Minneapolis
City of Lakes

Glendale
Housing Development Project Plan

Revised Draft
July 14, 2015

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I. Introduction

The Glendale Housing Development Project Plan has been prepared to facilitate the redevelopment of Glendale Townhomes, a traditional public housing townhome development, into a nationally recognized, culturally and economically diverse, sustainable, and amenity-rich mixed-income and mixed-use neighborhood. The 184 public housing units to be rebuilt were constructed in 1952 on 13 acres one block south of the intersection of 27th Avenue Southeast and University Avenue Southeast in the Prospect Park neighborhood of southeast Minneapolis.

The Glendale Housing Development Project Plan identifies the boundary, objectives, land use provisions and anticipated redevelopment activities of the Glendale Housing Development Project. Redevelopment activities will be carried out under a Joint Powers Agreement between the City of Minneapolis (the "City") and the Minneapolis Public Housing Authority ("MPHA").

II. Description of Project

A. Boundary of Housing Development Project

Under the authority of Minnesota Statutes Sections 469.001 to 469.047 (the Housing and Redevelopment Authorities Act), approval of this Housing Development Project Plan establishes a new housing project as defined in Minnesota Statutes Section 469.002, Subdivision 13 and a housing development project as defined in Minnesota Statutes Section 469.002, Subdivision 15.

The Glendale Housing Development Project area consists of six tax parcels and some additional land (see footnote below) located on 13 acres one block south of the intersection of 27th Avenue Southeast and University Avenue Southeast in the Prospect Park neighborhood of southeast Minneapolis. The parcels are identified below by their current property identification (PID) numbers and current master addresses as assigned by Hennepin County. There are multiple additional addresses for the various townhouse units on each parcel.

PID	Address
30-029-23-13-0034	34 Williams Avenue
30-029-23-24-0019	2701 Essex Street SE
30-029-23-24-0020	44 St. Marys Avenue
30-029-23-31-0003	96 St. Marys Avenue*
30-029-23-31-0004	2838 Delaware Street SE
30-029-23-42-0029	42 Williams Avenue

* The footprint of the building at 96 St. Marys Avenue spans two tax parcels (30-029-23-31-0003 owned by MPHA and 30-029-23-31-0048 owned by the Minneapolis Park and Recreation Board) and public right-of-way. The entire building is included in the Glendale Housing Development Project area, as indicated on the Project Boundary Map (Exhibit 1). This irregularity will be addressed as the area is redeveloped, most likely through a replat.

Documentation of the area's eligibility as a housing project and a housing development project is presented in Exhibit 3.

B. Objectives of the Housing Development Project Plan

The City and MPHA seek to achieve the following objectives through this Housing Development Project Plan:

- Alleviate a shortage of decent, safe and sanitary housing for persons of low or moderate income and their families.
- Increase the number of housing units and choices within the city.
- Increase housing density.
- Support strong and diverse neighborhoods where people choose to live.
- Promote transit-oriented and sustainable development.
- Eliminate blighting influences.
- Support neighborhood commercial activity.
- Promote private investment in the city.
- Increase the property tax base.

C. Types of Redevelopment Activities

The objectives of the Glendale Housing Development Project Plan will be accomplished through public and private redevelopment activities, including property acquisition, property disposition, relocation, demolition, site preparation, new construction, public improvements, project administration and other related activities.

D. Public Purpose

Public purposes of the Glendale Housing Development Project Plan include providing decent, safe and sanitary dwellings; increasing the number of housing units and housing density within the city; promoting transit-oriented and sustainable development; redeveloping underused parcels; removing blight or the causes of blight; and increasing the tax base.

E. Citizen Participation

Glendale residents and the Prospect Park East River Road Improvement Association will have the opportunity to review and comment on this Glendale Housing Development Project Plan prior to consideration of the plan by the City Council.

Glendale residents will have the opportunity to help shape the Master Plan and more specific redevelopment plans through meetings with MPHA.

