

**Neighborhood Planning
for Community
Revitalization**

North End Rental Census

Conducted on behalf of
North End Area Revitalization

A CONSORTIUM PROJECT OF: Augsburg College; College of St. Catherine; Hamline University; Higher Education Consortium for Urban Affairs; Macalester College; Metropolitan State University; Minneapolis Community College; Minneapolis Neighborhood Revitalization Program; University of Minnesota (Center for Urban and Regional Affairs; Children, Youth and Family Consortium; Minnesota Extension Service); University of St. Thomas; and Minneapolis community and neighborhood representatives.

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Prepared by
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June 2000

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Executive Summary

In an effort to build and maintain a growing and healthy community, N.E.A.R (North End Area Revitalization) required a current inventory of rental properties in District 6. Information about these properties is crucial to community revitalization, but only a limited amount of data is available.

The research began on IRIS, a computer program, set up to obtain property information and rental profiles. Other data was collected during conversations with city officials and staff. Additionally, research concerning the community and current rental trends were examined through the 1990 Census and other materials such as N.E.A.R's Fifteen Year Celebration pamphlet, a book by Myron Orfield, pamphlets from the Wilder Research Center and others. Some of the information obtained includes: numbers of rental properties, locations of properties, multiple owner trends, as well as the number and location of vacant lots and buildings. With the information collected, N.E.A.R will be able to begin an analysis of rental units in their area.

Introduction to the District 6 community

The North End neighborhood is a stable income community which is centered around its main commercial area, Rice Street. Relying on the stories of immigrants and industry employees who first worked in the North End community, Rice Street continues to retain its rich history. The North End Community is brought closer to its roots through the development of schools, libraries, cemeteries and churches.

According to the 1990 census of District 6, a total of 23,460 people occupy the area. Of that total, 2,427 are between 29 - 35 years of age. Around 73% of persons over 25 have obtained a high school degree or higher, followed by 15.0% who have completed a bachelors degree or higher. According to the census there are 10,264 persons who work in District 6, of that total, 3,702 work in jobs of technical, sales or administrative support. Additionally, 1,905 work in precision production, craft and repair. The average travel time to work is 10-19 minutes. Out of the 9,546 total household incomes in District 6, 1,462 make a gross income between \$5,000- \$9,999. Of persons between the ages of 18-64, 17.9% of these live below the poverty line.

There are 10,105 housing units in District Six, of which 588 are vacant. Nearly 4,705 of these properties are rental and 4,812 are owner occupied. From these statistics almost half of the housing units are rental properties. The rent payment in the area in 1990, ranged between \$400 - \$499. Nearly 3,539 of the housing units were built in 1939 or earlier. Of these properties, a majority consist of two bedrooms, a living room and a kitchen.

Introduction to N.E.A.R

N.E.A.R (North End Area Revitalization) is a nonprofit, community-based organization which began in 1984. It is located on Rice Street, and directs the majority of its efforts to an area that extends north to Larpenteur Avenue, south to the Pennsylvania and Burlington Northern Rail Road tracks, East to 1-35E and west to Lexington Parkway in South Como neighborhood including Rice Street. (Fifteen Year Celebration Pamphlet Pg.3). Throughout N.E.A.R's 15 year existence, they have not only worked to improve the North End, but they have helped create a stronger community, and a better place to work and live for its community. Much of N.E.A.R.'s efforts have focused on commercial and housing revitalization. The North End has come together to resolve issues of "high commercial vacancy rates, dilapidated housing, shortages of affordable housing or other small business enterprises issues." N.E.A.R has decreased the vacancy rate in the area from 40% in 1984, to nearly 12% in 1998. (Neighborhood Planning for Community Revitalization: Research Project 1). N.E.A.R helped facilitate the rehabilitation of more than 433 commercial properties in the area, and contributed to the completion of three new homes providing extensive grant and loan assistance to 41 participants. N.E.A.R. continues its efforts to boost local economy. It participated in the development of a mini-mall that rejuvenated vacant lots and created jobs for more than 150 people (Neighborhood Planning for Community Revitalization: Research Project Pg. 1).

