Corridors of Opportunity

Final Evaluation Report

March 2014

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With assistance from

Metropolitan Council Office of Regional Policy and Research
University of Minnesota Center for Transportation Studies and CURA
HousingLink
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Acknowledgments

This report has benefited from the contributions of many people. The Corridors of Opportunity Evaluation Team contributed a cross-agency set of knowledge and skills without which it would not have been possible. This group includes:

Wilder Research (qualitative data collection and report authorship)
   Ellen Shelton          Cael Warren
   Brian Pittman          Greg Owen
   Ryan Steel

Metropolitan Council Office of Regional Policy and Research (tracking data)
   Libby Starling
   Matt Schroeder
   Paul Hanson

University of Minnesota (development and transportation issues)
   Laurie McGinnis, Center for Transportation Studies
   Andy Guthrie, Center for Transportation Studies
   Ed Goetz, Center for Urban and Regional Affairs

HousingLink (housing data)
   Dan Hylton

The project directors, Mary Kay Bailey, Nora Riemenschneider, and Allison Bell provided guidance, context, resources, answers to questions, and infinite patience. The work was also informed by guidance and support from the national Living Cities staff and national evaluators at Mount Auburn Associates.

Additional Wilder staff who helped with the collection and reporting of the data over the past three years are:
   Mary Ann Thoma          Jackie Campeau          Jennifer Bohlke
   Janell Felker            Terry Libro             Amanda Eggers
   Sarah Gehrig             Ron Mortenson           Dan Swanson
   Jackie Campeau
   Terry Libro
   Ron Mortenson
   Marilyn Conrad

We also thank the many Policy Board members, Senior Staff, and other agency staff and community members who took time to answer surveys, interviews, and focus groups over the past three years.
Summary

The Corridors of Opportunity (CoO) initiative was established to create two kinds of change: equitable transit-oriented development and systems-level change in how transit-related planning and development are done in the Twin Cities. It was funded from two sources: a Sustainable Communities Regional Planning Grant from the U.S. Department of Housing and Urban Development (HUD), and grant and loan funding from The Integration Initiative of Living Cities, a consortium of 22 of the nation’s largest philanthropies and financial institutions.

To create the intended changes, the initiative funded a suite of activities ranging from corridor planning and direct project investment to policy analysis and community engagement. This work has brought together cross-sector leaders from multiple jurisdictions, content areas, and community perspectives to focus on guiding equitable growth along the region’s transitways.

The initiative operated from January 2011 through December 2013. The evaluation’s purpose was to assess progress toward its overall goals, rather than detailed outcomes of specific projects. The final report addresses the question, “What difference did the investments make?” This summary describes some of the key outcomes and learnings from the CoO’s three years.

Immediate outcomes

Projects financed and supported

CoO funds supported a handful of transit-oriented development (TOD) projects on three of the seven transitway corridors that were part of the initiative. These projects are intended to catalyze additional development in weak market areas, test new strategies and tools for TOD, and demonstrate the potential of TOD to benefit residents of all income levels.

- CoO financed seven TOD and multi-family affordable housing projects that are slated to create 637 units of housing (75% of which are affordable) and 18,000 square feet of commercial space. They are also expected to leverage $150 million in additional public and private investment.

- CoO financed five single-family developers who will be rehabbing or constructing up to 40 single family units.
CoO provided grants, technical assistance, and other support to eight mixed-use projects that are projected to have 470 units of housing and substantial commercial space (including a theater project and a largely commercial-driven development).

A set of Local Implementation Capacity (LIC) grants provided additional funds from the HUD grant to support three of the seven loan-financed projects. LIC grants also supported five non-site-specific studies that aim to increase development opportunities along the three corridors.

**Small business assistance**

CoO and Central Corridor Funders Collaborative funds supported the U7 Partnership and Neighborhood Development Center to help small businesses along the Central Corridor survive the loss of business during construction and prepare to make the most of new opportunities after the light rail line begins to operate.

- 9 matching grants helped 15 businesses to upgrade their façades
- 6 low-cost loans helped small businesses make internal and external enhancements to their buildings
- Technical assistance helped 353 owners with accounting, legal questions, bookkeeping, marketing and signage, and energy efficiency
- Of the 353 businesses that were helped, only 4 closed during the two years of heavy construction (2011-12), which included major reductions in customer traffic due to the light rail construction
- Organizations providing small business assistance greatly increased their capacity to provide help

**A stronger financing system for equitable TOD**

Three financing intermediaries managed the TOD/ Affordable Housing Loan Fund: Family Housing Fund, Twin Cities LISC, and the Twin Cities Community Land Bank. As a result of CoO, these organizations now work more closely with each other, have
identified gaps in the development finance system in the region, and have begun to fill those gaps with new capacities and tools.

