/2014	2	3	2	3	10	9							1			10

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**Community Action Partnership of Suburban Hennepin
Housing Programs Budget 2014-2015**

Expenses	ALL PROGRAMS	FUNDING	Sources of Funding
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Component		Edina CDBG	Other	TOTAL	
Salary	\$330,275.00	\$2,000.00	\$328,275.00	\$330,275.00	Federal: HUD, NFMC, CSBG State: MHFA, MGAG County: Hennepin Cty MFPP Municipal: Various CDBG including Maple Grove Private: Future grant applications Other: Homebuyer Workshops
Benefits	\$99,471.00	\$750.00	\$98,721.00	\$99,471.00	
Professional/Contract services	\$100,780.00		\$100,780.00	\$100,780.00	
Travel	\$46,500.00		\$46,500.00	\$46,500.00	
Direct Costs					
Program - materials, supplies	\$63,742.00	\$1,000.00	\$62,742.00	\$63,742.00	
Dues, cert. fees, training	\$9,350.00	\$1,000.00	\$8,350.00	\$9,350.00	
Direct/Pass Through Assistance	\$174,198.00		\$174,198.00	\$174,198.00	
Admin/Mgmt	\$21,857.00	\$500.00	\$21,357.00	\$21,857.00	
Indirect Costs					
Computer/Communications	\$19,840.00	\$750.00	\$19,090.00	\$19,840.00	
Indirect (rent, phone, etc.)	\$127,281.00		\$127,281.00	\$127,281.00	
TOTAL	\$993,294.00	\$6,000.00	\$987,294.00	\$993,294.00	





3455 Bloomington Ave
Minneapolis, MN 55407

Office Phone: 612/728-5770
Hotline: 612/728-5767
Fax: 612/728-5761
www.homelinemn.org

Joyce Repya
Associate Planner
City of Edina
4801 West 50th Street
Edina, MN 55424

January 21, 2015

Dear Ms. Repya,

This letter is to request funding in the amount of \$4,910 from the City of Edina's Community Development Block Grant Program to support HOME Line's services for renters.

A copy of the 2015 CDBG Program Request for Funding is enclosed. Along with the CDBG Request Form, I am enclosing summaries of our hotline's service to Edina residents.

In 2014, HOME Line's Tenant Hotline served 125 Edina families, prevented an estimated 8 evictions, and saved Edina residents an estimated \$20,578. HOME Line has added Somali and Spanish Speaking Tenant Advocates to our staff and would like to work with the city to make sure these immigrant communities know about HOME Line's services available in their own languages.

HOME Line is working to meet the current challenges facing low-income renters and would like the City of Edina to continue as our partner in meeting these needs.

We thank you for the opportunity to submit this application. If you have any questions or need additional information, please call me at 612/728-5770, extension 107 or Mike Vraa, our managing attorney at extension 113.

Sincerely,

A handwritten signature in cursive script that reads "Beth Kodluboy".

Beth Kodluboy
Executive Director

enclosures as noted



Public Service Application (family , youth and senior services)
Urban Hennepin County CDBG Program Year 2015

Please answer below in this column

General Information:

Organization: HOME Line

Type of entity: Non-profit

CDBG funding request: \$4,910

Use of CDBG funding (e.g. staff labor costs): Staff Labor Costs

Contact person: Mike Vraa Managing Attorney/Hotline Director

Phone/Email: 612 728-5770 x113 mikev@homelinemn.org

Program Information:

What is the program name/type of service? Tenant Hotline Services

Is this an existing CDBG-funded program? Yes

Where is the program located, if applicable? Phone service

What is the service area of this program? City wide

Who is the target clientele? Low Income Renters

What needs does this program address?

Renters make up nearly 5,733 households in Edina, and many of these families have low incomes. When renters have problems involving their homes, those who don't know their rights and responsibilities can end up living in housing that is unsafe, lose security deposits that are rightfully theirs, or make decisions that cost them their home. HOME Line provides renters with the tools necessary to keep their homes safe and affordable.

Additionally, the latest census information shows that Edina now has 1,038 Spanish speaking residents. Edina also has 760 African born immigrants from Subsaharan Africa. These immigrant communities are more likely to be renters, low-income, and because of language and cultural barriers, more susceptible to poor rental practices.

Is the need growing?

Yes, 13% increase in calls over last year

What percentage of clients are (or are estimated to be) low and moderate-income persons? CDBG requires at least 51%.

