



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

Date: July 11, 2006

To: Council Member Lisa Goodman, Community Development

Subject: Additions to and Deletions from the Minneapolis Housing Replacement Tax Increment Financing (TIF) District II

Recommendation: Adopt the attached Resolution for the addition of 25 parcels and the deletion of 3 parcels from the Minneapolis Housing Replacement Tax Increment Financing (TIF) District II.

Previous Directives: On August 22, 2003, the Council adopted a five-year Housing Replacement District Plan and created the Housing Replacement TIF District II for the City of Minneapolis. On June 18, 2004, the Council approved the addition of six parcels to the Housing Replacement District II. On October 12, 2004, the Council approved the addition of seven parcels to and the deletion of three parcels from the Housing Replacement District II. On April 29, 2005, the Council approved the addition of three parcels to and the deletion of two parcels from the Housing Replacement District II. On July 26, 2005, the Council approved the addition of six parcels to and the deletion of three parcels from the Housing Replacement District II. On August 23, 2005, the Council approved the addition of four parcels to and deletion of one parcel from the Housing Replacement District II.

Prepared by: Edith Johnson, Sr. Project Coord. **Phone:** 673-5262

Approved by:

Chuck Lutz, Deputy Director CPED _____

Elizabeth Ryan, Director of Housing Policy & Development _____

Permanent Review Committee (PRC) Approval Not Applicable

Note: To determine if applicable see <http://insite/finance/purchasing/permanent-review-committee-overview.asp>

Presenter in Committee: Edith Johnson, Sr. Project Coordinator

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the Capital Budget or Operating Budget.
- Action provides increased revenue for appropriation increase.

- Action requires use of contingency or reserves.
- Business Plan: Action is within the plan. Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Neighborhood Notification: Not applicable.

City Goals: 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.

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 comply

Other: Not applicable.

Background/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, 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 or substandard houses for purposes of rehabilitation or redevelopment as market rate housing.

There will be 25 properties added to the Minneapolis Housing Replacement Tax Increment Financing District II as allowed by the Housing Replacement District Plan approved by the Minneapolis City Council through Resolution 2003-386 on August 22, 2003. Of the 25 properties to be added, 23 have existing structures on them and 2 are vacant land. The 25 properties will be redeveloped as market-rate, owner occupied single family housing units. Market rate housing is being defined as housing that has a market value that does not exceed 150% of the average market value of single family housing in the city. The properties are located in Wards 1, 3, 4 and 5.

Parcels to be added to the District are as follows:

<u>PIN Number</u>	<u>Address</u>
09-029-24-13-0053	3343 Fremont Avenue North
11-029-24-43-0101	630-19 th Avenue NE
08-029-24-44-0071	2751 Sheridan Avenue North
16-029-24-23-0035	2119 James Avenue North
16-029-24-12-0089	2302 Fremont Avenue North
10-029-24-32-0166	419 31 st Avenue North

10-029-24-32-0163	427 31 st Avenue North
10-029-24-32-0164	428 31 st Avenue North
10-029-24-32-0026	429 31 st Avenue North
12-029-24-34-0170	1415 18 th Avenue NE
09-029-24-22-0217	3519 Oliver Avenue North
16-029-24-21-0033	2534 James Avenue North
16-029-24-21-0032	2530 James Avenue North
09-029-24-34-0216	1620 26 th Avenue North
09-029-24-34-0056	1712 26 th Avenue North
09-029-24-34-0054	1716 26 th Avenue North
12-118-21-22-0129	5207 Girard Avenue North
04-029-24-12-0198	4219 Girard Avenue North
04-029-24-43-0095	3707 Girard Avenue North
04-029-24-43-0027	3700 Girard Avenue North
09-029-24-12-0102	3411 Fremont Avenue North
09-029-24-24-0174	3301 Knox Avenue North
04-029-24-43-0050	3730 Fremont Avenue North
04-029-24-43-0049	3726 Fremont Avenue North
09-029-24-11-0219	3442 Dupont Avenue North

The following three properties will be deleted from the District as CPED staff has determined that acquisition is unlikely and/or redevelopment is unfeasible.

<u>PIN Number</u>	<u>Address</u>
10-029-24-44-0032	1919 Monroe Street NE
09-029-24-43-0023	1110 27 th Avenue North
09-029-24-43-0022	1108 27 th Avenue North

With the addition of 25 parcels and deletion of three parcels, there will be 58 parcels in the Minneapolis Housing Replacement Tax Increment Financing District II. The maximum number of parcels that can be placed in the District is 100. The plan allows for the addition of properties in the district at any time. If we are not successful in acquiring a property, it will be deleted from the district.

**Adopting the Addition to and Deletion from Housing Replacement District II of
the Below Stated Parcels**

RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

Section 1. Recitals

- 1.1 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 districts, all pursuant to Minnesota Statutes, Sections 469.001 through 469.134, and 469.174 through 469.179, 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
- 1.2 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
- 1.3 That the Act and the Plan specify the procedures whereby parcels may be added to and deleted from the District; and
- 1.4 It has been proposed that the City add twenty-five (25) parcels to the District and delete three (3) parcels previously added to the District.

Section 2. Findings for the Adoption of the Plan

- 2.1 The Council hereby finds, determines and declares that these twenty-five parcels qualify for inclusion in the District pursuant to the Act and the Plan; and that the reasons and supporting facts for this determination are retained and available from the City.
- 2.2 The Council further finds, determines and declares that the properties to be deleted from the District include two blighted single family homes located at 1108 and 1110 27th Avenue North.

- 2.3 The Council further finds, determines and declares that the intended acquisition of these properties did not take place and redevelopment did not occur, pursuant to the Project Laws.
- 2.4 The Council further finds, determines and declares that the properties to be added to and certified within the District includes two vacant lots located at 1415 18th Avenue NE and 3519 Oliver Avenue North.
- 2.5 The Council further finds, determines and declares that the intended reuse of these properties is market-rate, owner-occupied housing, pursuant to the Project Laws.
- 2.6 The Council further finds, determines and declares that there will be 58 parcels in the Minneapolis Housing Replacement District TIF II with the inclusion and deletion of the above named parcels. The maximum number of parcels that can be included in the District is 100 parcels.

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

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