Among this group’s many innovations are Predevelopment Funders Roundtables to bring funders, developers, and other stakeholders together from an early stage of a proposed development to work collaboratively to solve development and financing issues.

**Integrated planning on Southwest LRT corridor**

The initiative funded several projects and activities to augment planning processes for the Southwest corridor. One purpose was to bring community perspectives, from residents and developers, into the design process early; another was to better integrate land use planning with transitway engineering. These efforts are expected to increase the value of the line to corridor residents and employers. Short-term results of these efforts include:

- Engineering and land use planning staff for the corridor were collocated and the Project Office hired a land use planner to work on joint development projects
- Transitional Station Area Action Plans were developed and adopted, guiding how planning could best be done incrementally during the preliminary stages of the corridor to maximize the opportunities to enable transit-oriented development (TOD) once the trains begin operating
- Plans included significant community input, from residents as well as developers
- Cities along the corridor adopted specific TOD recommendations and implementation strategies
- A housing inventory and gaps analysis was completed, a housing strategy was adopted to address fair and affordable housing, and a project pipeline was developed to track progress (for both production and preservation), all at the corridor-wide level

**Community engagement**

The initiative funded $720,000 in grants to 19 community organizations and partnerships. Grants supported place-based efforts to engage and involve historically under-represented communities in decision-making around transit corridor planning and implementation. As a result of these grants,

- Over 37,000 community members, many previously unaware of transitway plans, were reached through flyers, newsletters, door knocking, and other outreach
Grant leaders estimate that grant activities helped about 15,000 gain new skills or confidence to express their views to policy makers

58 have been appointed to serve on formal or informal transitway advisory groups

Community-based organizations gained knowledge, relationships, and capacity to be more deeply and effectively engaged in decision-making affecting their community

Significant changes occurred in how public agencies conduct their own outreach and engagement with historically underrepresented communities

A majority of community representatives and public agency staff agree that plans were better because of community input

Other project outcomes

Other projects have generated market studies, station area typologies, and housing inventories along specific current or proposed transitways; studies of the feasibility or potential policy levers for transit-oriented development; resources for accessing affordable housing; and replicable models for job preparation, stormwater management, and realizing housing and business cost savings through energy efficiency.

Leveraged funding

CoO partners leveraged about $12.3 million in additional funds during 2013 to support the work of the initiative. In addition, the partner organizations re-purposed approximately $3.4 million of their own funds to better align with the goals and principles of the initiative. These bring the total for all three years to over $17.5 million in leveraged funding and almost $40 million in re-aligned funding ($7.5 million not counting the Met Council’s one-time $32 million in 2011 to create the TOD Livable Communities Act grant program).

Systems change

Both the Living Cities and HUD programs placed an emphasis on new ways of doing business, including cross-sector, cross-jurisdictional planning at a regional level – not as an end in itself, but as a means of achieving better outcomes, including more equitable benefits for low-income communities.
A majority of the stakeholders who were involved in the initiative believe that the CoO has contributed to several kinds of changes in how planning is done. As shown in the figure on the next page, three-quarters or more of those in partner agencies reported that their own organization has:

- **Increased collaboration** across geographic boundaries and sectors (content areas)
- **Aligned resources** more intentionally with the CoO partners
- Increased public-private collaboration (see chart on next page)

### As a result of the Corridors of Opportunity, has your organization changed any institutional practices in any of the following ways?

<table>
<thead>
<tr>
<th>Practice</th>
<th>Yes (%)</th>
<th>No (%)</th>
<th>Don’t Know (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased collaboration across geographic boundaries?</td>
<td>88%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Aligned resources more intentionally with other Corridors of Opportunity partners?</td>
<td>85%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Increased collaboration across sectors, for instance, housing and jobs, or land use planning and arts?</td>
<td>82%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Increased public-private collaboration?</td>
<td>76%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Implemented a new strategy related to development planning or funding?</td>
<td>69%</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Increased the level of focus or priority on equity?</td>
<td>64%</td>
<td>30%</td>
<td>6%</td>
</tr>
<tr>
<td>Implemented a new strategy related to equity?</td>
<td>64%</td>
<td>33%</td>
<td>3%</td>
</tr>
<tr>
<td>Implemented a new strategy related to transit planning or funding?</td>
<td>64%</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>Found new ways to raise or deploy resources to support development?</td>
<td>36%</td>
<td>61%</td>
<td>3%</td>
</tr>
</tbody>
</table>