F. Public Financing

The Minneapolis Public Housing Authority will apply for federal Rental Assistance Demonstration (RAD) program funds to facilitate the on-site replacement of the 184 existing public housing units with an equal or greater number of newly constructed project-based Section 8 low income housing units. Potential sources of public funds to facilitate the development of market-rate housing within the project area include Low Income Housing Tax

Credits, HOME funds, FHA Loan funds, sale or rent proceeds, Minnesota Housing Finance Agency bonds, City of Minneapolis Affordable Housing Trust Fund loans, and Metropolitan Council Livable Communities Demonstration Account and Transit-Oriented Development grants.

III. Land Use Plan

A. Future Land Use

The designated future land use within the Glendale Housing Development Project area is Medium Density Residential, which is described as primarily smaller scale multi-family residential, with an estimated 20 to 50 units per acre. This designation is consistent with the area's current R4 Multiple-Family District zoning.

The Future Land Use Map is included in this Housing Development Project Plan as Exhibit 2.

B. Conformance with Approved City Plans

The proposed development conforms to City-approved plans and ordinances, including the City's comprehensive plan, the Stadium Village University Avenue Station Area Plan, and the zoning code.

The Minneapolis Plan for Sustainable Growth

The Minneapolis Plan for Sustainable Growth, the City's comprehensive plan, indicates the future land use for the Glendale Housing Development Project area is Urban Neighborhood. This is consistent with the vision for a medium-density mixed-income and mixed-use neighborhood, and with this Glendale Housing Development Project Plan's future land use designation of Medium Density Residential.

The Minneapolis Plan for Sustainable Growth describes Urban Neighborhood areas as follows:

> Predominantly residential area with a range of densities, with highest densities generally to be concentrated around identified nodes and corridors. May include undesignated nodes and some other small-scale uses, including neighborhood-serving commercial and institutional and semi-public uses (for example, schools, community centers, religious institutions, public safety facilities, etc.) scattered throughout.

The Glendale Housing Development Project area is located within the Prospect Park/29th Avenue Transit Station Area, which generally supports high density transit-oriented development.

The anticipated redevelopment activity conforms to the following comprehensive plan policies:

> Policy 1.13: Support high density development near transit stations in ways that encourage transit use and contribute to interesting and vibrant places.

1.13.1 Encourage pedestrian-oriented services and retail uses as part of higher density development near transit stations.
1.13.2 Pursue opportunities to integrate existing and new development with transit stations through joint development.
1.13.3 Discourage uses that diminish the transit and pedestrian character of areas around transit stations, such as automobile services, surface parking lots, and drive-through facilities.
1.13.4 Encourage architectural design, building massing and site plans to create or improve public and semi-public spaces near the station.
1.13.5 Concentrate highest densities and mixed use development adjacent to the transit station and along connecting corridors served by bus.
1.13.6 Encourage investment and place making around transit stations through infrastructure changes and the planning and installation of streetscape, public art, and other public amenities.

Policy 3.1: Grow by increasing the supply of housing.

3.1.1 Support the development of new medium- and high-density housing in appropriate locations throughout the city.
3.1.2 Use planning processes and other opportunities for community engagement to build community understanding of the important role that urban density plays in stabilizing and strengthening the city.
3.1.3 Continue to streamline city development review, permitting, and licensing to make it easier to develop property in the City of Minneapolis.

Policy 3.3: Increase housing that is affordable to low and moderate income households.

3.3.1 Continue to utilize housing development finance programs to foster growth in the city's affordable housing stock in all parts of the city.
3.3.2 Utilize city housing resources and partnerships to preserve the affordability of existing affordable housing.
3.3.3 Work to provide affordable housing for both rental and ownership markets at a broad range of income levels.
3.3.4 Support policies and programs that create long term and perpetually affordable housing units.
3.3.5 Support the development of housing with supportive services that help households gain stability in areas such as employment, housing retention, parenting, and substance abuse challenges.
3.3.6 Use planning processes, requests for proposals for city owned properties, and other community engagement processes to engage in dialogue with community participants about affordable housing and its compatibility with all Minneapolis neighborhoods.
3.3.7 Increase low-income family access to ongoing rental assistance.
3.3.8 Foster partnerships with housing developers, financial institutions, faith communities and others to extend the city’s capacity to create affordable housing.

