



Request for City Council Committee Action from the Department of Community Planning and Economic Development

Date: January 17, 2012

To: Council Member Lisa Goodman, Chair, Community Development Committee
Council Member Betsy Hodges, Chair, Ways and Means/Budget Committee

Subject: Public Hearing and Approval of Penn Avenue North Redevelopment Plan

Recommendation: Conduct a public hearing and adopt the attached resolution approving the Penn Avenue North Redevelopment Plan.

Previous Directives:

None

Department Information

Prepared by: Tiffany Glasper, Senior Project Coordinator, 612-673-5221

Approved by: Thomas A. Streit, Director, Housing Policy & Development _____

Charles T. Lutz, Interim CPED Director _____

Presenters in Committee: Tiffany Glasper, Senior Project Coordinator

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification: On December 2, 2011, affected neighborhood organizations (Jordan Area Community Council, Northside Residents Redevelopment Council, Cleveland Neighborhood Association and Folwell Neighborhood Association) were notified of the opportunity to review and comment on the proposed Penn Avenue North Redevelopment Plan.
- City Goals: A Safe Place to Call Home; Jobs & Economic Vitality; Livable Communities, Healthy Lives
- Sustainability Targets: Special Needs Housing - Rehabilitation
 - Sustainability: Green standards will be employed in construction and rehabilitation of affordable housing units developed under this program.
- Comprehensive Plan: On December 15, 2011, the City Planning Commission Committee of the Whole found that the Penn Avenue North Redevelopment Plan is consistent with The Minneapolis Plan for Sustainable Growth and the West Broadway Alive and Lowry Avenue Strategic Plan small area plans. The City Planning Commission is expected to make its finding on January 9, 2012.

Supporting Information

The establishment of the Penn Avenue North Redevelopment Project is part of the City's overall strategy for responding to the damage caused by the May 22, 2011 tornado that struck north Minneapolis, and to other redevelopment needs and opportunities. The project

boundary is not based on specific locations of tornado-related damage, but rather on identified redevelopment strategies, priorities and opportunities.

The new redevelopment project encompasses a 38-block area located largely within the Jordan and Willard-Hay neighborhoods of north Minneapolis, with small areas in the Cleveland, Folwell and Near North neighborhoods. Exhibit 1 to the redevelopment plan shows the project area boundary.

The project area includes City-identified priority redevelopment areas along Penn Avenue North, including Penn-Lowry, Penn-West Broadway, Penn-Golden Valley Road and Penn-Plymouth. The Capri Block, located within the project boundary, is the site of the new Five Points Building redevelopment, the Capri Theater expansion and future mixed use development proposed to include housing, commercial/retail uses and shared parking.

Two of the Northside Home Fund's "cluster projects" are also located within the Penn Avenue North Redevelopment Project boundary. The purpose of the clusters at 21st and Penn and at 27th and Penn is to make a noticeably positive impact on the housing stock and to stabilize and strengthen the homeownership market of North Minneapolis neighborhoods.

The City has issued a Request for Proposals for the southwest and southeast corners of the intersection of Penn and Plymouth Avenues North.

Forty-two tax parcels have been identified as properties that may be acquired by the City of Minneapolis. These parcels include some vacant and boarded buildings, vacant lots, properties adjacent to City-owned properties, properties owned by Hennepin County, properties in foreclosure or tax forfeiture, properties in or near commercial nodes, and properties in identified cluster projects.

The westerly extension of the project boundary along McNair Avenue is included to link the Theodore Wirth Park bike and pedestrian activities to the neighborhoods. The easterly extension along 26th Avenue North is included as the eastward bikeway linkage.

Background Information

On May 22, 2011, a tornado devastated several areas of the north Minneapolis community. The Mayor, Council Members, City staff and the community at large responded within hours to report on the sustained damage and begin efforts to create an emergency response team. The emergency response included the mobilization of a team led by Urban Homeworks, Summit Academy, Minneapolis Urban League and Pillsbury United Communities to address the immediate needs of north Minneapolis residents and businesses.

