



Community Planning and Economic Development Department

News Release

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Minneapolis City Goals: A Safe Place to Call Home ▫ Jobs & Economic Vitality ▫ Eco-Focused ▫ Livable Communities, Healthy Lives ▫ Many People, One Minneapolis ▫ A City That Works

\$3.25 million in construction loans and grants available for developers to build “green” homes in North Minneapolis

Proposals are due February 15

January 14, 2013 (MINNEAPOLIS) – The City of Minneapolis is seeking proposals from developers to construct “green” homes on City-owned vacant lots in North Minneapolis and is offering \$3.25 million in construction loans and grants. The housing program, called Green Homes North, builds sustainable homes to green standards, employs local minority and women contractors and workers and uses locally-sourced green products. Proposals are due by February 15. Information can be found [on the City’s website](#).

Green Homes North will fund the construction of 100 homes in the next five years in North Minneapolis neighborhoods where stabilization is most needed. The program was launched in 2012, and funding was awarded to five developers to build 13 “green” homes. Two homes are under construction and the others will break ground in the spring.

“With Green Homes North, we’re helping everyone in Minneapolis: we’re getting buyers into affordable new homes, stabilizing blocks and increasing existing homeowners’ values, creating jobs in the construction industry, training hard-to-employ workers in green construction techniques, growing the local green construction industry, and keeping down everyone’s property taxes by getting City-owned land back on the tax rolls. It’s a win for everyone,” said **Mayor R.T. Rybak**.

Funding from the City, Minnesota Housing Finance Agency and the Family Housing Fund will provide \$1.25 million in grants and up to \$2 million in loans to private and non-profit developers with demonstrated new home construction knowledge and experience. Program funds will assist developers with development gap financing, a grant to cover 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.

Homes will be built in targeted areas of development where there is existing City and partners' investment or blocks with several vacant lots to be developed. Existing incentive programs will assist in bringing new homebuyers to this market. Buyer income restrictions will apply.

“The housing market in Minneapolis is on the upswing and Green Homes North will help accelerate that momentum for buyers looking for green homes at an affordable price,” said **Tom Streitz, City of Minneapolis Director of Housing Policy and Development**.

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. Proposals will be reviewed by a design committee and by the neighborhood where the property is located.

The City encourages local workforce hiring and the use of local, minority and women contractors and businesses to participate in the construction of these homes. The City of Minneapolis Employment and Training Program (METP) will provide free training and job placement services through its RENEW Minneapolis- Green Homes North program that focuses on green construction skills.

Strategic partners in developing the Green Homes North program guidelines are Minnesota Housing; The McKnight Foundation; Family Housing Fund; Northside Home Fund; Twin Cities Community Land Bank; Urban Research and Outreach-Engagement Center; The Center for Sustainable Building Research and the College of Design, University of Minnesota; architects; employers; green product providers; realtors; developers; neighborhoods and residents of North Minneapolis.

For information on Green Homes North and the City's foreclosure recovery plan see www.minneapolismn.gov/foreclosure/foreclosure_citys_foreclosure_recovery_plan.

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