3.3.9 Partner with other municipalities, along with county, metropolitan, state and federal agencies and policymakers, to develop a regional strategy for increasing the supply of affordable housing, supported by a more predictable, long-term revenue stream.

Small Area Plan

The Glendale Housing Development Project falls within the study area and recommendations of the Stadium Village University Avenue Station Area Plan, approved by the City Council in August 2012 and incorporated as part of *The Minneapolis Plan for Sustainable Growth*.

The proposed uses are consistent with the small area plan. The plan designates the future land use of the Glendale Housing Development Project area as Medium Density Residential, defined as primarily smaller scale multi-family residential, with an estimated 20 to 50 units per acre.

The plan also has the following recommendation specific to the redevelopment of Glendale Townhomes, which was anticipated at the time the plan was written:

> Continue to support the presence of Glendale Townhomes, and encourage the MPHA to invest in the property as needed to meet the needs of its residents.

Zoning Ordinance

The City's zoning code regulates land use and development intensity in order to carry out the policies of the City's comprehensive plan.

The proposed project area is zoned R4 Multiple-Family District. This is appropriate zoning to facilitate the objectives of the Glendale Housing Development Project and the Stadium Village University Avenue Station Area Plan with the development of primarily medium density housing.

Specific developments proposed for the project area will be subject to the City's development review process.

Historic Review

The Glendale Townhomes have been locally identified as a potential historic resource, which may necessitate review by the City's Heritage Preservation Commission.

A National Historic Preservation Act Section 106 review is required, due to the involvement of the federal Department of Housing and Urban Development (HUD) in the redevelopment of the public housing units. The Section 106 review is underway, with findings due in July 2015.

C. Land Use Restrictions

A redevelopment contract between the City and/or MPHA and the developer of property within the project area will contain specific requirements regarding terms and conditions, including land use restrictions.

IV. Project Proposals

A. Anticipated Development Activity

The existing 184 public housing units within the 13-acre Glendale Housing Development Project area, constructed in 1952, are in need of replacement. Sufficient capital funds to adequately maintain and upgrade the units and sufficient operating subsidies have not been available for many years, a problem common to the public housing stock nationwide.

The Department of Housing and Urban Development's new Rental Assistance Demonstration (RAD) program provides an opportunity to convert public housing to long-term, project-based Section 8 rental assistance, thereby allowing Public Housing Authorities and their developers to use financing tools such as Low Income Housing Tax Credits and debt financing to redevelop public housing.

The MPHA will apply for RAD program funds to redevelop the Glendale public housing site. A consultant engaged by MPHA has prepared a Master Plan for replacing the existing 184 public housing units with 184 on-site project-based Section 8 units and adding new housing units at higher densities that will include market rate units.

Upon approval of this Housing Development Project Plan, the City and the Minneapolis Public Housing Authority will issue a Request for Proposals so that a master developer can be selected for the project.

B. Property Acquisition

All property within the Glendale Housing Development Project area is currently owned by MPHA. No additional property acquisition by the City or MPHA is anticipated.

C. Relocation

Redevelopment activities within the Glendale Housing Development Project are subject to the relocation protections and assistance required by the federal Uniform Relocation Act.

D. Redevelopers' Obligations

The requirements imposed upon redevelopers and their successors or assigns, will be established in a development agreement between the developer of property within the project area and the City and/or MPHA.

V. Official Action to Carry Out Housing Development Project Plan

Minnesota law requires that the Minneapolis City Planning Commission review this Housing Development Project Plan and that its written opinion, if any, accompany the plan when it is officially submitted to the City Council for approval (Minnesota Statutes, Section 469.027).

In approving this Housing Development Project Plan, the City Council is responsible for carrying out those elements of the plan requiring official action by the City.

VI. Procedure for Changes in Approved Housing Development Project Plan

This Housing Development Project Plan may be modified as provided in Minnesota Statutes, Section 469.029, Subdivision 6:

> A redevelopment plan may be modified at any time. The modification must be adopted by the authority and the governing body of the political subdivision in which the project is located, upon the notice and after the public hearing required for the original adoption of the redevelopment plan. If the authority determines the necessity of changes in an approved redevelopment plan or approved modification thereof, which changes do not alter or affect the exterior boundaries, and do not substantially alter or affect the general land uses established in the plan, the changes shall not constitute a modification of the redevelopment plan nor require approval by the governing body of the political subdivision in which the project is located.

