

MEMORANDUM

Date: January 23, 2021

To: Upper Harbor Collaborative Planning Committee

From: Hilary Holmes, CPED & JoAnna Hicks, City Project Management Consultant

Subject: Remaining Recommendation Points and Draft Plan Updates/Edits

Remaining Recommendation Points

The document “UHT CPC Recommendation Points for Coordinated Plan” has been updated to reflect decisions as of January 9, 2021. As a reminder, the left column notes the UHT CPC recommendation points that were presented in January 2020 which the UHT CPC has been working to finalize. The second column shows the status (**RECOMMENDATION MADE**, **DIRECTION PROVIDED**, or **NEED DIRECTION**):

- **RECOMMENDATION MADE** reflects specific UHT CPC motions that are also summarized in the UHT CPC Motion page which will be added to the Coordinated Plan.
- **DIRECTION PROVIDED** reflects direction that was obtained from the UHT CPC through meeting presentations, discussions, and the design day. The UHT CPC has not specifically made a motion on any of these items.
- **NEED DIRECTION** reflects items where there has been significant discussion at the UHT CPC, but the development team and City are requesting that the UHT CPC clarify the direction through a specific recommendation through a motion.

Remaining Items where we **NEED DIRECTION** to finalize the UHT Coordinated Plan (as of 1/9/21):

1. Recommendation on the development of housing preference for area residents.

- **Proposal for Consideration:**

The City, the development team and the Upper Harbor Terminal Collaborative Planning Committee are recommending a special enterprise fund be established by the City Council to earmark the annual ground lease payments to be used for anti-gentrification and anti-displacement efforts in North Minneapolis. It is proposed that the future UHT Community Entity would make recommendations on the distribution of those funds to the City of Minneapolis.

2. Recommendation on density and income-mix of Phase 2 Housing (Parcels 1A and 7) (Page 84 of plan).

- **Proposal #1 for Consideration:** 1A Market Rate Senior Coop + 7A Market Rate High Density
- **Proposal #2 for Consideration:** 1A Attainable Senior Rental + 7A Market Rate High Density
- **Proposal #3 for Consideration:** 1A Mixed Income Senior Rental + 7A Market Rate High Density
- **Proposal #4 for Consideration:** 1A Attainable Senior Rental + 7A Market Rate Medium Density

- Proposal #5 for Consideration: 1A Mixed Income Senior Rental + 7A Market Rate Medium Density
- Proposal #6 for Consideration: 1A Mixed Income Senior Rental + 7A Mixed Income Medium Density
- Proposal Rejected by UHT CPC: 1A Attainable Senior Rental + 7A Attainable Medium Density

Updates/edits to the Draft Coordinated Plan (as of 1/23/2021)

The following are a list of updates and edits to the Draft Coordinated Plan based on feedback from the UHT CPC and public meetings for additional information or clarification of language.

Grammatical and other proofreading edits were made to the document. In addition to those edits, the following changes/updates were made to the Draft Plan document:

1. Introduction section:

- Added a page documenting the list of the UHT CPC Approved Motions (Motion from the UHT CPC) Page is updated through 1/13/21 UHT CPC motions
 - Building Blocks to lead Community Hub visioning
 - Recommending City amend preference policy
- Our Plan for Upper Harbor Terminal page: Added the recommendation that “a special enterprise fund be established by the City Council to earmark the annual ground lease payments to be used for anti-gentrification and anti-displacement efforts in North Minneapolis.”
- Community Benefits page: Added Anti-Displacement Strategy - One of the explicit goals of this project is to advance the interests of the Northside Community without creating gentrification and displacement. There are several strategies contemplated within the housing strategy that are designed to increase residents and owners who are stably housed, ensure that new housing is attainable for residents most at risk of displacement, and anticipate and prevent involuntary displacement through the creation of a community enterprise fund, continued advocacy to expand the City’s Community Preference Policy, and continued research and best practices recommendation on the impacts of new construction and rising land values on North Minneapolis residents.