Understanding that there would also be long-term effects and needs, the Mayor directed CPED staff to recruit long-term financial investments, create opportunities for north Minneapolis contractors and establish a plan for redevelopment activities in the area affected by the tornado.

The area identified as the project area has not been singled out because it sustained more significant damage than other areas. It is one part of a larger strategy to respond to the Mayor's request and to respond to the needs of north Minneapolis and its residents. The establishment of this project area is also part of CPED's overall corridor strategy.

There are several other strategies underway and resources are being sought to fully address the physical damage caused by the tornado, including:

- The City and the Northside Community Response Team Housing Committee are working to bring resources to tornado-damaged properties identified by Regulatory

Services as properties whose owners still do not have the financial resources to complete repairs.

- Urban Homeworks, Habitat for Humanity, Rebuilding Together and other members of the Northside Community Response Team Housing Committee are providing a variety of volunteer construction/rehabilitation services to residents with tornado-damaged property.
- The Northside Community Response Team Navigators, Hennepin County and others continue to work with affected homeowners and renters who need assistance with goods and services.
- The six affected neighborhood organizations are working on plans to bring their NRP resources to the table.

CPED's efforts to bring additional resources to the table are described below:

- The Legislature authorized the City to include an additional 200 parcels in the Housing Replacement TIF District, specifically to address the Tornado Recovery Area. This allows the City to acquire blighted and/or vacant properties up front and be reimbursed over a 15-year period for up to 75 percent of the eligible costs. There are various parameters and eligibility considerations that determine specifically which properties will be acquired by the City.
- The City was successful in securing \$750,000 from Minnesota Housing to provide zero interest forgivable loans to homeowners for property repairs and rehabilitation. In total, Minnesota Housing has made nearly \$1 million available to provide loans to homeowners for tornado related repair and rehabilitation. This is in addition to the \$1 million in Quick Start Disaster Recovery funds to repair tornado damages in single-family homes administered by Neighborhood Housing Services, Greater Metropolitan Housing Corporation, and Center for Energy and the Environment.
- Neighborhood Community Relations identified \$240,000 for the Rehab Support Program Emergency Relief Fund to repair roofs of homeowners who do not qualify for other funds.
- Additionally, Neighborhood Stabilization Program funds are being expended to treat blighted, vacant and/or foreclosed properties in the Tornado Recovery Area.
- In partnership with the Twin Cities Community Land Bank, approximately \$1.3 million in loans and grants have been secured from private philanthropic organizations for the purposes of acquiring properties in the Tornado Recovery Area. Several of our lending partners donated foreclosed properties.
- The Metropolitan Council recently approved a new Transit-Oriented Development Fund to invest approximately \$26 million over the next year toward economic development and jobs creation along metro transitways through the Council's Livable Communities grant program. City staff are cultivating several grant proposals for the fund centered around the Penn-West Broadway node. These projects will catalyze additional development activity in the area and allow for needed transit improvements.
- Staff will be engaging in conversations to identify possible pooled TIF resources that can be used in the redevelopment area per special legislation authorizing the use of pooled TIF resources in the tornado recovery area.

To reiterate, the establishment of the Penn Avenue Redevelopment Project Area is one way the City is working to rebuild in the Tornado Recovery Area. Efforts to revitalize business activity on Penn Avenue at the aforementioned nodes, along with a diversification of the housing stock, will serve each other well and will encourage additional investment and development in the area. Strengthening this important corridor will help stabilize the surrounding communities and assist in facilitating a full recovery in the areas affected by the May 22 tornado.

The proposed Penn Avenue North Redevelopment Plan identifies the redevelopment project boundary, the objectives of the public redevelopment activities that are to occur, and the properties that may be acquired by the City. The City Council's approval of the Redevelopment Plan is the source of the City's authority to carry out public redevelopment activities within the project boundary, including acquisition, relocation, demolition, public improvements, and other activities.

Attachments: Penn Avenue North Redevelopment Plan
City Council Resolution