80%

Staffing and Financial Capacity:

Describe the organization's experience in providing this service, staff capacity and staff qualifications:

The Tenant Hotline began in 1992 as a service to Suburban Hennepin County residents. Today we serve the entire state Awards must be spent by June 30, 2016, and it is requested that funds be spent by April 1, 2016. When is the anticipated date to expend the funds? April 1, 2016

Funding Sources	Amount
CDBG	\$88,436
Other federal	0
State funding	100,000
Local funding	139,787
Corporate contributions	0
Foundation contributions	\$143,717
Other (Hotline Training, Attorneys Fees, Books Sales, Contributions)	\$53,100
Other (Fundors to be developed, new earned income)	103,412

Consistency with Plans and Public Support:

Is this a high, medium, or low priority service according to the 2010-2014 Consolidated Plan? *Applications will be reviewed and ranked based on the 2015-2019 Consolidated Plan high priorities, use the 2010-2014 priorities as a reference.

High - Public Service - Housing Counseling

Describe any multi-community, multi-agency or public/private partnership support:

HOME Line has a history of successfully partnering with foundations and local and state governments to help support our Describe how the activity meets a need not currently or adequately being addressed by other services:

The Attorney General's office refers tenants with questions to our hotline, but does not give tenants specific legal advice.

How does the program address these needs?

HOME Line provides renters with the tools necessary to keep their homes safe and affordable. HOME Line's Tenant Hotline provides free legal advice to tenants about landlord/tenant law. These services prevent problems ranging from homelessness to illness from unsafe living conditions, and result in reducing the use of the city's emergency resources.

In 2014, our Tenant Hotline Services to Edina advised 125 renter households, helped prevent the eviction of 8 families, and saved tenants at least \$20,578. The most common reasons Edina residents call our hotline are: repairs, and security deposits, and evictions. The need for this service in Edina is apparent -- Edina residents already rely on this valuable service.

While our services are available to all renters free of charge, 80% of our Edina callers have low incomes; 70% of these callers are women; 22% are racial minorities. Our programs are aimed at low-income renters.

HOME Line's new language and cultural access initiative means that Somali and Spanish speaking renters can directly call our Somali and Spanish speaking Tenant advocates in their native languages and get assistance with their rental problems.

How many persons were served by this program in the last 12 months?

313

What is your goal for number of persons served July 2015 - June 2016?

300 to 320

HOME Line's Tenant Hotline in Edina: 2014

OVERVIEW

In 2014, 125 Edina renter households contacted HOME Line for Tenant Hotline Services. This represents service to approximately 313 residents when all family members have been counted. In 2014, there was a 13% increase in the numbers of callers over last year. The cost to serve Edina in 2015 is \$4,910.

HIGHLIGHTS

In 2014, HOME Line helped renters from Edina:

- Recover and/or save an estimated \$20,578
- Prevent an estimated 8 evictions.
- Renters with repair issues who follow our advice are 37% more likely to get their problem fixed than those who don't.
- In landlord foreclosure, the average amount of days stayed after the sheriff's sale by renters we have helped is 180 days, and the amount of money saved by renters in landlord foreclosure is \$4,748 in 2014.

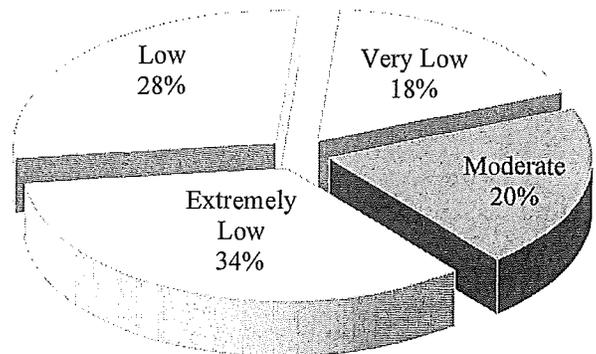
Top Ten Reasons For Calls (2014)	
1. Repairs	29
2. Security Deposit	25
3. Eviction	11
4. Break Lease	11
5. Notice to Vacate	8
6. Neighbors	7
7. Infestation/Bed Bugs	6
8. Leases	4
9. Privacy/Intrusion	4
10. Foreclosure	4

INCOME BREAKDOWN

The vast majority (80%) of these callers are extremely-low, very-low or low-income. These income categories are those used by the U. S. Department of H. U. D.:

- Extremely Low: Incomes below 30% of metro median.
- Very Low: Incomes between 30% and 50% of metro median
- Low: Incomes between 50% and 80% of metro median.
- Moderate: Incomes above 80% of metro median.