Exhibit 1

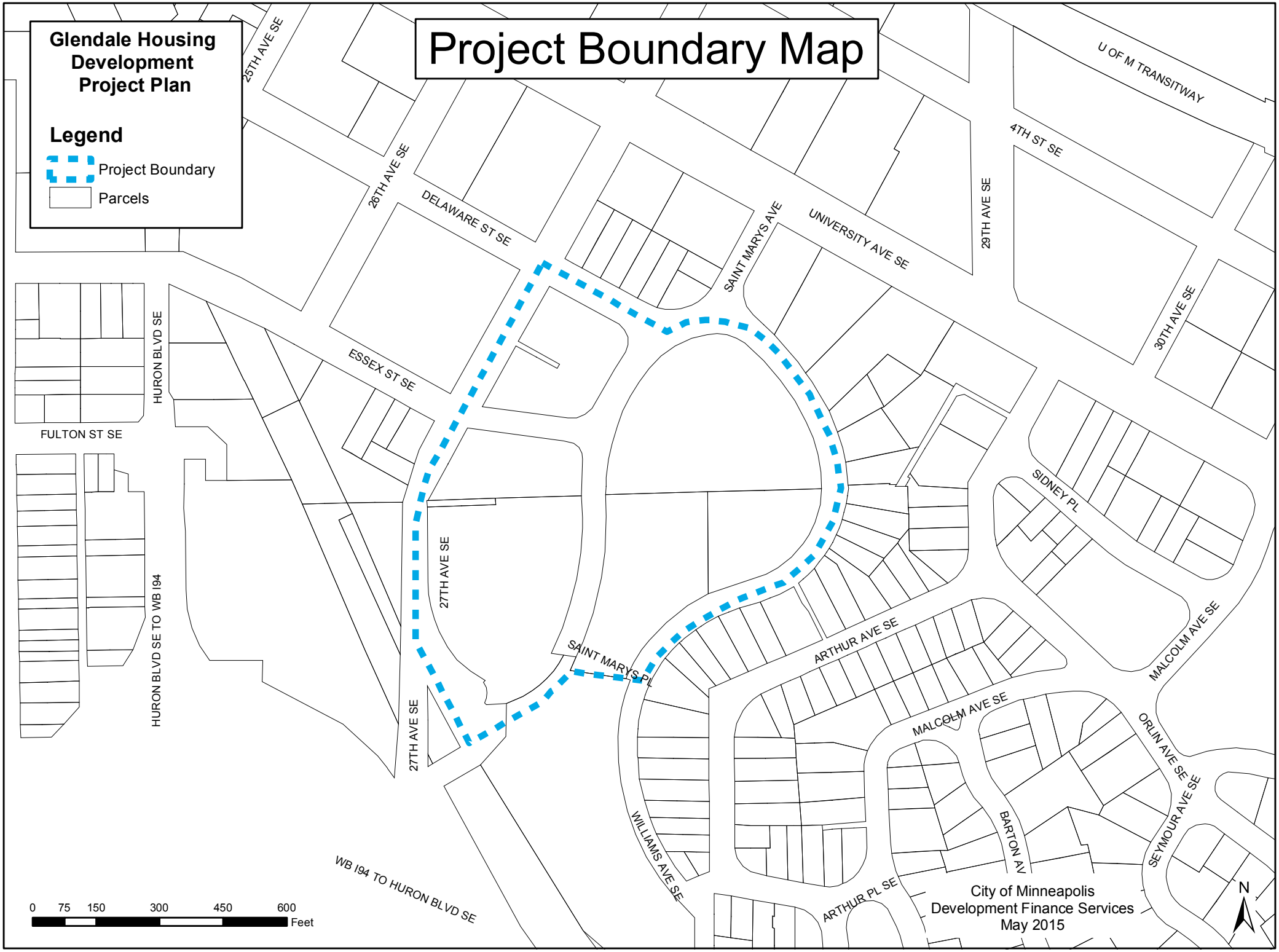
Project Boundary Map
Glendale Housing Development Project Plan
Legend
Project Boundary
Parcels
25TH AVE SE
26TH AVE SE
DELAWARE ST SE
SAINT MARYS AVE
UNIVERSITY AVE SE
29TH AVE SE
4TH ST SE
U OF M TRANSITWAY
30TH AVE SE
HURON BLVD SE
ESSEX ST SE
FULTON ST SE
SIDNEY PL
27TH AVE SE
HURON BLVD SE TO WB I94