Though N.E.A.R's extensive housing programs have brought about projects from rehabilitation to new construction, has helped to bring many new homes and has provided opportunities to its community member, some aspects have not been touched. Other housing options must be considered, due to the fact that many wage worker families can not rely on home ownership as a viable or realistic option. One of these resources is rental properties. This was the focus of my research during my time at N.E.A.R. Currently there are more than 600 rental properties in N.E.A.R's target area. These properties range from single family homes, to duplexes, and townhouses, and include a mixed use of properties and apartment complexes. As the North End Community begins to grow, the concentration on rental property proprietors and renters must be considered.

Project Goals

The main goal of this project was to identify and create a rental property profile within District 6. N.E.A.R had never identified rental properties in the area. As a result, the research began with the basics. Questions developed to help direct the project are as follows:

1. What is the current inventory of rental property in District 6? It was divided into the following categories:
 - single family
 - duplex: owner-occupied

duplex: non-owner occupied

four units

eight units

more than eight units

2. Who owns the property, and what is their address?
3. What year did the current owner purchase the property?
4. What is the rent?
5. How many and what type of subsidized units?
6. What is the condition of the property (exterior evaluation)?
7. Do any of these properties have current complaints from neighbors or code compliance issues?

From these questions, a clear direction of the project arose. Identifying the rental properties was the first task. For this IRIS and city officials were consulted. Community information was obtained through the 1990 census and the tracing of current rental properties. Often the St. Paul Pioneer Press was used to follow current rental trends as well as other sources that helped to guide the research.

Rental Census Results

Throughout our research we were able to identify approximately 600 rental properties in N.E.A.R.'s target area. Currently, the Ramsey county data suggests 54 of these properties are vacant. The number of vacant lots on each street are as follows:

1 Abell St.	1 Kent St.
4 Agate St.	3 Lawson Ave.
1 Argyle St.	1 Litchfield St.
2 Atwater St.	1 Mackubin St.
1 Burgess	1 Magnolia Ave.
5 Case Ave.	2 Manitoba Ave.
4 Como Ave.	3 Marion St.
2 Cook Ave.	1 Maryland Ave
1 Cumberland St	1 Park St
2 Front Ave.	2 Rice St.
2 Galtier St.	1 Sims Ave.
1 Genesee St.	1 Victoria St.
1 Granite St	1 Winnipeg Ave.
1 Hawthorn Ave. E.	2 Woodbridge St.
4 Jackson St.	
1 Jessamine Ave.	

The majority of rental properties in district six are located South of Maryland Ave. and East of Churchill Street. Of these properties, most reside in the South East corner, lining the Oakland Cemetery. Most of these properties have 1 to 18 units. Rental properties located North of Maryland Ave. are fewer, yet a majority of these properties have 19 to 62 units. (See maps).

Currently in the North End Area there are 578 rental properties (which includes vacant building and lots.) Most of these properties were build in the 1880's which could be an indication to why there is an increase of vacant housing and unkempt properties.

Due to the increase of neighborhood sprawl, it is essential to help maintain and improve existing properties. Rehabilitating these properties has been and continues to be a focus that N.E.A.R. considers. Yet, there continues to be many vacant buildings and a constant need for affordable housing. Options of home ownership or rental properties could allow for a fulfillment of a great need.

According to Myron Orfield in his book titled Metro Politics : A regional agenda for community and stability, in 1979 the North End was labeled as a poverty stricken neighborhood . In 1989 more than half of the area was labeled to have extreme poverty. (In an area of extreme poverty more than 40% are below the poverty line.) In 1989, the North End Neighborhood was identified to have more than 3, 000 + violent crimes in the

area. Under Myron Orfield's crime scale, this was the highest one area could have. Other neighborhoods that fell under this statistic include: Hawthorne, North Loop, Nicollet Island, Downtown West, Elliot Park, Phillips, Whitter Stevens, Square/Loring Heights, Lyndale, Central and Mid-City Land Area. (Orfield Maps 2.2, 2.3, 2.4)

There are currently 55 property owners who own multiple rental properties in the North End. Twenty-nine of those property owners own 2 properties, nineteen own 3 to 4 rental properties, and five own 5 to 7 rental properties. Two proprietors, the Department of Housing and Urban Development and Ficek Investment Company LLC, own between nine and twelve rental properties in the area. To identify whether owners have other properties outside of N.E.A.R's target area, an extensive survey must be conducted.