Callers' Incomes



RACIAL BREAKDOWN

78% Caucasian
 17% African American
 4% Asian/Pacific Islander
 2% Other

GENDER BREAKDOWN

70% Female
 30% Male



Transforming lives through home ownership

January 20, 2015

Joyce Repya
City of Edina Associate Planner
4801 West 50th Street
Edina, MN 55424-1394

Dear Joyce;

Thank you for the opportunity to submit the West Hennepin Affordable Housing Land Trust (WHAHLT), dba Homes Within Reach (HWR), 2015 Edina CDBG application. The application consists of the fillable form provided by you and four exhibits. They include -

- Exhibit 1 – Proposed Preliminary Sources & Uses
- Exhibit 2 – Supplemental Information
- Exhibit 3 – Community Land Trust and How it Works
- Exhibit 4 – Equity Resale Provisions

WHAHLT is seeking financial support from the City of Edina to accompany other matching funding sources to produce another affordable home in the community of Edina, using the Community Land Trust practice.

This application will enable HWR to continue creating and preserving affordable homeownership in Edina, using the community land trust practice, which allows homeownership to be affordable for low/moderate income work-force families.

We appreciate the support the City has provided to those we serve in Edina. We look forward to continuing our partnership in addressing the needs of affordable homeownership housing.

Thank you for taking the time to review and consider our proposal. If you have any questions, please feel free to contact me at (952) 401-7071.

Sincerely,

Janet A. Lindbo
Executive Director





Non Public Service Application
 Urban Hennepin County CDBG Program Year 2015

Please answer below in this column

General Information:

City: *Edina*

Other partners (if any): *West Hennepin Affordable Housing Land Trust (WHAHLT) dba Homes Within Reach (HWR) a 501 (c) (3) non profit Community Land Trust*

CDBG funding request: *\$107,836*

Use of CDBG funding (e.g. acquisition of land, rehabilitation of public facility, sidewalk reconstruction, etc.): *Acquisition of land, rehabilitation of homes in order to create and preserve two affordable homes in the City of Edina, using the Community Land Trust practice.*

Contact person: *Janet Lindbo*

Phone and Email: *952-401-7071, jlindbo@homeswithinreach.org*

Activity Information:

Describe the activity: *West Hennepin Affordable Housing Land Trust (WHAHLT) dba Homes Within Reach (HWR) is requesting assistance to continue to offer the City of Edina a program that creates and preserves affordable homeownership using the Community Land Trust practice for low to moderate income work force households, who otherwise would be unable to buy a home in Edina. This is achieved by acquiring and retaining the ownership of real property, rehabilitating and then selling the improvements (home) to buyers earning less than 80% Area Median Income (AMI). Community Land Trust homes remain affordable for consecutive generations of homeowners, because the resale restriction is the subsidy retention and is tied to the home not the owner. Thus, subsidies awarded to HWR, stay with the home and incorporate perpetual affordability using the community land trust practice. Therefore, the home purchased by HWR applicants using the land trust practice are part of the resale-restricted domain of HWR and will remain affordable for low to moderate income households, through one resale after another. This recycling of funds from owner to owner ensures the home remains affordable for low to moderate income families over a long period. Please refer to the Supplemental information enclosed with the application - Exhibits 2, 3 & 4 for further information on the program and how it works.*

In summary, WHAHLT is a nonprofit organization, formed to hold title to land to preserve its long-term affordability, receives public and private donation of land or monies to purchase properties. The homes are sold to low-to-moderate income workforce families and HWR retains ownership of the land and provides a long-term ground lease to homebuyers to secure their rights to use the land.

Where will the activity be located?

The proposed funding request will be matched with other funds to create and preserve two affordable homes in Edina, using the Community Land Trust practice. A specific property address has yet to be determined. Once funding is finalized, HWR will search for a property to acquire based on purchase price, condition of property, location, matching contributions and applicants' needs.

What population(s) will benefit?

HWR's target market is households with incomes at 80% or less of area median income (AMI). HWR has served over 129 families who have become homeowners using the HWR program, with scores of 32% to 79% AMI, the average program wide AMI is 60.8% and 61.4% for the nine affordable CLT homes created in Edina. HWR supports work-force families providing essential services to the community and surrounding suburbs who typically cannot afford to purchase an entry-level home in Edina due to high land costs, yet works, resides or has family who lives in the community.

Will this principally benefit low to moderate-income persons/neighborhood areas, or directly benefit populations presumed to be low-income including seniors, abused children, battered spouses, homeless, disabled persons?

HWR program offers an opportunity for work-force households to become homeowners, which in turn stabilizes the family unit, adds value to the community where they work or live, by increasing the labor pool to local businesses, adding new families to the community, preserving and rehabilitating of existing housing stock and providing a mechanism to invest in long-term affordable homeownership, thereby linking housing with jobs, transit and support services. In addition, work-force families provide essential services to maintain and sustain the infrastructure of Edina and surrounding communities. These jobs include but are not limited to custodians, health care workers, clergy, retail workers, administrative positions, food service providers and many more.

