

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

Date: November 18, 2008

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 17 parcels to and the deletion of 17 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. On June 18, 2004, the City Council approved the addition of six parcels to the Housing Replacement District II. On October 12, 2004, the City Council approved the addition of seven parcels and the deletion of three parcels from the Housing Replacement District II. On April 29, 2005, the City 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 City 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 City Council approved the addition of four parcels to and deletion of one parcel from the Housing Replacement District II. On July 21, 2006, the City Council approved the addition of twenty five parcels to and deletion of three parcels from the Housing Replacement District II. On November 7, 2006, the City Council approved the addition of three parcels to and deletion of no parcels from the Housing Replacement District II. On March 7, 2007, the City Council approved the addition of three parcels to the Housing Replacement District II. On May 11, 2007, the City Council approved the addition of seventeen parcels to and deletion of two parcels from the Housing Replacement District II. On December 7, 2007, the City Council approved the addition of thirteen parcels and deletion of ten parcels from the Housing Replacement District II. On July 11, 2008, the City Council approved certain changes to the housing replacement project in Laws of Minnesota 2008 including, but not limited to, increasing the total number of parcels from 200 to 400. On July 25, 2008, the City Council approved the addition of twenty-three parcels and deletion of twenty-three parcels from the Housing Replacement District II. On August 22, 2008, the City Council approved the addition of three parcels to and deletion of three parcels from the Housing Replacement District II.

Prepared by: Edith Johnson, Senior Project Coordinator, Phone 612-673-5262
Approved by: Charles T. Lutz, Deputy CPED Director _____
Approved by: Tom 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% of the average market value of single family housing in the city.

There will be 17 parcels 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. It is the intent 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>
09-029-24-33-0102	2705 Oliver Avenue North
08-029-24-41-0091	2943 Penn Avenue North
09-029-24-32-0134	3019 Morgan Avenue North
09-029-24-43-0084	2718 Fremont Avenue North
15-029-24-22-0118	2511 4 th Street North
17-029-24-44-0056	1418 Sheridan Avenue North
10-029-24-32-0070	416 30 th Avenue North
35-029-24-24-0085	2542 12 th Avenue South
12-118-21-22-0023	5113 Dupont Avenue North
08-029-24-44-0013	2743 Queen Avenue North
12-118-21-32-0070	4822 Girard Avenue North
08-029-24-44-0137	2655 Penn Avenue North
08-029-24-41-0099	2911 Penn Avenue North
16-029-24-21-0130	2434 Irving Avenue North
09-029-24-33-0109	2720 Penn Avenue North
10-029-24-32-0090	3018 4 th Street North

35-029-24-42-0117

1409 East 26th Street

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>
09-029-24-12-0171	3534 Fremont Avenue North
15-029-24-33-0125	2130 Lyndale Avenue North
16-029-24-14-0049	2131 Lyndale Avenue North
08-029-24-44-0169	2747 Penn Avenue North
10-029-24-32-0063	3023 4 th Street North
16-029-24-21-0067	1711 25 th Avenue North
09-029-24-34-0214	1614 26 th Avenue North
09-029-24-34-0215	1618 26 th Avenue North
16-029-24-21-0052	1717 26 th Avenue North
16-029-24-22-0022	1815 26 th Avenue North
10-029-24-32-0068	406 30 th Avenue North
10-029-24-32-0073	420 30 th Avenue North
10-029-24-32-0020	409 31 st Avenue North
10-029-24-32-0165	424 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

With the addition of 17 parcels and the deletion of 17 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 cities 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 their review and approval. Subsequently, 100 parcels were added to the original housing replacement district, Housing Replacement District I, resulting in the acquisition of 100 parcels and the subsequent disposition of 115 parcels for new or rehabilitated housing units.

In 2002 the Minnesota State Legislature passed legislation to allow the City of Minneapolis to add 100 additional parcels to the housing replacement tax increment financing district, which became Housing Replacement District II. District II will reach the limitation on designation of parcels in May 2009.

In 2008, The Minnesota State Legislature passed legislation to allow the City of Minneapolis to add additional parcels to its housing replacement district. In order to take full advantage of the additional parcels allowed, a third housing replacement district is being created.

Adopting the Addition to and Deletion from Housing Replacement TIF District II of the Below Stated 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 17 parcels to the District and deletes 17 parcels previously added to the District.

Section 2. Findings for the Adoption of the Plan

The Council further finds, determines and declares that 17 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.

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
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
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
3343 Fremont Avenue North
630 19th Avenue NE
2751 Sheridan Avenue North
2119 James Avenue North
2302 Fremont Avenue North
419 31st Avenue North
427 31st Avenue North---**delete**
428 31st Avenue North---**delete**
429 31st Avenue North---**delete**
1415 18th Avenue NE
3519 Oliver Avenue North
2534 James Avenue North
2530 James Avenue
2101 Ilion Avenue North
1000 30th Avenue North
406 30th Avenue North---**delete**
420 30th Avenue North---**delete**
409 31st Avenue North---**delete**
415 31st Avenue North
424 31st Avenue North---**delete**
3023 4th Street North----**delete**
2619 Oliver Avenue North
2636 Penn Avenue North
2700 Penn Avenue North
2717 Penn Avenue North

2721 Penn Avenue North
2733 Penn Avenue North
1705 25th Avenue North
1711 25th Avenue North---**delete**
2501 James Avenue North
1618 26th Avenue North---**delete**
1614 26th Avenue North---**delete**
1717 26th Avenue North---**delete**
2417 16th Avenue South
2419 16th Avenue South
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
2131 Lyndale Avenue North---**delete**
2719 Oliver Avenue North
2218 Penn Avenue North
2747 Penn Avenue North---**delete**
2622 Plymouth Avenue North
2747 Queen Avenue North
3112 6th Street North
1815 26th Avenue North---**delete**
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
3534 Fremont Avenue North---**delete**
2109 James Avenue North
2114 James Avenue North
2611 Penn Avenue North
2631 Penn Avenue North
2950 Queen Avenue North
1915 EM Stately Street
1844 East 26th Street
2600 17th Avenue South
400 31st Avenue North
4126 Fremont Avenue North
3649 2nd Avenue South
3001 Queen Avenue North
4122 Fremont Avenue North
2130 Lyndale Avenue North---**delete**
1352 Thomas Avenue North
1411 Sheridan Avenue North

Additions to Existing Housing Replacement District II (17)

2705 Oliver Avenue North
2943 Penn Avenue North
3019 Morgan Avenue North
2718 Fremont Avenue North
2511 4th Street North
1418 Sheridan Avenue North
416 30th Avenue North
2542 12th Avenue South
5113 Dupont Avenue North
2743 Queen Avenue North
4822 Girard Avenue North
2655 Penn Avenue North
2911 Penn Avenue North
2434 Irving Avenue North
2720 Penn Avenue North
3018 4th Street North
1409 East 26th Street

Deletions from the Existing Housing Replacement District II (17)

3534 Fremont Avenue North
2130 Lyndale Avenue North
2131 Lyndale Avenue North
2747 Penn Avenue North
3023 4th Street North
1711 25th Avenue North
1614 26th Avenue North
1618 26th Avenue North
1717 26th Avenue North
1815 26th Avenue North
406 30th Avenue North
420 30th Avenue North
409 31st Avenue North
424 31st Avenue North
427 31st Avenue North
428 31st Avenue North
429 31st Avenue North