



**Request for City Council Committee Action
From the City Attorney's Office**

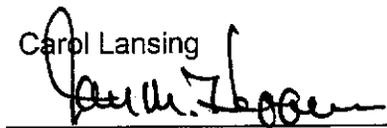
Date: July 16, 2003
To: Ways & Means/Budget Committee
Referral to:

Subject: Amendment of definitions of minority-concentrated and poverty-concentrated areas in *Hollman* Consent Decree.

Recommendation: That the City Council receive and file this report.

Previous Directives: On March 2, 1995, the City Council granted approval for the City to enter into a Consent Decree to resolve the lawsuit *Hollman, et al. v. Cisneros, et al.* On that same date, the Council also directed the City Attorney to approve nonsubstantive changes to the Consent Decree.

Prepared by: Carol Lansing Phone: 673-2554

Approved by: 
Jay M. Heffern
City Attorney

Presenters in Committee: Carol Lansing, Assistant, City Attorney; Chuck Lutz, MCDA/ CPED Deputy Director

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact:
Neighborhood Notification
City Goals:
Comprehensive Plan
Zoning Code
Other

Background/Supporting Information

The *Hollman* Consent Decree approved by the City Council in 1995 called for the Minneapolis Public Housing Authority (MPHA) to replace and relocate *Hollman* and other scattered site public housing units into non-concentrated areas and to provide vouchers to public housing residents to assist them in moving into housing in non-concentrated areas. In order to effectuate these relocation provisions, the Decree included definitions of "minority concentrated area" and "poverty concentrated area," but also required the parties to revise these definitions when 2000 census data became available.

New census data reveals a considerable demographic change in the City of Minneapolis, resulting in a significant increase in the number of minority concentrated census tracts in the City. For the reasons stated in the attached letter from Timothy Thompson, an attorney with the Legal Aid Society who represents the *Hollman* class plaintiffs, it was the opinion of the MPHA and Legal Aid that relocation of public housing sites and residents should no longer be restricted in all minority concentrated census tracts; rather, it should be allowed in those minority concentrated census tracts where the poverty rate in the tract is less than the city-wide average. After consultation with the MCDA, the City Attorney's Office agreed to a stipulation amending the Decree definitions in the manner proposed by the MPHA and Legal Aid. A copy of the stipulation is attached.

This amendment is of primary importance to the MPHA because it directly affects its ability to comply with its obligations under the Decree. The change in the definition of minority concentrated area will have no impact on the Heritage Park project or the City's obligations under the Decree. It is expected, however, that the City will adopt similar definitions of concentrated areas for purposes of the City's affordable housing initiatives.

LEGAL AID SOCIETY OF MINNEAPOLIS

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May 28, 2003

Hollman Counsel

RE: *Hollman* Decree Concentrated Areas

Dear Counsel:

As you know, the *Hollman* Decree requires that once 2000 census data becomes available, the parties update the definitions of minority-concentrated and poverty-concentrated areas. We previously agreed that we should do that by way of a Decree amendment.

In the course of examining 2000 census data in order to update concentrated area definitions, MPHA and Legal Aid began discussing the possibility of proposing a modification for the definitions of concentrated areas in light of the new census data. What we discovered is that demographics had changed considerably in the city of Minneapolis during the last decade. Applying the current Decree definitions to 2000 census data would mean that the number of poverty-concentrated tracts would decrease significantly, while the number of minority-concentrated tracts would greatly expand. The number of tracts that would now be considered concentrated would expand greatly from 44 tracts in 1990 to 56 tracts now.

This raises several questions. A significant increase in tracts which are minority-concentrated but not poverty-concentrated raises at least some question about whether such areas should be automatically off-limits for the use of *Hollman* resources. In addition, the substantial expansion of land area in the city that would now be considered concentrated poses challenges for *Hollman* families seeking to use mobility vouchers in the city, and for developers seeking to project-base *Hollman* vouchers in non-concentrated parts of the city.

For those reasons, MPHA and Legal Aid are proposing to amend the Decree to moderate the expanded effect of the 2000 census data. MPHA and Legal Aid propose a Decree amendment which applies 2000 census data to the definitions of concentrated areas, but which also modifies the definition of a minority-concentrated area so that minority census tracts are only considered concentrated for *Hollman* purposes if the poverty rate in that tract exceeds the city-wide average. The result of such a change would expand the number of concentrated area census tracts from 44 in 1990 to 49 now, instead of the 56 tracts which would result from simply applying 2000 census data to current definitions.

