

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

Date: May 12, 2009

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Addition and deletion of parcels related to the Minneapolis Housing Replacement Tax Increment Financing (TIF) District II

Recommendation: Adopt the attached resolution for the addition of 14 parcels to and the deletion of 14 parcels from the Minneapolis Housing Replacement Tax Increment Financing (TIF) District II.

Previous Directives: On August 22, 2003, the City Council adopted a Housing Replacement District Plan and created the Housing Replacement TIF District II for the City of Minneapolis. Thirteen parcels were included in the original Plan. Subsequent Council actions have been:

June 18, 2004	Added 6 parcels
October 12, 2004	Added 7, deleted 3
April 29, 2005	Added 3, deleted 2
July 26, 2005	Added 6, deleted 3
August 23, 2005	Added 4, deleted 1
July 21, 2006	Added 25, deleted 3
November 7, 2006	Added 3
March 7, 2007	Added 3
May 11, 2007	Added 17, deleted 2
December 7, 2007	Added 13, deleted 10
July 25, 2008	Added 23, deleted 23
August 22, 2008	Added 3, deleted 3
November 21, 2008	Added 17, deleted 17

Prepared by: Edith Johnson, Senior Project Coordinator, Phone 612-673-5262

Approved by: Charles T. Lutz, Deputy CPED Director _____

Approved by: Thomas Streitz, Director of Housing Policy & Development _____

Presenter in Committee: Edith Johnson, Senior Project Coordinator

Reviews

- Permanent Review Committee (PRC): Approval NA Date _____
- Civil Rights Approval Approval NA Date _____
- Policy Review Group (PRG): Approval NA Date _____

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification: Not applicable
- City Goals: A SAFE PLACE TO CALL HOME. In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.
- Sustainability Targets: Not applicable

- Comprehensive Plan: Increase the city's population and tax base by developing and supporting housing choices citywide through preservation of existing housing and new construction.
- Zoning Code: Will apply where applicable
- Living Wage/Business Subsidy Agreement: Yes _____ No X
- Job Linkage: Yes _____ No X
- Other: Not applicable

Supporting Information

The cost to acquire and remove severely deteriorated housing far exceeds what can be recovered from selling the land for new development. With diminishing federal and state resources for these types of activities, coupled with the increased costs of treating these deteriorating housing units, the city is limited in the total number of properties it can treat. The Housing Replacement District provides an invaluable tool and added mechanism for financing part of the cost of acquiring and removing substandard housing.

In order to facilitate the redevelopment of blighted properties, the Housing Replacement District II was created. The sole objective of the district is to facilitate acquisition, site preparation and disposition of properties currently containing either undeveloped land or vacant/substandard houses for purposes of rehabilitation or redevelopment as market rate housing. Market rate housing is defined as housing that has a market value that does not exceed 150 percent of the average market value of single-family housing in the city.

There will be 14 parcels added to the Minneapolis Housing Replacement Tax Increment Financing District II as allowed by the Housing Replacement District II Plan approved by the Minneapolis City Council through Resolution 2003R-386 on August 22, 2003. It is intended that the parcels being added to the district will be acquired and redeveloped as market-rate, owner-occupied housing units.

Parcels to be added to the District are:

<u>PIN Number</u>	<u>Address</u>
21-029-24-24-0005	1610 Oak Park Avenue North
15-029-24-22-0247	2320 4 th Street North
35-029-24-42-0147	2645 14 th Avenue South
09-029-24-44-0095	2704 Bryant Avenue North
10-029-24-32-0091	3020 4 th Street North
10-029-24-32-0041	3114 6 th Street North
16-029-24-33-0254	1414 Morgan Avenue North
09-029-24-14-0002	3347 Lyndale Avenue North
15-029-24-22-0033	418 23 rd Avenue North
11-029-24-43-0003	2008 Washington Street NE
12-029-24-22-0046	2803 Polk Street
35-029-24-11-0067	2213 16 th Avenue South
35-029-24-24-0174	2426 Elliot Avenue South
02-028-24-41-0126	3428 Cedar Avenue

Staff determined that acquisition of the following parcels is unlikely and/or redevelopment is unfeasible, therefore, they will be deleted from the District.