*Source: Interviews with 33 key project stakeholders, Dec-Jan. 2013-14*
This perception of change across many organizations and different dimensions is ratified by observers who were not themselves directly engaged in the work. In addition, around two-thirds of CoO participants reported that their organization has:

- Implemented a **new strategy related to development planning or funding**
- Increased the **level of focus or priority to equity**
- Implemented a **new strategy related to equity**
- Implemented a **new strategy related to transit planning or funding**

These changes include the formation of new cross-sector and/or cross-jurisdictional “tables” to bring diverse perspectives together to identify and solve challenges. The most significant of these new tables is the CoO Policy Board, which has been deeply appreciated by many of its participants as the only place in the region where high-level conversations can occur that address economic competitiveness and equity at the same time.

The value of this convening to its members has been such that attendance has been consistently high at the nearly-monthly meetings throughout the three years of the CoO, and partners were unwilling to give it up with the end of the initiative. To continue the unfinished work, a new initiative, the Partnership for Regional Opportunity (PRO) has been formed for 2014, including the same partners and bringing others in to participate in four related working groups.

The CoO has also led to **more holistic (or integrated) planning** for development along the transitways. This is seen in efforts to broaden the typical vision from an individual parcel to a district-wide concept, from an individual station area to an entire corridor, and from an individual corridor to the entire region. The integration has also increased the extent to which planners simultaneously consider the full mix of land uses needed for a healthy community. For example, housing developers are more aware of the importance of including small local businesses as part of the mix in a vital neighborhood.

**New funding streams** have also been created to support new ways of working. These include funds in the Metropolitan Council, McKnight Foundation, Hennepin County, and Twin Cities LISC to incentivize and support TOD.
Do you believe the CoO has ...

Sparked new conversations about equity and equitable development in the region? (N=33)

- Yes, big difference: 97%
- Yes, small difference: 30%
- Yes, don't know how much: 3%
- No, but it will in the longer term: 3%
- No, and it will not in the longer term: 3%
- Don't know: 3%

Source: Interviews with 33 key project stakeholders, Dec-Jan. 2013-14

Made the development process easier in transit corridors? (N=32)

- Yes, big difference: 69%
- Yes, small difference: 31%
- Yes, don't know how much: 3%
- No, but it will in the longer term: 3%
- No, and it will not in the longer term: 3%
- Don't know: 3%

Resulted in development that is more equitable overall? (N=33)

- Yes, big difference: 55%
- Yes, small difference: 15%
- Yes, don't know how much: 3%
- No, but it will in the longer term: 3%
- No, and it will not in the longer term: 3%
- Don't know: 3%

Durable changes

It is one thing for work to be done differently during the lifetime of a grant where there is substantial funding to support new ways of doing business. Living Cities and HUD were interested in creating conditions through their grants that would lead to lasting systems changes. It is impossible at the time when the initiative has just concluded to predict with certainty which changes will last and which will not. However, there is considerable evidence to suggest that many significant changes will be lasting. These include:

- A new approach to the planning of development in transitway corridors. This involves earlier involvement of residents and private developers, the simultaneous consideration of land uses at the same time as preliminary engineering, and the use of an “investment framework” to identify the public investments that will make the most difference to spark private investment.

- Structural changes in organizations, including new TOD units, staff, or funding at the Metropolitan Council, Hennepin County, Saint Paul, and Minneapolis.
Policy and/or zoning changes in cities that received TOD grants from the Metropolitan Council. Four of 14 cities have fully adopted all of the threshold criteria for TOD and equitable development principles, and 3 more are missing only one.

New engagement skills and practices in many public agencies, supported by an increased perception of the value of in-depth engagement.

New conversations about equity, and specifically about equitable development, reflecting a new and higher level of attention and commitment to action from CoO partners and others.

Emergence of an independent and self-guiding Community Engagement Steering Committee with capacity to give technical assistance to community-based organizations, convene peer support and learning opportunities, work with public agencies to build their capacity for engagement, and work at the regional level not only on transit issues but also a broader set of issues related to equitable development.