Anticipated accomplishments (numerical goal):

In 2007, HWR implemented its Community Land Trust program in Edina and over the past seven years has assisted ten families (includes one resale) become homeowners, serving a total of 35 individuals. Please keep in mind that each one of these homes will more than likely have 5 to 7 families own the home during the 99 year lease period - therefore serving at least 18 plus individuals per home. If awarded CDBG monies for 2015/2016, HWR will be able to create and preserve the tenth and the eleventh affordable home in Edina.

Implementation Schedule - highest priority given to activities able to request reimbursement by April 1, 2016. Expenditure period is July 1, 2015 - June 30, 2016.

Tasks	Anticipated Completion Date
<i>Application Process: Application, Orientation, Homebuyer Education, Interview and approvals</i>	<i>Ongoing</i>
<i>Acquisition/Rehab of Property: Property Search, Selection, Offer, Due Diligences/Multiple Inspections, Acquisition/Rehab, LC Approval, Purchase of Property, Development of Specification and Rehab Plan & Execute</i>	<i>6 + months</i>
<i>Selling of the Home Process: Mortgage Application and Approval, Selection of Home, Board Committee Interview, Finalize Income Eligibility, Execute PA, Homebuyer Inspection</i>	<i>3 - 6 months</i>
<i>Closing Process: Attorney Review with Buyer, Final Home Inspection, Transfer Utilities, Coordination with Funders, Buyers & Closer</i>	<i>60 days</i>
<i>Close Project: Final Bills, Finalize Project Sources & Uses, Submit Paper work to Funders for Payment, pay off LC Commitment</i>	<i>60 days</i>

Staffing and Financial Capacity:

Describe city staff capacity and experience relevant to administering this activity:

The staff of 2 + FTEs and contingent of partners, consultants and specialized vendors (contractors, housing specialists, inspectors, realtors, attorney, appraiser, closer, lenders and auditor etc.) have acquired over 116 properties and assisted 129 families own their home over the past 12 years. This team has provided the resources, expertise and services to accomplish the day-to-day activities in implementing the scope of services that include but not limited to fund development, housing production, outreach and marketing, compliance/reporting, transaction expertise needed to operate Homes Within Reach.

Will additional staffing/resources need to be secured?

No

Awards must be spent by June 30, 2016, and applications score higher by being able to expend by April 1, 2016. When is the anticipated date to expend the funds?

Most likely in the fall of 2015 or early 2016.

Funding Sources	Amount	Committed?
CDBG	\$107,836	application in process
Prior Year CDBG (for this activity)		
Other federal funds (specify) HOME	\$110,000	\$55,000 application in process and \$55,000 from 2014 award
Low Income Housing Tax Credits		
State (specify) Minnesota Housing	\$78,000	Committed
Local (specify) AHIF	\$72,000	application in process
Metropolitan Council		
Other (specify)		application in process
Total	\$367,836	

Uses of Funds	Amount
<i>Please refer to Exhibit 1 of the HWR Supplemental Information - the Preliminary sources and Uses for the Proposed Project.</i>	

Consistency with Plans and Public Support:

Is this a high, medium, or low priority service according to the 2010-2014 Consolidated Plan?

*Applications will be reviewed and ranked based on the 2015-2019 Consolidated Plan high priorities, use the 2010-2014 priorities as a reference.

HWR program meets the Hennepin County Consolidated high priority for offering homeownership assistance by creating and preserving affordable homeownership options to workforce families (80% AMI or lower) in the suburbs of Hennepin County. In addition, the program requires homeownership training by our applicants via the Homestretch Classes, which is another high priority within the plan and we work with homeowners when crisis arises and they need to participate in foreclosure prevention measures. Additionally several of our families have members who are physically disabled and work with us and Hennepin County and other non profits to make the home accessible and barrier free for the disabled family member.

Describe any community or private partnership support:

HWR has partnered and continues to with many suburban communities to support the HWR program and participates with local to support the HWR efforts. Additionally HWR partners with organizations like Greater Metropolitan Housing Corporation, who administers a fix-up loan program for CLT homeowners for home improvements. Additionally, HWR is a member of the Minnesota CLT Coalition and where the organization works with its peers with respect to lobbying efforts, development of best practices, resources and products the CLT's offers to the work-force families becoming homeowners. Furthermore, the organization with its team of consultants and specialized vendors (contractors, realtors, attorney, appraiser, closer, attorney, auditor etc.) provide the resources, expertise and services to accomplish the day-to-day activities and tasks in creating and preserving affordable homeownership.

