



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

Date: March 24, 2015

To: Council Member Lisa Goodman, Chair, Community Development & Regulatory Services Committee

**Subject:** Housing Replacement District III – Removal and Subsequent Reinstatement of 3712 28<sup>th</sup> Avenue South

**Recommendation:** Adopt the attached resolution removing 3712 28<sup>th</sup> Avenue South from Housing Replacement District III and placing it back in the district once a new Property Identification Number has been assigned.

### Previous Directives:

- December 8, 2009 – Council approval of the Housing Replacement District (HRD) III Plan.
- May 10, 2013 – Council approval of the addition of 69 parcels to HRD III, including 3712 28<sup>th</sup> Avenue South.

### Department Information

Prepared by: Edythe Oliveto-Oates, Senior Project Coordinator, 612-673-5229	
Approved by: Andrea Brennan, Director, Housing Policy & Development	_____
Charles T. Lutz, CPED Deputy Director	_____
D. Craig Taylor, CPED Director	_____
Presenter in Committee: Edythe Oliveto-Oates, Senior Project Coordinator	

### Financial Impact

The recommended action will not have a financial impact; one City-owned tax-exempt parcel is to be temporarily removed from Housing Replacement District III (a tax increment financing district authorized by special legislation), and returned to the district once a new Property Identification Number has been assigned to it by Hennepin County.

### Community Impact

- Neighborhood Notification: Not applicable.
- City Goals: Living Well – Minneapolis is safe and livable and has an active and connected way of life. High-quality, affordable housing choices exist for all ages, incomes and circumstances.

### Supporting Information

A Housing Replacement District (HRD) is a tax increment financing (TIF) district authorized by special legislation. HRDs have as their sole purpose the acquisition and preparation of parcels for sale for the development of market rate housing. Eligible parcels are vacant land or parcels with vacant or substandard housing, and may be located anywhere within the city. The special legislation limits the number of parcels that may be included in HRDs.

There are three Minneapolis HRDs, approved by the City Council in 1996, 2003 and 2009. The second and third districts were established after time limits for expanding existing districts were reached and as the special legislation was amended to allow greater numbers of parcels to be included in HRDs.

Parcels may be added to or removed from HRDs by a City Council resolution.

The property at 3712 28<sup>th</sup> Avenue South (Property Identification Number [PID] 01-028-24-43-0201) is in HRD III. This vacant lot and the adjoining vacant lot at 3708 28<sup>th</sup> Avenue South are both owned by the City. A recent lot line adjustment removed the northerly 10 feet from 3712 and added it to 3708.

It is the City's intent that 3712 28<sup>th</sup> Avenue South remain in HRD III. However, because 3708 is not in the TIF district, Hennepin County is not able to process the lot line adjustment and assign new PIDs to the reconfigured parcels until 3712 is (temporarily) removed from the TIF district. Once the new PIDs have been assigned by the County, 3712 will be placed back in the district.

The attached Council resolution authorizes both the removal and the return of 3712 28<sup>th</sup> Avenue South to HRD III.

**RESOLUTION  
OF THE  
CITY OF MINNEAPOLIS**

**By Goodman**

**Approving the Removal and Return of 3712 28<sup>th</sup> Avenue South to Housing Replacement Tax Increment Financing District III.**

Section 1. Recitals

1.1. Whereas, pursuant to Laws of Minnesota 2003, Chapter 127, Article 12, Sections 31-34, and Minneapolis Code of Ordinances, Chapter 415, the City of Minneapolis (the "City"), acting by and through its department of Community Planning and Economic Development, has been granted the authority to propose and implement city development districts, housing and redevelopment projects and tax increment financing ("TIF") districts, all pursuant to Minnesota Statutes, Sections 469.001 through 469.134, and 469.174 through 469.179, as amended, and other laws enumerated therein (collectively, the "Project Laws"); and

1.2. Whereas, Laws of Minnesota 1995, Chapter 264, Article 5, Sections 44 through 47, as amended by Laws of Minnesota 1996, Chapter 471, Article 7; Laws of Minnesota 1997, Chapter 231, Article 10; Laws of Minnesota 2002, Chapter 377, Article 7; Laws of Minnesota 2008, Chapter 154, Article 9; Laws of Minnesota 2008, Chapter 366, Article 5; Laws of Minnesota 2010, Chapter 216, Sections 45 and 46; and Laws of Minnesota First Special Session 2011, Chapter 7, Article 5, Section 11 (collectively, the "Special Legislation") authorizes the City to establish housing replacement tax increment financing districts; and

1.3. Whereas, by Resolution 95R-397 duly adopted December 29, 1995, Resolution 2008R-275 duly adopted July 11, 2008, and Resolution 2011R-491 duly adopted October 7, 2011, the City approved the Special Legislation; and

1.4. Whereas, by Resolution 96R-210 duly adopted August 9, 1996, the City approved the Housing Replacement District Plan and created a Housing Replacement TIF District. By Resolution 2003R-386 duly adopted August 22, 2003, the City approved the Housing Replacement District II Plan and created Housing Replacement TIF District II. By Resolution 2009R-602 duly adopted December 18, 2009, the City approved the Housing Replacement District III Plan (collectively with the Housing Replacement District Plan and the Housing Replacement District II Plan, the "Plans") and created Housing Replacement TIF District III (collectively with the Housing Replacement TIF District and Housing Replacement TIF District II, the "Districts"); and

1.5. Whereas, special legislation (2011 Laws of Minnesota First Special Session, Chapter 7, Article 5, Section 11) authorized the City to designate for inclusion in the Districts up to 200 parcels, on a onetime basis, within the area of the City of Minneapolis designated by the Presidential declaration of major disaster FEMA-1990-DR and the City added parcels to Housing Replacement TIF District III ("HRD III") under that authority; and

1.6. Whereas, the Special Legislation and the Plans specify the procedures whereby parcels may be added to and deleted from the Districts. Parcels may be added or deleted by a resolution adopted by the City Council; and

1.7. Whereas, the property at 3712 28<sup>th</sup> Avenue South (Property Identification Number 01-028-24-43-0201) was added to HRD III by Resolution 2013R-189, duly adopted May 10, 2013; and

1.8. Whereas, a lot line adjustment approved by the City changed the legal description of said property at 3712 28<sup>th</sup> Avenue South, and a new Property Identification Number will be assigned by Hennepin County.

Now, Therefore, Be It Resolved by the City Council of the City of Minneapolis:

## Section 2. Findings

2.1. That the Council hereby finds, determines and declares that the property at 3712 28<sup>th</sup> Avenue South (current Property Identification Number 01-028-24-43-0201) is to be removed from Housing Replacement District III.

2.2. That the Council hereby further finds, determines and declares that following processing of the lot line adjustment and the assignment of a new Property Identification Number by Hennepin County, the property at 3712 28<sup>th</sup> Avenue South is to be returned to Housing Replacement District III.