One of the outcomes most often cited by stakeholders is the development of a regional vision for equitable development. This vision has emerged through the combination of diverse geographic interests, sectoral perspectives, and public, private, nonprofit, and philanthropic representatives as well as the voices of community residents and small business owners.

Long-term impact: Will low-income people be better off in the longer term?

A large majority (88%) of organizational leaders who were involved in the Corridors of Opportunity believe that low-income people in the region will be better off as a result of the initiative’s work. The remaining 12% did not disagree with this statement, but were not sure one way or the other. This view was shared, in the same proportion, by eight of the nine non-involved stakeholders who were also interviewed.

CoO stakeholders’ perceptions of the longer-term impact of the initiative

Do you believe low-income people in the region will be better off because of the CoO? (N=33)

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>88%</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Interviews with 33 key project stakeholders, Dec-Jan. 2013-14
What reason do we have to believe that the changes made through CoO will have this effect? Several interlocking pathways are leading from the CoO’s work toward this result.

- **Equity has been elevated** as a necessary component in planning for development, and economic development has been identified as a means for achieving equity. The conversation around both has changed, and the new framework is widely shared among a diverse group of stakeholders who will help to implement it as well as spread it.

- **New patterns of community engagement** have brought historically underrepresented communities to the table to advocate for what their communities need, and their views are being included in planning. Based on its effectiveness meeting needs of public agencies and communities, the new model of engagement has gained enough traction to be likely to be sustained beyond the three years of the grants.

- A new, **more holistic view of development**, that puts physical development more into context of the overall neighborhood and community, is taking root not only at the CoO table but also within many of the major partner organizations. This includes not only public agencies and philanthropies but also community development organizations. This view has also been institutionalized in the *Thrive MSP 2040* regional plan, generation of new units of some major public agencies, and new or re-prioritized funding streams.

- The region has **increased capacity to create, preserve, and support both affordable housing and small businesses** and emerging entrepreneurs. Moreover, the housing and small business support systems have stronger relationships with each other and increased appreciation for the value that the other brings to a healthy community.

- **Relationships have been built** among leaders, and networks have been built among staff at implementation levels, *that will help to sustain these new patterns over time*.

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**CoO stakeholders’ perceptions of the Partnership for Regional Opportunity (PRO)**

Do you feel the Partnership for Regional Opportunity, as it is currently planned, will result in further progress toward the original goals of the Corridors of Opportunity?

- **Yes**: 84%
- **No**: 13%
- **Don't know**: 3%

*Source: Interviews with 33 key project stakeholders, Dec-Jan. 2013-14*
Learnings

Barriers and challenges

As expected, the CoO has been challenged to maintain an appropriate balance between competing values and priorities. The four main axes along which these tensions were evident were:

- **Benefits to existing residents and businesses ⇔ Creation of new development and opportunities.** The initiative explicitly promoted both outcomes. Tracking indicators were selected to give early indications of possible gentrification (benefits to new residents at the expense of existing ones) so corrective steps can be taken if needed.

- **Focus on immediate, concrete outcomes ⇔ Longer-term goals including changes in processes and structures.** CoO sought to include both. Some agency staff and developers were frustrated with the pace of action, which felt slow to them. The Policy Board, while sympathetic, kept a consistent focus on the big-picture issues, within the longer-term frame of reference, and this focus helped produce both the new vision and the commitment to it.

- **Focus on local neighborhood well-being ⇔ Whole corridors and/or cities ⇔ Entire region.** This balance required ongoing negotiation of roles and responsibilities. Most participants saw the new relationships (and the larger frame of reference they entailed) as one of the most valuable aspects of CoO. Some, especially city staff, felt the more collaborative planning intruded in an unwelcome way on their own role.

- **Leverage the power of the market ⇔ Plan and regulate development to assure public good including equity.** This tension exemplifies the ongoing challenge of combining the twin goals of equity and economic competitiveness. The CoO provided some helpful tools for managing the balance, including market analyses, investment frameworks, and station area typologies. The new relationships between public and private partners are also a resource that will help in this balancing.

Both document analysis and interviews indicate that these tensions have been managed in a way that most stakeholders perceive as well-balanced. However, the effort to do so requires considerable time and effort, and the continuation of similar collaborative work is likely to require similar attention.
Other challenges have included:

- Representing the diversity of the region’s population through a governing body made up of organizational leaders, who are mostly white
- The short time frame for accomplishing ambitious work plans
- The amount of time needed to build relationships and trust in the many new collaborative tables, and the ongoing balancing of perspectives and roles to maintain those relationships during project implementation
- The small scale of the resources available to the initiative, compared to the amount of development anticipated along the corridors and the scale of the systems changes that are intended

**Factors contributing to positive results**

Cross-sector relationships were common in the Twin Cities even before the initiative began. This is in part due to a local pattern in which organizational leadership moves across the public and private sectors easily. This has made the development of cross-sector and cross-jurisdictional tables easier and faster.