SAINT MARYS PL
ARTHUR AVE SE
MALCOLM AVE SE
MALCOLM AVE SE
ORLIN AVE SE
SEYMOUR AVE SE
BARTON AV
WILLIAMS AVE SE
ARTHUR PL SE
WB I94 TO HURON BLVD SE
0 75 150 300 450 600 Feet
City of Minneapolis
Development Finance Services
May 2015
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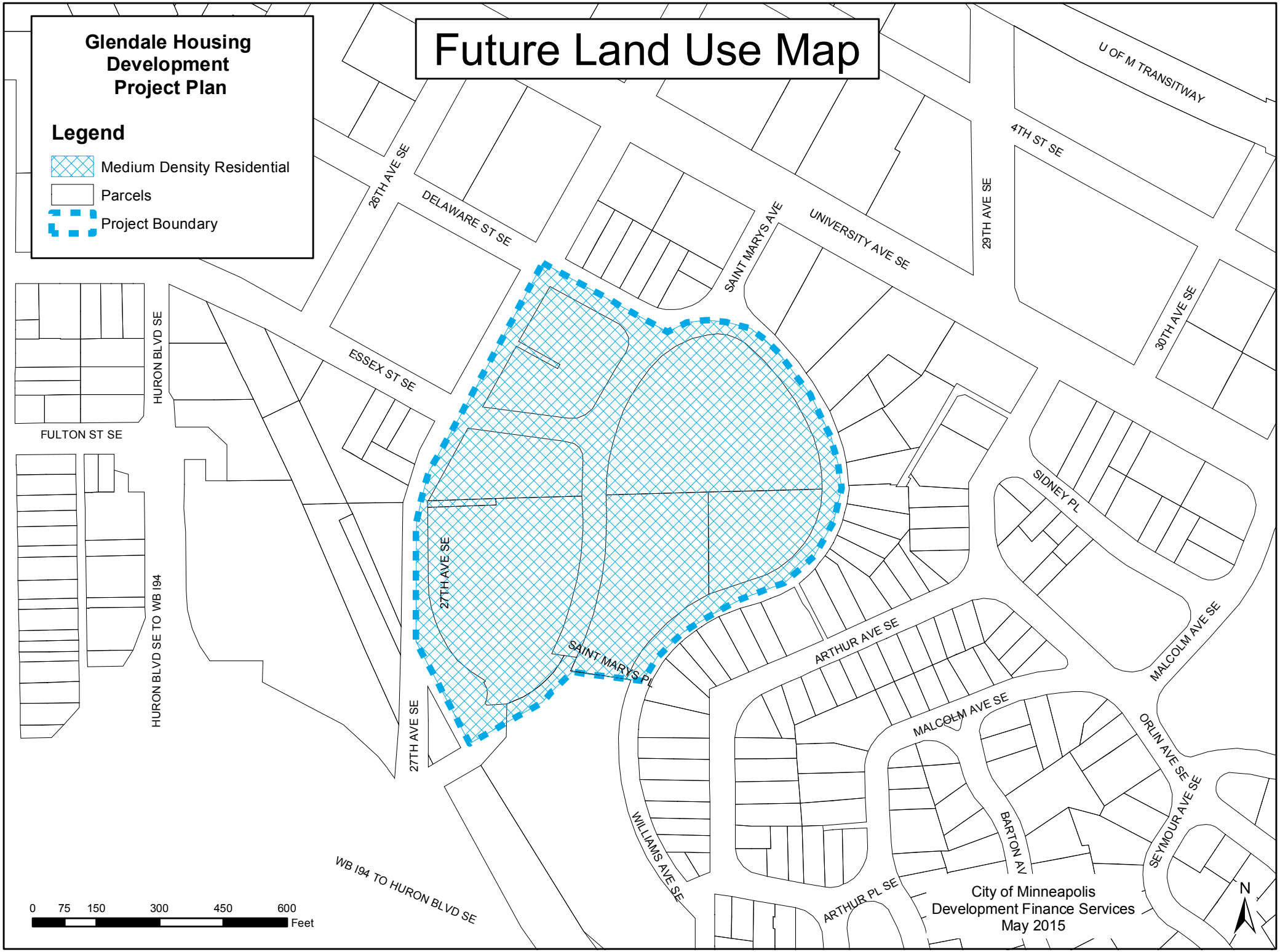
Exhibit 2