Describe how the activity meets a locally identified high priority community development need:

The proposed activating of creating and sustaining affordable homeownership meets a community priority because of the challenges of providing affordable homeownership options and the need for additional suburban workforce housing since - land values are high and price of entry-level properties are out of the reach for many essential workers who work and or live in Edina and the surrounding areas. With land and housing costs exceeding the means of low to moderate income workforce households to purchase a home, the Community Land Trust was formed to create and preserve affordable homeownership for families that otherwise would be unable to buy a entry-level home where they work or live and not over burden their income to do so. The average home sales price, sold by HWR in Edina is \$139,833 which contrasts favorably to current median sales price in the City of Edina of \$393,147 (median home value per Neighborhood Scout) throughout its 14 neighborhoods. The purpose of creating affordable homeownership offers an opportunity for low to moderate income families to become homeowners, which in turns stabilizes the family unit and adds value to Edina and protects the investment of the subsidy made possible by the funders. Therefore the program's activity - expands homeownership opportunities, enhances residential stability, preserve housing affordability and supports the community infrastructure.

Preliminary Sources & Uses for Proposed Edina Housing Project

Name of Properties Undetermined - proposed the creation of two affordable homes
Date: January 2015

		Proposed 2015	Proposed 2015
		Single	Cumulative
		Property	2
			Properties
Sources:			
Homebuyer Mortgage		\$145,000	\$290,000
City of Edina CDBG		\$53,913	\$107,826
HWR Matching Funds		\$130,000	\$260,000
	Total	\$328,913	\$657,826
Uses:			
Acquisition Costs		\$270,000	\$540,000
Closing Costs		\$2,400	\$4,800
Inspections/Testing		\$1,600	\$3,200
	Acquisition costs	\$274,000	\$548,000
Adm Fee		\$5,000	\$10,000
Project/Holding/LC/Closing Costs		\$14,000	\$28,000
Rehab Costs		\$35,913	\$71,826
	Total	\$328,913	\$657,826

Exhibit 2

2015 Edina CDBG Application

Supplemental Information for Submission of CDBG Application

West Hennepin Affordable Housing Land Trust (WHAHLT) dba Homes Within Reach (HWR) was created in May 2001 and commenced implementation of the program in 2002; a Community Land Trust, creating long-term affordable homeownership for workforce families in the western suburban communities in Hennepin County; thereby enhancing community vitality by working in partnership with public agencies and private organizations in addressing the need for affordable homeownership. HWR has served eleven (11) communities in western Hennepin County including the City of Edina.

- West Hennepin Affordable Housing Land Trust **vision** is to transform people’s lives through homeownership.
- The **mission** is to use the Community Land Trust practice to provide housing for working families that would be otherwise unable to buy in the West Hennepin suburban communities, offering both communities and homebuyers the ability to sustain permanently affordable homeownership.
- Its **goal** is to create and sustain affordable homeownership in the suburbs of Hennepin County, through the implementation of its Homes Within Reach program. This is achieved by acquiring properties in the suburban communities of Hennepin County; and in turn, rehabilitate and sell the homes to qualified households earning less than 80% Area Median Income (AMI) using the Community Land Trust Practice.

The establishment of WHAHLT, later named Homes Within Reach (HWR) was in direct response to the City of Minnetonka’s interest in developing a means of increasing the number of permanent affordable homes in Minnetonka and in the western suburban communities of Hennepin County for low to moderate income households. Thus making efficient use of its financial investment and providing a vehicle to meet the communities’ housing goals and objectives.

Since 2002 HWR has assisted over 129 families in becoming homeowners, of which 10 are families (includes one resale) in the City of Edina.

Request:

West Hennepin Affordable Housing Land Trust (WHAHLT) dba Homes Within Reach (HWR), a non-profit corporation is seeking a CDBG grant of \$107,836 from the City of Edina to assist in creating and preserving two affordable homes in the City of Edina, using the Community Land Trust practice, for work-force families (50%-80% of the area median income).

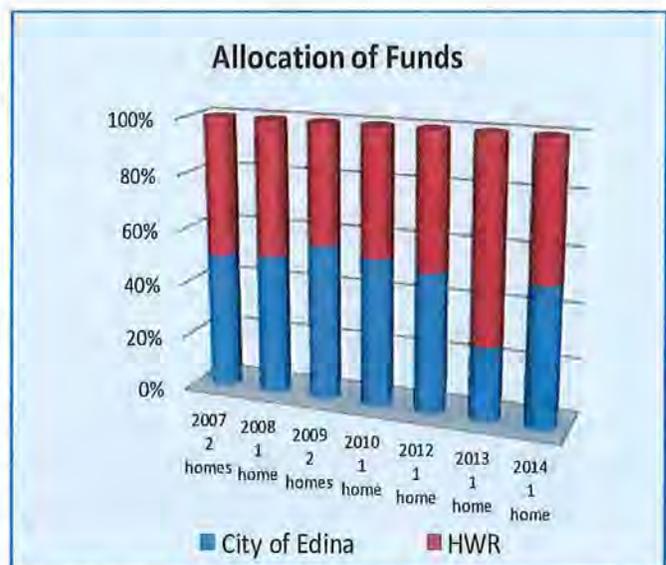
City of Edina:

In 2007, Homes Within Reach implemented its program in Edina, providing affordable homeownership opportunities to two families in the City of Edina.