The 2010 elections resulted in a new governor, from a different party. The governor appointed a completely new Metropolitan Council and Council Chair who co-led the initiative. This in turn helped increase the level of commitment to the goals of the CoO.

The combination of the Living Cities and HUD awards in a single overall initiative helped bring a wider set of organizational partners to the table with a higher level of commitment to the work.

The initiative’s broad definition of its purpose in the beginning helped keep the diverse set of partners at the table while they shared perspectives and understandings of issues. Through the new conversation that emerged from this unique set of leaders, the twin goals of equity and economic prosperity emerged as a clear focus. The CoO’s goals thus ended up being both more ambitious and more strongly committed to by partners than would have been possible if a single unifying goal had been insisted on from the start.

**Lessons learned**

Three common themes run through everything that has been described in this final report. These “red threads” embody the most important learning about what worked and why it worked.
One table

The convening of diverse groups of stakeholders, including public, private, business, and philanthropic partners, and spanning multiple jurisdictions and sectors of interest, has proved a powerful vehicle for new ways of understanding challenging issues. It has also promoted new strategies for addressing regional needs. It has not only sparked collective action by the partners in concert with each other, but also led partner organizations to undertake new internal approaches and practices of their own.

Community engagement

The community engagement strategy owes part of its effectiveness to the fact that it included multiple interlocking strategies at multiple levels (neighborhood, across public sector organizations, and regional). The leaders helped build a common understanding of the value of the new approach and provided support to community-based organizations and public agencies to start new relationships based on shared interests rather than adversarial assumptions about each other.

While the Policy Board conversation was changing to embrace equity as a goal equal to economic development, the community engagement work was helping community members understand how development could benefit their neighborhoods.

Partnerships and linkages

The new conversation sparked at the Policy Board created new ways of understanding issues, and leaders encouraged each other to take these insights home and apply them to their own organizations. The influence of the CoO was not limited to the member organizations. The CoO also extended its reach and influence through connections to other initiatives and centers of energy in the region.
Conclusions and recommendations

Summary of findings

As of the end of the third and final year of the initiative, the evaluation finds that specific funded projects have produced results that are at or close to the intended scale, including:

- Affordable housing creation and preservation
- Funding of a variety of catalytic transit-oriented development projects to demonstrate the potential for TOD and accelerate market readiness
- Development of frameworks, studies, and pilots suitable for use in the longer term on the corridors where they were developed, and replicable or customizable to other corridors to come
- Support of diverse and locally-owned small businesses during the stresses of light rail construction
- Increased engagement of historically underrepresented community residents in planning, and creation of development plans that will better serve the local communities

The results of these efforts have also increased the capacity of many organizations and communities in a variety of ways:

- The financing intermediaries are better prepared to work with each other, with developers, and with other funders including the cities. They are better prepared to address gaps in the community development finance continuum (such as strategic acquisition).
- There is more recognition of the role that small business support can play and how it can and must partner with housing and transit for sustainable community development. Providers have also increased their capacity to deliver support services and to partner with these other sectors.
- The Southwest Corridor planning process has made progress in developing a partnership between engineering and land use planners. The work has demonstrated both the promise of the collaboration and some of the continuing challenges. Those who have been involved in the partnership are committed to extending it to future corridors and beginning it at an earlier stage of the work.
A variety of new funding streams have been created, and existing ones re-prioritized, to incentivize and promote transit-oriented development.

The principles and vision of the Corridors of Opportunity, and learnings from how to prioritize and accomplish the work, have been substantially embedded in the Metropolitan Council’s *Thrive MSP 2040* regional plan, institutionalizing the combination of equity and economic competitiveness (or “prosperity,” as it is termed in *Thrive*) at the regional level.

Partners widely agree that the partnership across content areas, types of organizations, and geographic jurisdictions has been a highly effective means of addressing complex community challenges at the regional level. They also report that such collaboration is increasingly seen as the assumed way to approach transit and transit-oriented development.