Hollman Counsel

May 28, 2003

Page 2

Enclosed is a draft Stipulation proposing these changes, both a redlined and a clean version, along with a list of relevant data for Minneapolis census tracts, and a map roughly indicating the boundaries of the proposed definitions.

I would appreciate it if you would please review these proposed changes with your client, and get back to me as soon as is feasible. If the changes are agreeable, you can simply submit a signature page which I will attach to the Stipulation.

Sincerely,

LEGAL AID SOCIETY OF MINNEAPOLIS

A handwritten signature in black ink, appearing to read "Timothy L. Thompson", with a long horizontal flourish extending to the right.

Timothy L. Thompson
Litigation Director

TLT:ps
Enclosures

cc: David Thiesen

2000 Census Data - Concentrated Areas

Census Tract	Total Population	Non-Hispanic White	Percent Minority	Percent Poverty
22	1,738	221	87.3%	40.8
27	2,683	312	88.4%	31.2
32	1,892	349	81.6%	17.4
33	2,726	173	93.7%	37.6
35.01	691	226	67.3%	36.6
38	4,173	3,185	23.7%	41.1
59.01	3,073	1,391	54.7%	36.3
59.02	3,307	614	81.4%	42.0
68	4,450	2,682	39.7%	19.0
73.01	1,733	210	87.9%	42.5
73.02	2,414	442	81.7%	26.9
77	2,052	974	52.5%	22.1
78.01	1,762	537	69.5%	30.9
78.02	2,101	605	71.2%	30.6
79	1,600	428	73.3%	28.8
82	4,445	1,804	59.4%	30.0
83	2,488	687	72.4%	38.6
84	2,792	746	73.3%	27.1
85	4,469	1,567	64.9%	26.5
95	3,113	852	72.6%	21.1
1004	3,376	1,521	54.9%	21.1
1009	5,603	1,848	67.0%	24.7
1013	1,992	575	71.1%	26.4
1014	2,277	504	77.9%	31.1
1015	2,265	494	78.2%	31.2
1016	3,192	681	78.7%	43.9
1020	2,514	596	76.3%	26.3
1021	2,953	515	82.6%	27.1
1023	1,706	369	78.4%	40.3
1026	2,220	1,423	35.9%	27.8
1028	2,989	384	87.2%	37.1
1029	1,420	363	74.4%	26.1
1034	1,401	45	96.8%	45.2
1039	1,619	1,265	21.9%	48.9
1040	5,706	4,469	21.7%	24.2
1041	4,169	911	78.1%	37.3
1044	1,547	939	39.3%	27.1
1047	108	24	77.8%	51.9
1048	7,554	3,101	58.9%	42.0
1049	8,109	6,162	24.0%	46.3
1054	3,343	1,872	44.0%	40.1
1057	2,877	1,610	44.0%	24.6
1060	3,462	1,000	71.1%	34.0
1062	3,356	1,794	46.5%	23.3
1064	1,720	1,068	37.9%	17.7
1069	3,148	1,701	46.0%	21.9
1070	4,555	1,807	60.3%	19.9
1071	2,629	950	63.9%	39.5
1072	2,503	617	75.3%	27.3
1094	2,011	275	86.3%	26.9

Option 3

Minority Concentration

2000 MSA Average: 15.3 Percent

2000 Hollman Definition 35.3 Percent

(except those CT less than 16.9% poverty population)

Poverty Concentration

2000 Minneapolis Poverty: 16.9 Percent

2000 Hollman Definition: 31.9 percent

1990-2000 Comparison

1990 Minority Threshold: 28.7 Percent

2000 Minority Threshold: 35.2 Percent

(except those CT less than 16.9% poverty population)