Future Land Use Map

Glendale Housing Development Project Plan

Legend

- Medium Density Residential
- Parcels
- Project Boundary



City of Minneapolis
Development Finance Services
May 2015

Exhibit 3

Documentation of Eligibility

Pursuant to Minnesota Statutes Section 469.017, before carrying out a housing development project, the Minneapolis City Council must find that the project is necessary to alleviate a shortage of decent, safe, and sanitary housing for persons of low or moderate income and their families.

The project must also meet the statutory definition of a housing project ("any work or undertaking to provide housing for persons of low income and their families" – M.S. Section 469.002, Subd. 13) or a housing development project ("any work or undertaking to provide housing for persons of moderate income and their families" – M.S. Section 469.002, Subd. 15).

Shortage of Low and Moderate Income Housing

The following studies, reports and other sources provide evidence of the shortage of housing affordable to low and moderate income individuals and families in Minneapolis, the Twin Cities metropolitan region and the state of Minnesota:

- A February 2011 market study by Maxfield Research (*Comprehensive Housing Market Analysis for the University District*) found a general occupancy demand (non-student oriented) exists for 526 affordable rental units and 526 subsidized rental units in the area including the Prospect Park, Southeast Como, Marcy Holmes and Cedar-Riverside neighborhoods.

- The Metropolitan Council's *2011-2020 Allocation of Affordable Housing Need by City/Township* (December 2013) forecasts 4,224 additional affordable housing units are needed in Minneapolis through 2020.

- The Minneapolis Public Housing Authority reports that there are currently 10,500 applicants on its waiting list for public housing, and 8,800 on the waiting list for Section 8 certificates.

- The Metropolitan Council's May 2014 *Thrive MSP 2040* plan projects that the region should add 51,000 new units of affordable housing between 2011 and 2020 to meet the growth in low- and moderate-income households. Over the first two years of the decade, the region added 2,272 new affordable units, meeting less than 5 percent of the decade-long need. From 2011 to 2013, Minnesota Housing Finance Agency's "Super RFP" – the state's largest single source for financing housing for low-income households – funded construction of less than 2,000 new affordable units in the metro area, far below the need.

- The Minnesota Housing Finance Agency's March 2015 *Statewide Analysis of Gaps in Affordable Rental Housing* found a significant shortage of affordable housing in Minnesota, estimating 236,000 renter households with an income at or below 80 percent area median income are cost burdened and need greater access to affordable housing.

- The Minnesota Housing Partnership's *Slides for Housing Advocates 2013* reports that one in seven Minnesota households now pay more than half of their income for housing. From 2000 to

2010, Minnesota had the fastest increase in households paying more than half their income for housing of any state.

Eligibility of Glendale Housing Development Project

The anticipated development activity in the Glendale Housing Development Project includes replacement of the existing 184 public housing units with 184 on-site project-based Section 8 units and the addition of new units that will include market rate units, some of which will be affordable to moderate income households. This project activity will provide housing for persons of low and moderate income and their families, and thus meets the definition of a housing project and a housing development project.

Records supporting the findings made herein are on file in City offices in the Crown Roller Mill, Suite 575, 105 5th Avenue South, Minneapolis, Minnesota 55401.