There are feedback loops in place to help maintain momentum by communicating the results of preliminary efforts, along with what was learned about effectiveness of the strategies for creating those results. This can help others replicate the efforts in new communities or as new opportunities arise.

**Implications for continuing efforts**

Over the three years of the Corridors of Opportunity, the position of “equity” has evolved significantly. In the original formulation of the CoO’s vision and goals, equity was one of six principles to be applied across all the activities. In the reformulation of the vision document, midway through the initiative, it became one of the two main outcomes. By the third year, it had become part of the overarching framework of the *Thrive MSP 2040* regional plan, and was the focus not only of one of the four work groups of the PRO, but also a necessary condition for the work of each of the other three.

These changes bespeak a significant shift in the perception of the importance of equity to the region and also a perception that it is possible as well as desirable to take concrete action to address it.

*Ha Tien Grocery at re-opening following renovations.*
A number of regional stakeholders and observers have pointed out that the collaborative structure of CoO and PRO, and the new relationships and understandings that have been built as part of it, have become a powerful engine for accomplishing regional priorities. Now that this engine has been built, these stakeholders point out that it can be called on for other important regional priorities besides transitways – such as increasing employment opportunities or addressing educational disparities.

The evaluation sources consistently show that systems change efforts so far have not exhausted regional leaders’ interest in new ways of addressing transit, development, and equity. Rather, there is enthusiasm for the potential and appetite to apply the learning to new and complementary challenges.

The shift in the perception of equity as “the superior growth strategy” is a big change. It is a necessary, though not sufficient, condition for taking the results of the CoO to scale to assure that low-income residents share in the benefits of the new investments and systems changes. It is important to recognize that many of the systems changes have been made possible by a favorable political and economic climate. It will take adoption of this new perception by a much greater pool of thought leaders in the region before it can be considered a stable new pattern of thought.

The roll-out of the Thrive MSP 2040 plans during the January 2014 State of the Region event makes it clear that the Metropolitan Council and CoO leadership recognizes this fact, and are already preparing strategies to help others in the region achieve the same shift in perceptions as the CoO table has over the past three years. This effort must be kept at the forefront in order to maximize the chances that the Corridors of Opportunity – and the Partnership for Regional Opportunity – and Thrive MSP 2040 – and other aligned and not-yet-aligned efforts in the region to address equity and disparities – will fulfill the high hopes that so many have come to have for them and for the region.
Introduction

About the Corridors of Opportunity

From January 2011 through December 2013, the Corridors of Opportunity initiative (CoO) has sought to build support to develop a world-class regional transitway system in the Minneapolis-Saint Paul region and to promote development along the emerging transitway system to advance economic prosperity and benefit people of all incomes and backgrounds. It has been funded by two major sources:

- From the Living Cities Integration Initiative, $2.7 million in grant funds plus $13 million in loans
- From the U. S. Department of Housing and Urban Development (HUD), a $5 million Sustainable Communities Regional Planning Grant

Living Cities funds were primarily used to:

- Support the preservation and creation of affordable housing within transit-oriented developments and transit-adjacent neighborhoods
- Provide business planning, marketing, and low-interest lending to small businesses along the Central Corridor
- Advance the development of more integrated planning along the Southwest light rail transit (LRT) line

HUD funds supported corridor-wide planning studies, demonstration projects around stormwater, workforce, and energy efficiency, policy studies, community engagement, and predevelopment assistance for projects and sites.

The initiative was guided by a 25-member Policy Board composed of elected and appointed public officials and representatives of foundations, nonprofit organizations, and community leadership. It brought together the work from the two funding sources within a common vision, with a combined governance and management structure and a common set of goals and principles.

Over the three-year period of the HUD Sustainable Communities grant and the Living Cities Integration Initiative funding, Corridors of Opportunity resources supported projects intended to:
Create or preserve 400–600 units of transit-accessible affordable housing (rental and owner-occupied) along the Central, Hiawatha, and Southwest LRT corridors

Provide 100 small businesses along transit corridors with a combination of technical assistance, façade improvement grants or new loans to support business growth

Create new inter-jurisdictional and cross-sector investment frameworks to identify and secure financing for community-supported improvements while leveraging private sector investment

Build capacity among community organizations in order to develop leaders and find new ways to engage underrepresented populations

Develop robust strategies for transit-oriented development (TOD) within five existing and planned transitways in the region (see Figure 1 for list of corridors)

Support demonstration projects along the Central Corridor to inform the future development of other transitways, such as Southwest LRT

Fund studies of policy tools and programs to advance sustainability and livability in the Minneapolis-Saint Paul region

Collectively, these activities were intended to better align and leverage public sector resources and strategies along transit corridors in multiple sectors, including in particular housing, economic development, workforce training and community building. Through the diverse set of planning activities, pilot projects, and catalytic development projects, the initiative was designed to identify, understand and institutionalize best practices in transit development to create a “new normal” for the region.