From 2007 through 2014, Homes Within Reach has created nine affordable homes in Edina. The chart to the right highlights the funds applied to each home by the City of Edina CDBG monies and HWR matching funds in creating and preserving nine affordable Edina homes.

In 2014, HWR combined the 2012 & 2013 CDBG award and applied it to one property because the land value of the entry-level property exceeded \$160,000. Average land value for the nine CLT properties in Edina is \$143,000. Currently, it is HWR experience that entry-level properties’ land values are exceeding \$150,000 per parcel in Edina.

The average HWR sales price for the Edina homes using HWR Community Land Trust program over the past seven years is \$139,833; serving families with an Area Median Income (AMI) of 61.4%.



Program Profile:

• **Population Served:**

- HWR’s target market is households with incomes at 80% or less of Area Median Income (AMI). In practice, HWR has served households between 32% and 79% AMI, the average AMI is 60.8% program wide and 61.4% in Edina.
- Average Income for leaseholders is \$42,807 and the average in Edina is \$45,427.

• **HWR & Edina Profile:**

Categories	2002-2014 HWR Totals	2002-2014 Edina Totals	Comments
Total HWR Parcels	116	9	
HWR Households	113	9	
HWR Resales	15	1	
HWR Total Families Served	128	10	
HWR Average Income Served	\$42,807	\$46,458	
HWR Area Median Income Served (%)	60.8%	61.4%	Income and family size drives AMI calculation
HWR Average Final Mortgage Amount	\$908	\$1,036	Includes PITI
HWR Average Sale Price	\$125,950	\$139,833	
HWR Number Persons Served	413	33	
Number of Communities Served	11	1	

How HWR Community Land Trust Works:

HWR acquires single-family properties, retains ownership of the land and sells the homes on the land to qualified income families. Please refer to **Exhibit 3 & 4** for further detail on how the Community Land Trust works.

The homes are made permanently affordable for work-force homeowners through contractual controls embedded in the Ground Lease, even after the resale of the homes. Given that HWR owns the land and the homeowner owns the home, the homeowner and HWR execute a Ground Lease that defines the roles and responsibilities of both HWR and the homeowner. The Ground Lease allows the homeowner to secure, *long-term rights* to the land. In addition, they have full use of the land and responsibility for the property. The homeowner is responsible for the payment of all real estate taxes on the house and on the land.

The homeowner may sell his/her home only to WHAHLT or a qualified buyer. The resale price is limited by a formula which more than likely (based on market conditions) allows the seller to recover the original cost of the house plus a modest profit. Therefore, assuming the house has retained or increased in value, the homeowner who sells his or her home will get all of their equity (the amount of money that they used as a down-payment as well as all principal that has been paid) plus a percentage (35%) of the home’s appreciation (the amount that a home has increased in value since it was purchased).

Thus, subsidies awarded to HWR to purchase the land, stay with HWR and incorporate perpetual affordability using the community land trust practice. Therefore, the home purchased by HWR applicants using the land trust practice are part of the resale-restricted domain of HWR and will remain affordable for low-to-moderate income households, through one resale after another.

The components of *permanent housing affordability* and *subsidy retention* create and sustains the affordability of the homes through the HWR program. Therefore, the removal of the market value of the land from the mortgage equation provides *initial affordability* and *permanent affordability* is obtained through:

- A pricing formula that provides the owner with an amount of equity while ensuring that the resale price of the home is affordable and
- A resale restriction that requires the homeowner to sell the house to another qualified household.

Therefore, a one-time investment in the cost of the land and other related expenses creates a permanently affordable home and in turn maximizes the effectiveness of the investment in affordable housing while providing the benefits of home ownership to households that are otherwise unable to buy a home in Edina. Please refer to **Exhibit 3 & 4** for further detail.

