



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

Date: December 11, 2012

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

Subject: Designation of a new Targeted Communities Map within the City of Minneapolis

Recommendation: Approve the attached resolution and the attached updated Target Communities Map.

Previous Directives: On November 16, 1987, the City Council adopted a conceptual plan describing proposed activities for the Urban Revitalization Program (URAP). March 14, 1988, the City Council adopted the URAP Revitalization and Financing Programs and Designation of the Targeted URAP Neighborhoods.

Department Information

Prepared by: Edie Oliveto-Oates, Senior Project Coordinator, 612-673-5229

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

Thomas T. Streitz, Director of Housing Development _____

Presenters in Committee: Earl Pettiford, Senior Project Coordinator

Financial Impact

- Action is within the Business Plan

Community Impact

- Neighborhood Notification: Not Applicable
- City Goals: Livable Communities, Healthy Lives
- Comprehensive Plan: Not Applicable
- Zoning Code: Not Applicable
- Other: Not Applicable

Supporting Information

The City of Minneapolis originally defined targeted neighborhoods as part of the URAP eligibility established in 1987. In addition to any relevance to potential URAP funding, the targeted neighborhood map designates the areas of the City in which Hennepin County has the authority, if it chooses, to convey a tax forfeited property to the City for \$1.00. Minnesota statutes have been amended over the years, providing the City an opportunity to re-evaluate the existing target neighborhoods and better designate areas in the City that may need the special treatment such a designation provides.

An area within a city is eligible for designation as a targeted community if the area meets three of the following four criteria:

(a) The area had an unemployment rate that was twice the unemployment rate for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the most recent federal decennial census.

(b) The median household income in the area was no more than 80 percent of the median household income for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the most recent federal decennial census.

(c) The area is characterized by residential dwelling units in need of substantial rehabilitation. An area qualifies under this paragraph if 25 percent or more of the residential dwelling units are in substandard condition as determined by the city, or if 70 percent or more of the residential dwelling units in the area were built before 1960 as determined by the most recent federal decennial census.

(d) The area is characterized by having a disproportionate number of vacant residential buildings and mortgage foreclosures. An area qualifies under this paragraph if it has either:

(1) a foreclosure rate of at least 1.5 percent in 2008; or

(2) a foreclosure rate in 2008 in the city or in a zip code area of the city that is at least 50 percent higher than the average foreclosure rate in the metropolitan area, as defined in section 473.121, subdivision 2. For purposes of this paragraph, "foreclosure rate" means the number of foreclosures, as indicated by sheriff sales records, divided by the number of households in the city in 2007.

In addition, a city may add to the area designated as a targeted community under the criteria above additional area extending up to four contiguous city blocks in all directions from the designated targeted community.

The attached map was developed using the criteria outlined above.

This map more accurately represents the current population and economic conditions in the City of Minneapolis. Therefore, staff is recommending that the City Council approve the attached resolution and the attached Target Communities Map.

**RESOLUTION
OF THE
CITY OF MINNEAPOLIS**

By (Goodman)

Designating targeted communities in the City of Minneapolis.

Whereas, Minnesota Statutes, Section 469.202, provides that a city may by resolution designate targeted communities within its borders after adopting detailed findings that the designated communities meet the eligibility requirements in Minnesota Statutes, Section 469.202, subdivisions 2 and 3; and

Whereas, the City has documented census tracts in the City where the unemployment rate for the tract as determined by the 2010 Federal Decennial Census exceeds 13.2%, which is twice the unemployment rate for the Minneapolis and Saint Paul Standard Metropolitan Statistical Area as determined by the 2010 Federal Decennial Census; and

Whereas, the City has documented census tracts in the City where the median household income in the tract is no more than 80 percent of the median household income for the Minneapolis and Saint Paul Standard Metropolitan Statistical Area as determined by the 2010 Federal Decennial Census (less than \$52,130); and

Whereas, the City has documented census tracts in the City where 70 percent or more of the residential dwelling units in the area were built before 1960 as determined by the 2010 Federal Decennial Census; and

Whereas, the City has documented neighborhoods in the City that have a disproportionate number of vacant residential buildings and mortgage foreclosures as evidenced by a foreclosure rate of at least 1.5% in 2008; and

Whereas, the City has layered the foregoing designated areas to create a map that identifies the portions of the City that meet at least three of the four foregoing criteria (the "Core Area"); and

Whereas, Minnesota Statutes, Section 469.202, subdivision 3, permits the City to add to the qualifying area additional area extending up to four contiguous city blocks in all directions from the Core Area;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That based on the foregoing findings and strategic additions of up to four contiguous city blocks in certain directions, the City of Minneapolis hereby designates the attached map as the map of designated Targeted Communities within the City of Minneapolis consistent with Minnesota Statutes, Section 469.202.