The HUD Sustainable Communities grant also called for the plans and strategies developed through the Corridors of Opportunity initiative to be integrated into the Metropolitan Council’s *Thrive MSP 2040*, the next comprehensive development guide (in the language of state statute) and regional plan for sustainable development (in HUD’s language).
1. The seven corridors in the Corridors of Opportunity, by stage of development (in the federal New Starts framework)

<table>
<thead>
<tr>
<th>Project development stage</th>
<th>Planning leadership</th>
<th>Tasks involved in this stage</th>
<th>Corridor¹</th>
<th>Mode</th>
</tr>
</thead>
</table>
| Alternatives Analysis     | County              | − Develop and review alternatives for mode | Gateway
(a) | Undetermined |
|                           |                     | − Select locally preferred alternative (LPA) for alignment (route) | Bottineau
(a) (Blue Line Extension) | Light Rail Transit (LRT) |
|                           |                     | − Adopt the LPA into the region’s transportation plan | Southwest (at start) | Light Rail Transit (LRT) |
| Preliminary Engineering   | Metropolitan Council | − Complete environmental review | Southwest
(a) (Green Line Extension) (as of Sept. 2011) | Light Rail Transit (LRT) |
|                           |                     | − Complete early design | | |
|                           |                     | − Secure 50% of non-federal funds | | |
| Final Design              | Metropolitan Council | − Secure remaining financial commitments | Central (Green Line) (will open June 2014)
Cedar Avenue (at start) | Light Rail Transit (LRT) |
|                           |                     | − Complete engineering and design | | |
| Full Funding Grant Agreement | Metropolitan Council | − Construction | Hiawatha (Blue Line) (opened 2004) | Light Rail Transit (LRT) |
|                           |                     | − Operation | Northstar
(a) (opened 2009) | Commuter Rail |
|                           |                     | | Cedar Avenue
(a,b) (Red Line) (opened June 2013) | Bus Rapid Transit (BRT) |

(a) Denotes the five corridors that received HUD funds for corridor-wide studies to identify strategies to achieve transit-oriented development

(b) The Cedar Avenue bus rapid transit (BRT) line was not part of the federal New Starts program

¹ For consistency and clarity, this report refers to corridors with the names that were in use at the start of the initiative. In February 2012, the Metropolitan Council adopted the following names for the LRT and BRT lines in the overall transit system:
− Blue Line: Hiawatha LRT
− Green Line: Central and Southwest LRT
− Red Line: Cedar Avenue BRT
− Orange Line: I-35 BRT (not part of CoO)
Figure 2 below shows the seven corridors on a map of the Twin Cities area.

2. Map of the seven corridors

![Map of the seven corridors](image-url)
Evaluation purposes

The Corridors of Opportunity evaluation has been designed to engage the work of the initiative at multiple levels. Its primary focus is at the level of the goals created and approved by the Policy Board, considered in three separate but highly related sets: goals focusing on development outcomes (housing development, workforce development, economic development, transitway development, etc.), goals focusing on systems change (how decisions are made), and goals focusing on equity (who participates, who benefits) as an overlay that crosses both.

The Corridors of Opportunity evaluation was designed to assess progress toward the goals of the Corridors of Opportunity initiative using a mix of quantitative and qualitative indicators. It is also intended to describe both the trajectory of actual change along the corridors (“development” including housing, jobs and equity for low-income residents) as well as the dimension of how the planning and development process is happening differently (“systems change”). During the initiative, these measures were intended to answer the question, “What is being learned that can be used to strengthen the work?” as well as to provide evidence of progress toward the intended goals. At the end of the initiative, the evaluation seeks to answer the question, “What difference did the investments make?”