Method of Approach and Implementation of Schedule

	MONTHS	1	2	3	4	5	6	7	8	9	10	11	12
Creation of one Affordable Home													
1. Application Process													
Informational Meeting		■											
Application		■	■										
Orientation & Homebuyer Education			■	■									
Interviews and Income verification			■	■									
Meeting with Lender process application				■	■								
Pre-approvals					■								
2. Acquisition													
Property Search					■								
Property Selection					■								
Purchase Offer of Selected Property					■								
Due-Diligence Period & Admin - Determine Scope of Rehab, LC, Finalize offer, remove contingencies					■	■							
Acquire property						■							
Rehab							■	■	■	■			
3. Selling/Closing Process													
Mortgage Application and approval								■	■	■			
Selection of Property										■	■		
HWR Resident Committee Interview, Finalize income eligibility											■	■	
Execute PA , home inspection, attorney review												■	■
Closing - coordination with funders, buyers, closer												■	■

HWR acquires, rehabilitates and then turns around and sells the home to a qualified family using the land trust practice. The following graph highlights the major components of HWR housing production timeline.

Please keep in mind that multiple steps can be completed concurrently or previously – therefore it does not take 12 months to purchase a home, if the applicant is financially ready and there are available homes in their desired community where they work or live

The Application Process can take place at any time, however once a property is located and acquired, many times applicants need to be reapproved for a mortgage, if their pre-approval is more than 60 days old; especially in these times of changing lending requirements.

With respect to the 2015/2016 proposed activity, a specific location in the City of Edina has not yet been predetermined prior to approving this proposed activity. Properties typically are selected and acquired once the funding commitment has been completed, along with matching funds. Properties are typically acquired as opportunities arise due to market conditions and the requirements of the HWR acquisition process.

Required repair and rehabilitative work are those renovations that will provide the buyers good operating condition of the home and property, promote a safe environment and permit the reuse of structurally sound buildings, many of which were constructed in a manner that is superior to some of today’s housing products.

Example of Edina Land Trust Homes



The Benefits and Value of the HWR program

To the Edina Community are –

Homes Within Reach is an excellent affordable homeownership program that enhances the community through collaborating with public and private organizations in transforming lives through homeownership - by:

1. Sustaining Community Resources

The HWR program makes use of existing buildings and the community's infrastructure. The community's infrastructure is a major selling point to the buyer, and in return, the new family provides value and benefits with respect to the following:

- Community's growth,
- Delivery of services,
- Increasing the labor pool available to local businesses,
- Reducing freeway congestion given the opportunity workers can live near their work,
- Adding younger households to the community where the population is often aging and
- Providing the mechanism to invest in affordable housing

2. Expanding Homeownership Opportunities:

HWR three principal features of the program continue to appeal to the targeted market, which includes the cost of homes, the quality of home and their location. Additionally, owning a CLT home is a starting point on the homeownership ladder for many of HWR homeowners. A 2010 study ¹ found that nearly 80% of Land Trust homeowners go on to purchase market-rate homes.

Furthermore, future work-force families will benefit because the home's re-purchase price will be permanently affordable through the Land Trust as affordable homeownership. Therefore, providing a long-term practice for families to become homeowners, adds value to the community, stabilizes families and protects the investment of the subsidy by all funding sources when using the Community Land Trust practice.

3. Supporting Residential Stability:

The HWR program provides assistance to neighborhoods in maintaining the neighborhood as it ages enabling newcomers and families to join the community and revitalize the housing inventory and support the investment in the delivery of the Community's infrastructure.

4. Preserving Housing Affordability:

Community Land Trust homes remain affordable between consecutive generations of homeowners. The resale restriction is the subsidy retention and is tied to the home not the owner. This recycling of funds from owner to owner ensures the home remains affordable for low-to-moderate income families over a long period.

¹ Urban Institute, Shared Equity Homeownership Evaluation: Case Study of Northern Communities Land Trust, April 2010 draft (This evaluation is part of a larger study still in progress of CLTs, limited equity co-ops and deed restriction programs)



Community Land Trust – How it Works

West Hennepin Affordable Housing Land Trust dba Homes Within Reach is a Community Land Trust.

A Community Land Trust organization is a -

- Nonprofit organization
- Formed to hold title to land to preserve its long-term affordability
- Receives public and private donations of land or monies, to purchase land on which housing exists or can be built
- The homes are sold to low-to-moderate income workforce families
- The CLT retains ownership of the land and provides a long-term ground lease to homebuyers to secure their rights to use the land
- The CLT retains a long-term option to re-purchase the homes at a formula-driven purchase price when homeowners later decide to sell & move.

Two key components driving the interest in Community Land Trusts are

- A Social Component:** Promoting homeownership for low to moderate income families
- A Financial Component:** Protecting the public's investment in affordable homeownership

The Community Land Trust (CLT) is one vehicle that allows homeownership to be affordable for low-to-moderate income workforce families.

A Community Land Trust (CLT) establishes affordability by removing the value of the land from the mortgage equation to create initial affordability resulting in savings of principal and interest and in down payment and closing costs.

