



Director Rubedor
Neighborhood and Community Relations
Crown Roller Mill, Room 425
Minneapolis, MN 55401

March 10th, 2015

Dear Director Rubedor,

The East Phillips Improvement Coalition (EPIC) gave final approval on December 11th, 2014, to our effort to provide \$120,000 to fund EPIC's City Council approved NRP Phase II Plan containing the New Home Construction Strategy. This vote was preceded by a community approval for review on November 13th, 2014 and a flyering of the whole neighborhood along with E-News to 450 members about this plan to give access to the community's approval process. The EPIC NRP Phase II New Home Strategy has been empty since the end of 2010, when many of our housing dollars were lost in the transition to the new community engagement process. Validation for funding is provided in Goal 1, Objective 4, Strategy 2 of EPIC's NRP Phase II Action Plan.

MOTION: (JB, ES) EPIC will set aside \$120,000 NPP using 2012-2013 to build up to 8 new houses on 8 empty lots and that we seek contracts with PRG and GHMC.

This part of the plan was initially endorsed by the Community to respond to the critical need for affordable work force housing in the entire Phillips area. East Phillips had suffered serious set backs from a loss of housing units, both single family and rental. We are proud of our new Greenway Heights Apartments to answer to the need for rental housing, but the need for new homeownership has remained unanswered. Excess vacant lots have contributed to crime and the near loss of our heritage of affordable home ownership. EPIC's NRP Phase I housing replacement program made an enormous difference in the overall livability of East Phillips. Blocks came alive again, new families arrived and crime went down. But the job wasn't finished and the foreclosure crisis worsened the situation. Now we have the opportunity to complete the work.

For purposes of contracting, the relevant parts of the approved NRP Phase II Plan are the following:

Phase II, Goal 1: Protect Neighborhood Stability by maintaining, improving and adding to housing inventory, in addition to retaining home ownership through financial support.

Objective 4: Promote home ownership opportunities to foster neighborhood stability and provide safe, inclusive affordable housing for all people

Strategy 2: Assist in the construction of new single-family homes by providing subsidy to lower the construction cost of the house. (In Phillips the cost to build a single-family house often exceeds the market value. A subsidy is required to cover the gap.)

How: EPIC will work with GHMC, PPL, PRG or other financial partners to cover the gap with NRP funds and potentially seek additional dollars to be used for covering the construction cost gap.

Amount approved by the EPIC Board and Membership: \$120,000

Date of Approval: Thursday, December 11th, 2014

Carol Ann Pass, Chair
East Phillips Improvement Coalition

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