Parcels to be deleted from the District are:

<u>PIN NUMBER</u>	<u>ADDRESS</u>
09-029-24-43-0062	2641 Emerson Avenue North
09-029-24-43-0026	2709 Humboldt Avenue North
16-029-24-23-0007	2114 James Avenue North
09-029-24-32-0134	3019 Morgan Avenue North
09-029-24-33-0214	2619 Oliver Avenue North
09-029-24-33-0109	2720 Penn Avenue North
08-029-24-41-0099	2911 Penn Avenue North
17-029-24-44-0056	1418 Sheridan Avenue North
15-029-24-22-0118	2511 4th Avenue North
16-029-24-21-0065	1705 25 th Avenue North
35-029-24-24-0085	2542 12th Avenue South
35-029-24-14-0036	2419 16th Avenue South
36-029-24-23-0037	1844 26 th Street East
01-028-24-32-0151	3504 Longfellow Avenue South

With the addition of 14 parcels and the deletion of 14 parcels, there will be 100 parcels in the Minneapolis Housing Replacement Tax Increment Financing District II.

Comments:

In 1995, the Minnesota State Legislature passed legislation to allow some cities, including Minneapolis, to establish housing replacement tax increment districts. In December 1995, the Minneapolis City Council adopted a resolution enabling the Minneapolis Community Development Agency (MCDA) to establish a housing replacement tax increment financing (TIF) district within the City of Minneapolis, and directed MCDA staff to prepare a Housing Replacement District Plan for Council approval. Subsequently, 100 parcels were added to the original housing replacement TIF district, Housing Replacement District (HRD) I, resulting in the acquisition of 100 parcels and the subsequent disposition of 115 parcels for new or rehabilitated housing units.

In 2002, the Legislature authorized the City of Minneapolis to add 100 additional parcels to the housing replacement tax increment financing district. A second HRD was created in 2003 to accommodate these additional parcels, since the statutory five-year limit on expanding HRD I had been reached. On May 28, 2009, HRD II will reach the five-year limit on expanding the district by the addition of parcels. This will therefore be the last request for the Council to add parcels to HRD II. Parcels may be deleted from HRD II, but may not be replaced by other parcels.

Later this year, the Council will be asked to approve a third HRD Plan to take advantage of the ability to add 200 more parcels to an HRD, as authorized by the Legislature in 2008. It is anticipated that a number of the parcels placed in HRD III will be part of the Foreclosure Remediation Program/Project. Neighborhood groups will be notified of the proposed HRD III Plan and will be provided a 45-day review period.

Approving the Addition and Deletion of Housing Replacement TIF District II Parcels

RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

Section 1. Recitals

Pursuant to Laws of Minnesota 2003, Chapter 127, Article 12, Sections 31-34, and Minneapolis Code of Ordinances, Chapter 415, the 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 districts, all pursuant to Minnesota Statutes, Sections 469.001 through 469.134, and 469.174, as amended, and Laws of Minnesota 1995, Chapter 264, Article 5, Sections 44 through 47, as amended by Minnesota Session Laws 1996, Chapter 471, Article 7, Minnesota Session Laws 1997, Chapter 231, Article 10, and Minnesota Session Laws 2002, Chapter 377, Article 7 (the "Act") and other laws enumerated therein (collectively, the "Project Laws"); and

By Resolution No. 2003R-386 duly adopted on August 22, 2003, the City Council of the City (the "Council ") adopted a resolution approving the Minneapolis Housing Replacement TIF District II Plan enabling the Agency to establish a Housing Replacement Tax Increment Financing District (the "District") within the City; and

That the Act and the Plan specify the procedures whereby parcels may be added to and deleted from the District; and

It has been proposed that the City adds 14 parcels to the District and deletes 14 parcels previously added to the District.

Section 2. Findings for the Adoption of the Plan

The Council further finds, determines and declares that 14 parcels are being deleted from the District.

The Council further finds, determines and declares that the intended acquisition of these parcels did not take place and redevelopment did not occur, pursuant to the Project Laws.

The Council further finds, determines and declares that the parcels to be added to and certified within the District do not include vacant parcels.

The Council further finds, determines and declares that the intended reuse of these parcels is market-rate, owner-occupied housing, pursuant to the Project Laws.

The Council further finds, determines and declares that there will be 100 parcels in the Minneapolis Housing Replacement TIF District II with the inclusion and deletion of the parcels identified on Attachment 1 to this resolution. The maximum number of parcels that can be included in the District is 100 parcels.