Due to the fact that home ownership is at an all time high, emphasis on affordable rental housing is at an all time low. For many families who have a low income, renting may be the only viable option. Currently, according to the Wilder Research Center's pamphlet Findings: Toward Housing for All in January of 2000, renters have been subjected to increased property tax due to the "higher tax burden on rental property (that ultimately) gets passed along through the cost of rent" (Wilder 3). With the limited availability of rental property and the increase in rent on those properties, housing the poor has become increasingly difficult.

As means to reveal current rental trends, looking towards rent ads becomes the real barometer of affordability. (Wilder 3) During my research I followed rental pricing throughout the month of May. My finding revealed a real discrepancy in relation to income verse rent costs.

In the St. Paul, Pioneer Press during the month of May the average rent costs for a one bedroom ranged from \$465.00 to \$650.00 and for two bedrooms from \$525.00 to \$750.00. According to the 1990 Census more than 1, 462 household in District 6 make between \$5,000 and \$9,999 a year. Thus if one household rents a one bedroom for \$465.00 a month and they make \$9,999 a year, more than 54 percent will go to rent alone. For a large family this would be nearly impossible to maintain.

Orfield states that the unequal distribution of affordable housing in the Twin Cities has led many poor families to live in units beyond their means (Orfield 58). "In the Twin Cities in 1992, 11.57% of metropolitan households live at or below 30% of the metropolitan median income, 21.57% live at or below 50%, and 38.58% at or below 80%. " Orfield continues to state that, "if each metropolitan community had its fair share of affordable housing, 12 percent of its housing would be affordable at 30 percent, 22 percent at 50 percent and 39 percent at 80 percent (Orfield 55-56).

Suggestions for further research

There is a great need to create a stronger connections between city planners and rental property proprietors. The voice of renters and their needs should be recognized, identified, and met, with the help of rental owners, city officials, and public organizations. One means to facilitate this would be to hold public forums for rental property owners and renters.

Training, as well as low interest loan availability will provide opportunities to property owners to improve the state of units, thus providing the renters with a clean, fair, and safe place for them to live.

Educating tenants on their rights could also help the communities fight for fair and safe housing. In Mike Hatch's report on Landlords and Tenants: Rights and Responsibilities, from the Office of Minnesota Attorney General. Tenants have the following rights, if the tenant is in a bad rental housing and the landlord has failed to make satisfactory repairs. Some of these rights are as follows:

- 1) File a complaint with the local housing, health, energy or fire inspector and ask that the units be inspected.
- 2) Place the full rent in escrow with the court, and ask the courts to order the landlord to make repairs.
- 3) Withhold the rent by depositing it with the court administrator.
- 4) Sue the landlord in District court under the Tenant Remedies Act.
- 5) Sue in conciliation court or district court for rent abatement (this is the return of part or all of the rent).
- 6) Use the landlord's failure to make necessary repairs as a defense to either the landlord's Unlawful Detainer (eviction) action based on nonpayment of rent or the landlord's lawsuit for unpaid rent (Hatch Pg. 12-13).

Though the education of tenants may help to decrease bad housing conditions and unfair or unreasonable rental costs, ultimately the time, money, and effort required to pursue the above means could be limited. Realistically, time, fear, and lack of empowerment could lead many renters into a continuous cycle of movement between rental housing units.

Conclusion

Throughout the research a surprising amount of rental properties were discovered. Identifying that more than half of the housing units in the North End are rental properties, a clear and conscious effort must be made to rehabilitate problem rental units. One of the main aspects of the rental project should involve education. Educating tenant, owner, and the community as a whole will provide a better neighborhood network for the future. N.E.A.R. throughout its 15 years in operation has helped to assist the community in many housing projects. Currently, N.E.A.R. has taken an extra step by identifying and promoting the focus on the rental properties. The research conducted will provide N.E.A.R. with a basis for further research and the improvement of their current rental stock. Further suggestions for the next phase of the research are as follows:

- ◆ A conditions survey must be conducted to identify where efforts must focus
- ◆ Financial options and availability must be considered
- ◆ Education of tenants and rental owners
- ◆ Specific goals must be identified and followed

With the extended history of N.E.A.R.'s accomplishments and their continuous efforts to help develop the North End both economically and physically, exploring rental housing options will only further their accomplishments.