1990 Poverty Threshold: 33.5 Percent

2000 Poverty Threshold: 31.9 Percent

1990 Minority Census Tracts: 38

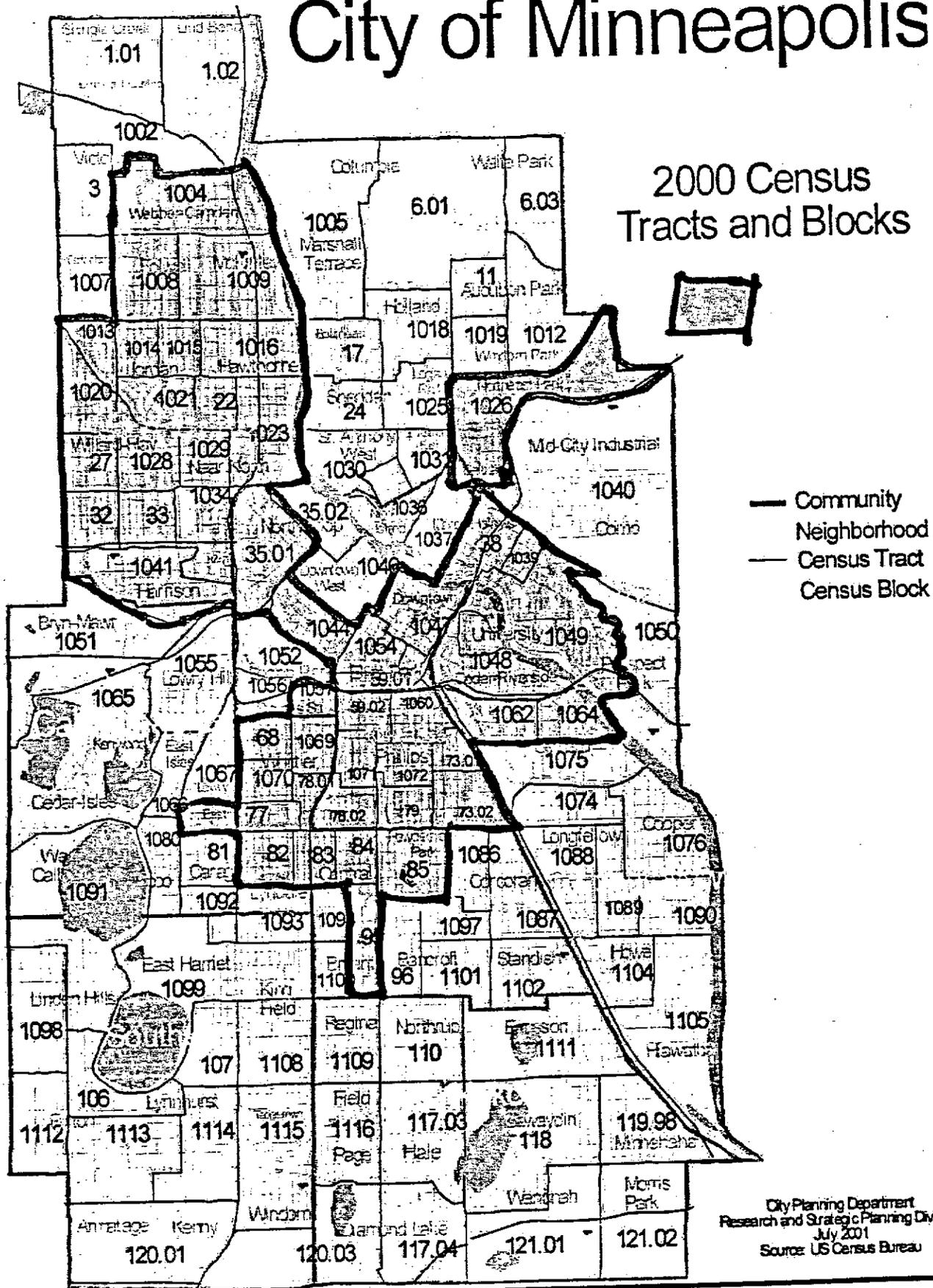
2000 Minority Census Tracts: 46

1990 Poverty Census Tracts: 32

2000 Poverty Census Tracts: 20

Source: US Census Bureau; Census 2000

City of Minneapolis



Option 3 - Minority Tracts only above City Poverty Average

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
FOURTH DIVISION

Lucy Hollman, Shirlnice Givens, Mai Yang, Charlotte Brown, Vanessa Boateng, Lia Shoua Pha, Anne Balentine, Josephine Hill, Joyce Charles, Her Hang, Marlene Halloway, Patricia Scott, Gertrude Marks, Michelle Barnes, Earline Robertson, Jacqueline Trass, and Lawrence Madison, on behalf of themselves and all others similarly situated, and the Minneapolis Branch of the National Association for the Advancement of Colored People ("NAACP"),

Plaintiffs,

v.

Mel Martinez, in his official capacity as Secretary of the Department of Housing and Urban Development ("HUD"); Thomas T. Feeney, in his official capacity as Acting Minnesota State Coordinator of HUD; Cora McCorvey, in her official capacity as Executive Director of the Minneapolis Public Housing Authority ("MPHA"); MPHA, in and for the City of Minneapolis, a public body corporate and politic; the Minneapolis Community Development Agency ("MCDA"), a public body corporate and politic; the City of Minneapolis, a public body corporate and politic,

Defendants,

Cora McCorvey, in her official capacity as Executive Director of the MPHA; MPHA; MCDA, and City of Minneapolis,

Defendant Cross-Claimants,

v.