The CLT retains ownership of the land and enters into a 99-year ground lease with the leaseholder-homeowner. Therefore, each affordable home will offer affordable homeownership to 6-9 families throughout the life of the lease.

The CLT leaseholder-homeowner pays property tax on both the home and the land, and secures the rights to use the land via a Ground Lease.

Federal, State, City and private contributions fund project costs - land acquisition, buyer assistance, rehab, and holding costs.

A CLT ensures permanent affordability of the home through two provisions found in the Ground Lease.

- The first is a pricing formula that provides the owner with a fair amount of equity (25%-35%), while ensuring the sale price for subsequent low-to-moderate income households is affordable.
- The second provision requires the homeowner to sell either to another low-to-moderate income household. In addition, the provisions ensure the home continues to be affordable with each sale.

A CLT leaseholder-homeowner receives benefits similar to non-CLT homeowners such as the ability to build equity, the federal mortgage interest and property tax deduction and the ability to pass on the lease interest and home to their heirs.

The following Chart provides an example of how a Community Land Trust creates initial and permanent affordability (99 years plus). The example compares the difference in affordability after ten years under the CLT and conventional model.

Affordability Comparison

Affordability Comparison			CLT Model	Conventional Model
Acquisition costs				
	Market Value Land		\$ 90,000	\$ 90,000
	Market Value Home		\$ 120,000	\$ 120,000
	Total		\$ 210,000	\$ 210,000
Subsidy				
	Subsidy/Affordability Gap		\$ 90,000	\$ -
	Sale Price		\$ 120,000	\$ 210,000
Housing Costs				
	Principal and Interest	¹	\$ 719	\$ 1,200
	Property Taxes		\$ 235	\$ 235
	Homeowner Insurance		\$ 135	\$ 135
	Land Lease Fee		\$ 30	n/a
	Total Monthly Principal, Interest, Taxes, Insurance		\$ 1,119	\$ 1,570
	Down Payment		\$ 1,000	\$ 10,500
	Closing Costs		\$ 4,150	\$ 5,650
Market Value After 10 Years				
	Market Value Home		\$ 161,270	n/a
	Market Value Land and Home		n/a	\$ 282,222
	Increase in Value	²	\$ 41,270	\$ 72,222
Sale Price Calculation after 10 Years				
	Percentage of Appreciation to Owner		35%	100%
	Owners Share of Appreciation		\$ 14,445	\$ 72,222
	New Sale Price of Home		\$ 134,445	\$ 282,222
¹	Mortgage Interest Rate 6%, Term 30 years,			
²	Annual average increase in market value 3%			

The chart above demonstrates that after ten years, the CLT home sells for \$134,445 as opposed to \$282,222 under the conventional model, a difference of \$147,777.

There are two primary factors to account for this difference. First, the land has been permanently removed from the speculative market. Secondly, the homeowner receives only a percentage of the appreciation of the home when they decide to sell. In the above example, the owner receives 35% or \$14,445, based on a formula that is standard among CLTs (25-35%) across the United States, where the homeowner receives only a portion of the appreciation in order to make the home affordable for each subsequent sale.

Equity Resale Provisions



The home purchased by HWR applicants in Edina using the land trust practice will be part of the resale-restricted domain of WHAHLT - HWR and will remain affordable for low-moderate income households, through one resale after another, and continue to serve homebuyers without the need of additional subsidies, regardless the number of times the home sells (99-198 years).

The Ground lease (executed between WHAHLT-HWR and the homeowner) protects the assets of the land by providing the land trust certain rights to safeguard the condition and affordability of the home. HWR homes cost less than market rate homes because HWR homebuyers purchase only the house and enter into an agreement with WHAHLT- HWR for the use of the land. By taking the cost of the land out of the real estate transaction, land trust homes are more affordable than houses on the open real estate market.

Given that WHAHLT-HWR owns the land and the homeowner owns the home, the homeowner and WHAHLT-HWR sign a long-term legal document called a Ground Lease, which defines the roles and responsibilities of both WHAHLT-HWR and the homeowner. The Ground Lease allows the homeowner to secure, long-term rights to the land. The homeowner is responsible for the payment of all real estate taxes on the house and on the land.

The homeowner may sell his/her home only to a qualified buyer or WHAHLT-HWR. The resale price is limited by a formula which more then likely (based on market conditions) allows the seller to recover the original cost of the house plus a modest profit.

Therefore, assuming the house has retained or increased in value, the homeowner who sells his or her home will get all of their equity (the amount of money that they used as a down payment as well as the entire principal paid to that point in time). In addition, to a percentage (35% for WHAHLT) of the home's appreciation (the amount that a home has increased in value since it was purchased). Please see the attached - How the Community Land Trust Model Works - Exhibit 2.