NOW, THEREFORE, BE IT RESOLVED BY THE MINEAPOLIS CITY COUNCIL AS FOLLOWS:

That the parcels listed in Attachment 1 are hereby approved for inclusion and/or deletion as part of the Minneapolis Housing Replacement TIF District II.

ATTACHMENT 1

Housing Replacement District II

Existing Housing Replacement District II Properties (100)

2709 Humboldt Avenue North---**delete**
2354 James Avenue North
3243 Aldrich Avenue North
3210 Aldrich Avenue North
3250 6th Street North
3223 6th Street North
4515 5th Avenue South
2750 Thomas Avenue North
1900 Willow Avenue North – Lowell School Site Assemblage
1418 25th Avenue North
2627 Fremont Avenue North
1014 30th Avenue North
1316 14th Avenue North
2127 Queen Avenue North
3207 Bryant Avenue North
2641 Emerson Avenue North---**delete**
2615 Thomas Avenue North
1518 Morgan Avenue North
2511 James Avenue North
2525 James Avenue North
2638 Colfax Avenue North
2814 Knox Avenue North
2542 17th Avenue South
2826 14th Avenue South
3504 Longfellow Avenue South---**delete**
3343 Fremont Avenue North
630 19th Avenue NE
2751 Sheridan Avenue North
2119 James Avenue North
2302 Fremont Avenue North
419 31st Avenue North
1415 18th Avenue NE
3519 Oliver Avenue North
2534 James Avenue North
2530 James Avenue North
415 31st Avenue North
2101 Ilion Avenue North
1000 30th Avenue North
2619 Oliver Avenue North---**delete**
2636 Penn Avenue North
2700 Penn Avenue North
2717 Penn Avenue North
2721 Penn Avenue North
2733 Penn Avenue North
1705 25th Avenue North---**delete**
2501 James Avenue North
2417 16th Avenue South
2419 16th Avenue South---**delete**
2422 16th Avenue South
2424 16th Avenue South
2435 16th Avenue South

2439 16th Avenue South
2206 James Avenue North
409 Logan Avenue North
2125 Lyndale Avenue North
2127 Lyndale Avenue North
2719 Oliver Avenue North
2218 Penn Avenue North
2622 Plymouth Avenue North
2747 Queen Avenue North
3112 6th Street North
4143 Penn Avenue North
3547 Humboldt Avenue North
4130 Fremont Avenue North
3035 6th Street North
3016 6th Street North
2034 James Avenue North
2038 James Avenue North
2109 James Avenue North
2114 James Avenue North---**delete**
2611 Penn Avenue North
2631 Penn Avenue North
2950 Queen Avenue North
1915 EM Stately Street
1844 East 26th Street---**delete**
2600 17th Avenue South
400 31st Avenue North
4126 Fremont Avenue North
3649 2nd Avenue South
3001 Queen Avenue North
4122 Fremont Avenue North
1352 Thomas Avenue North
1411 Sheridan Avenue North
2705 Oliver Avenue North
2943 Penn Avenue North
3019 Morgan Avenue North---**delete**
2718 Fremont Avenue North
2511 4th Street North---**delete**
1418 Sheridan Avenue North---**delete**
416 30th Avenue North
2542 12th Avenue South---**delete**
5113 Dupont Avenue North
2743 Queen Avenue North
4822 Girard Avenue North
2655 Penn Avenue North
2911 Penn Avenue North---**delete**
2434 Irving Avenue North
2720 Penn Avenue North---**delete**
3018 4th Street North
1409 East 26th Street

Additions to Existing Housing Replacement District II (14)

1610 Oak Park Avenue North
2320 4th Street North
2645 14th Avenue South
2704 Bryant Avenue North
3020 4th Street North

3114 6th Street North
1414 Morgan Avenue North
3347 Lyndale Avenue North
418 23rd Avenue North
2008 Washington Street NE
2803 Polk Street
2213 16th Avenue South
2426 Elliot Avenue South
3428 Cedar Avenue

Deletions from the Existing Housing Replacement District II (14)

2641 Emerson Avenue North
2709 Humboldt Avenue North
2114 James Avenue North
3019 Morgan Avenue North
2619 Oliver Avenue North
2720 Penn Avenue North
2911 Penn Avenue North
1418 Sheridan Avenue North
2511 4th Avenue North
1705 25th Avenue North
2542 12th Avenue South
2419 16th Avenue South
1844 26th Street East
3504 Longfellow Avenue South