2. Implementation section:

- Mapping Community Benefits pages: Added detail about the membership and timeframe of the advisory task force that will assist the development team in the creation of the Comprehensive Strategy for Economic Inclusion. (per request from the UHT CPC)
 - The advisory task force will be formed by the development team in March/April 2021. The advisory task force is proposed to be comprised of 5-10 people who will assist the development team in developing and refining the strategies that will be included in the Comprehensive Strategy for Economic Inclusion, including individuals with community-based labor inclusion expertise and union trade representatives. It is anticipated that this advisory task force will coordinate closely with staff from the Department of Civil Rights, MPRB and CPED on strategies to maximize the participation of Northside businesses and workforce.
 - Community Entity Role page: Added some clarifying text “The following graphic provides a depiction of the potential ways a community entity could collect, distribute, and make

recommendations on the deployment of the private development funds—the annual ground lease payments and ticket fees from First Ave events can be utilized to develop anti-displacement/gentrification initiatives, for enhanced/subsidized community programming, or to support and build capacity for Community businesses. The actual deployment of the funds shall be determined by selected Community Entity.”

b. **Housing Strategy: Added new page on Housing Strategy: Anti-Gentrification and Anti-Displacement Strategy proposed to reflect 1/13/21 UHT CPC discussion and motion:**

One of the explicit goals of this project is to advance the interests of the Northside Community without creating gentrification and displacement. There are several strategies contemplated within the housing strategy that are designed to increase residents and owners who are stably housed, ensure that new housing is attainable for residents most at risk of displacement, and anticipate and prevent involuntary displacement. These strategies include:

- The Community Preference Policy will be applied for all rental and ownership housing in the project.
- All housing (rental and ownership) opportunities within the project will be pre-marketed to the Northside Community
- The development team contract with an ADOS realtor who has a demonstrated record of outreach to people who have been displaced to help fill the ownership and rental housing.
- The development team will seek to partner with local financial institutions to offer down payment assistance or other financial planning services, to create opportunities for wealth creation beyond affordable rents.
- Implement proactive management policies to avoid involuntary resident relocation.
- Produce a study to look at the effects of new construction and rising land values on North Minneapolis over the last ten years, as well as a baseline to understand the impacts of UHT on land values in North Minneapolis.
- Development team voluntarily agrees to engage McKinley and the Community Entity on proposed affordability strategies under consideration for Phase 2 Housing Parcels, including the potential impact on displacement and gentrification, prior to submitting official plans to the City for review.

The UHT CPC remains deeply concerned that forces of gentrification and displacement which are already being felt throughout the City of Minneapolis, will be accelerated in North Minneapolis by the UHT project. While the City of Minneapolis has begun to take some steps to address this concern, including the development of the Community Preference Policy for ownership housing, the UHT CPC is recommending that the City of Minneapolis consider the following actions:

- Create, working in partnership with appropriate community organizations, an equitable housing participation program that prioritizes residents lost due to the tornado and foreclosure crisis to occupy the housing at the Upper Harbor Terminal and builds people’s long-term capacity to organize and improve their lives and neighborhoods.
- The UHT CPC also recommends that the City of Minneapolis amend the Community Preference Policy to rectify and compensate for the specific atrocities committed against ADOS individuals.

- Request that the City of Minneapolis work with Hennepin County and the State of Minnesota work together to create a property tax limitation for the Northside similar to Proposition 13 from California to allow for development without displacement.
- c. Added an implementation page on the Community Hub based on the 1/13/21 Motion from the UHT CPC.

Building Blocks would serve as the Lead Developer of the Community HUB and oversee due diligence and the production of a feasibility study *in collaboration with the selected Community Entity or Entities*. The feasibility study would be completed within one year of the approval of the Coordinated Plan. As part of this process, Building Blocks would work to define the HUB program, community partners, potential tenants, ownership structure, project costs and potential philanthropic sources to complete the project. Some of the strategies that would be explored include:

- Identifying food-based businesses, particularly those owned by or employing people in the priority area, as potential tenants.
- Reserving a portion of ground floor space for startup/entrepreneur business owners/operators.
- Exploring financial strategies that utilize anchor businesses to help create more attainable rents for Community Businesses.
- Engaging leasing agents and/or strategic partnerships that are committed to achieving a goal of leasing a substantial number of the individual spaces to Community Businesses