Acknowledgments

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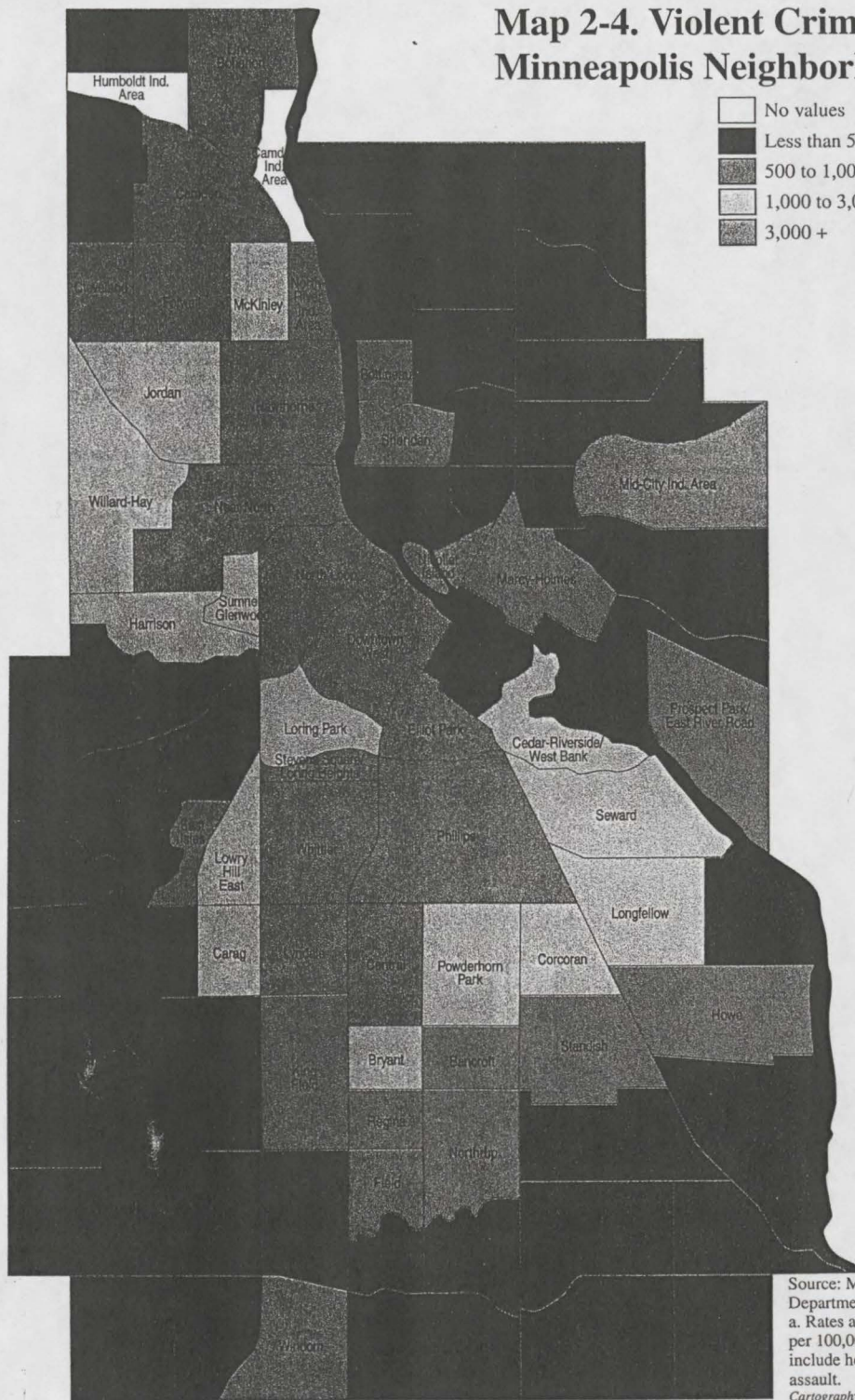
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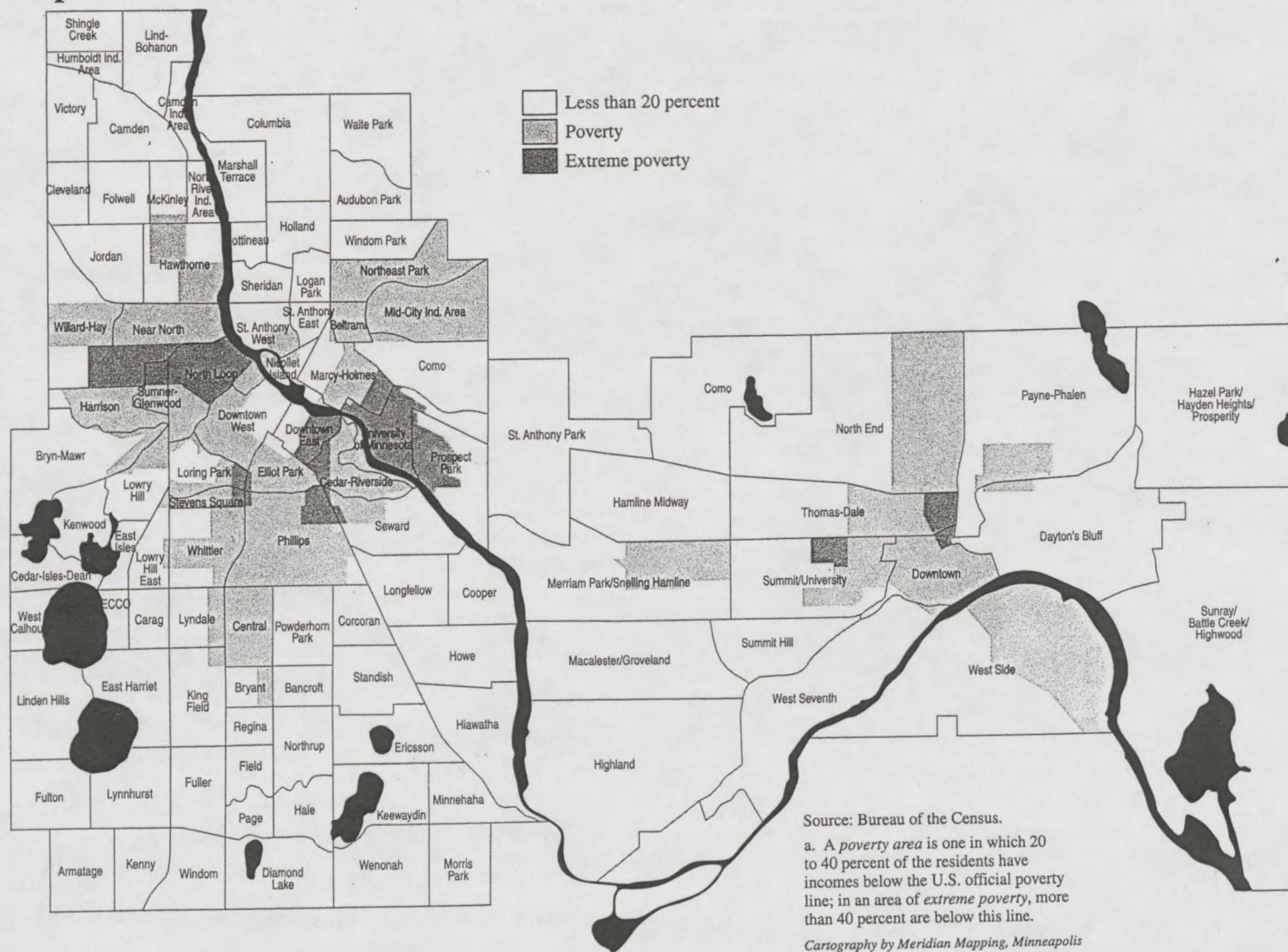


Map 2-4. Violent Crime in Minneapolis Neighborhoods,^a 1989



Source: Minneapolis Police Department.
a. Rates are based on violent crimes per 100,000 residents. *Violent crimes* include homicide, rape, robbery, and assault.
Cartography by Meridian Mapping, Minneapolis

Map 2-2. Concentrated Poverty in Minneapolis and Saint Paul,^a 1979



Map 2-3. Concentrated Poverty in Minneapolis and Saint Paul,^a 1989