Mel Martinez, in his official capacity as Secretary of HUD; Thomas T. Feeney, in his official capacity as Acting Minnesota State Coordinator of HUD,

Defendants.

Civil 4-92-712

**STIPULATION AND
AMENDED CONSENT
DECREE, AMENDMENT
NO. 5**

WHEREAS, Paragraphs 11 and 16 of the Decree obligate the parties to update the definition of concentrated areas once new census data becomes available; and

WHEREAS, data is now available from the 2000 census to update definitions for both "minority concentrated area" and "poverty concentrated area;" and

WHEREAS, in addition, demographic changes in Minneapolis since 1990 have caused the parties to reconsider the appropriate definition of "minority concentrated area;" and

WHEREAS, the combination of the following factors suggest that applying the parties' original definition of "Minority Concentrated Area" to 2000 census data may not be appropriate: the substantial increase in the Minneapolis minority population and its greater numbers in many more Minneapolis census tracts; the simultaneous shrinkage in the Minneapolis poverty population both city-wide and in many minority concentrated census tracts; and the substantial increase in census tracts which would be considered concentrated by applying current definitions to 2000 data, thus increasing the difficulty of using either tenant-based or project-based *Hollman* vouchers in Minneapolis locations; and

WHEREAS, the parties believe that it is more appropriate to apply the definition of Minority Concentrated Area to those Minneapolis tracts which are minority concentrated, but which also have a poverty population above the city-wide average so as not to rule out the use of *Hollman* vouchers in middle class minority neighborhoods; and

WHEREAS, the parties' proposed Amendment would have a more moderating effect in increasing the number of concentrated census tracts in Minneapolis from 44 tracts in 1990 to 49 tracts in 2003, as opposed to an increase in 56 tracts if the parties applied the original definition to 2000 census data; and

WHEREAS, by decreasing somewhat the area in Minneapolis which would be considered concentrated in comparison to what would result from applying previous definitions to 2000 census data, the changes the parties propose will make it easier to use project-based or tenant-based *Hollman* vouchers in Minneapolis, making it easier for MPHA to comply with the Decree by issuing all *Hollman* vouchers by October 2004;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and between the parties hereto, through their respective counsel, to an Order by the Court that Paragraphs 11 and 16 of the Consent Decree be amended as follows:

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. That the Consent Decree approved by the Court on April 20, 1995 be further amended by making the changes to Paragraphs 11 and 16 set out below:

11. Minority Concentrated Area means: any census tract in the Metropolitan Area with a minority population which is twenty percentage points greater than the percentage of minority population in the Minneapolis-St. Paul Metropolitan Statistical Area (MSA). To qualify as a Minority Concentrated Area in Minneapolis, the census tract must also have a poverty population greater than the city-wide average. As of the date of this Amendment and based upon year 2000 census data, ~~Until new census data becomes available,~~ any census tract with a minority population greater than ~~28.69%~~ 35.3% is a minority concentrated area, ~~except in the case of Minneapolis where a census tract must also have a poverty population greater than 16.9%.~~ As soon as new census data becomes available, the parties shall revise the definition of minority-concentrated areas to comply with the definition set out above.

16. Poverty Concentrated Area means: (1) in Minneapolis or St. Paul, a census tract with a population at or below poverty which is fifteen percentage points greater than the percentage of population below poverty in the City. ~~Until new census data becomes available, Minneapolis census tracts with a population at or below poverty of at least 33.5% of the census tract population and St. Paul tracts with a poverty population of at least 31.7% of the tract population are poverty-concentrated areas. As of the date of this Amendment and based upon year 2000 census data, Minneapolis census tracts with a population at or below poverty of at least 31.9% of the census~~

tract population and St. Paul tracts with a poverty population of at least 30.6% of the tract population are poverty-concentrated areas. (2) In the suburbs, a census tract with a poverty population which is one and a half times greater than the percentage of population below poverty in the Metropolitan Area as a whole are poverty concentrated areas. As of the date of this Amendment and based upon year 2000 census data, ~~Until new census data becomes available;~~ suburban census tracts with a poverty population of at least ~~12.2%~~ 10.4% of the census tract population are poverty-concentrated areas. ~~As soon as new census data becomes available, the parties shall revise the definition of poverty concentrated areas to comply with the definition set out above.~~

2. Prior notice to class members of these Decree amendments is not necessary because the amendments are consistent with the Decree goals and are likely to significantly benefit class members, with little or no detriment to such class members.

3. The amendments set out above are hereby approved and incorporated within the Amended Decree.

4. The Stipulation may be signed in counterpart.

Dated: _____

James M. Rosenbaum
Judge of District Court