The development outcomes lend themselves more directly to quantitative indicators while the systems change is better addressed through a qualitative analysis. Equity is addressed through both quantitative and qualitative approaches. (See Figure 3)

3. Evaluation continuum

At the start of the initiative a Theory of Change was developed with the help of a broad group of Twin Cities stakeholders and in cooperation with the national Living Cities Integration Initiative. This identified what was expected to change and the strategies expected to lead to change. Based on this work, the evaluation focused on five kinds of systems change that the Corridors of Opportunity initiative aimed to achieve:

- Geographic integration: Greater alignment of planning across geographic areas and movement toward a more regional vision and coordination of planning and development
Content-area integration: Movement toward greater alignment of planning functions across “silos” (content areas such as land use planning, transitway planning, housing development, economic development, workforce development, and other traditional silos of activity)

Integration of perspectives: Greater participation of community members in planning, particularly including historically-underrepresented groups

Intra-organizational integration: Alignment to new visions of systems change within organizations from policy-makers to implementation staff

New decision-making tables: Development of new planning structures, processes, or policies that shape decision-making

Data sources and methods

Findings presented in this report are based on the analysis of evidence from:

- Semi-structured telephone interviews in December 2013 and January 2014 with 33 participants deeply involved in the work of the initiative, either as Policy Board members, Senior Staff, and/or project leaders

- Semi-structured telephone interviews, also in December and January, with 9 public and private sector representatives not directly involved in CoO but who were positioned to see the effects of its work (Metropolitan Council members, city council and county commission members not directly involved, and private developers from large and small for-profit and non-profit organizations)

- Two focus groups in November and December 2013, one with philanthropy partners and one with members of the CoO Lending Team

- Semiannual project-level reports submitted to the HUD and Living Cities project directors, and the reports submitted by the project directors to the two national funders

- A web survey administered by the national Living Cities evaluation to 25 members of the Policy Board and Senior Staff in December 2013

- Agendas and meeting notes from Policy Board and Senior Staff meetings

- Summary narratives for individual projects compiled by Metropolitan Council interns in the summer of 2013, based on review of project documents and interviews with project leaders

- A variety of other documents and meeting notes
Quantitative indicators, shown in a sequence of tables in this report, are taken from existing public data sources, including the U.S. Census, Metropolitan Council, HousingLink, and other U.S. and state sources. These indicators provide a baseline from which trends can be monitored. The kinds of changes that are tracked in these measures have many causes in addition to the influences of the CoO. Nevertheless, the trends they will reveal over time will be useful as indications of whether or not the change is in the desired direction, and can thereby help guide adjustments in activities and policy if needed.

**Contents of the report**

The report is in six sections.

Section 1 provides background demographic data for the corridors in the CoO and context for the activities described in following sections.

Section 2 describes the short-term outcomes realized through the initiative’s projects and shows indicator data on corridor-wide development.

Section 3 describes systems changes that were observed during the course of the initiative — that is, ways in which planning and related activities were carried out differently than had been done in the past. The second part of that section discusses the evidence that the system changes are likely to endure beyond the end of the grant — outcomes described by Living Cities as establishing “a new normal.”

Section 4 includes income levels of station area residents along the corridors, and describes the anticipated impacts of the initiative, over the longer time period, including likely benefits to low-income and other historically underrepresented communities.

Section 5, entitled “Learning,” briefly summarizes key challenges observed across the initiative as a whole (that is, not within just one or two specific projects), factors that appear to have contributed in major ways to the accomplishments that were made, and three high-level themes that recur throughout the findings.

Section 6 gives a brief overview of the most important outcomes, and offers some considerations of how findings can be used help to enhance the sustainability of the initiative beyond the term of the original grants.
Corridor demographics

Figure 3 shows demographic characteristics of the corridors. It is provided as background information about the populations in corridor areas who are most likely to be affected by the new transitways and the related development that is planned to go along with them. In this and subsequent indicators tables, the three light-rail transit lines are shown first in order of their opening or expected opening, followed by the two other transitways (bus rapid transit and commuter rail) in order of their opening.

Depending on data availability, the data represent geography within ½ mile or 1 mile of an existing or proposed transit station along the five corridors for which an alignment was determined at the beginning of the initiative. The most densely developed parts of the metro area, in downtown Minneapolis, are on more than one line, so the corridor numbers cannot be summed for an all-corridor total. An unduplicated column is therefore provided, as is a column showing characteristics for the overall seven-county region, for comparison.

Key highlights of this demographic comparison include:

- Central and Southwest LRT and Hiawatha LRT, running through the core cities of Minneapolis and Saint Paul, have more racially and ethnically diverse residents than either the region as a whole or the three suburban lines.

- Central LRT has nearly twice the share of Asian / Pacific Islander residents living within ½ mile of the stations as either Hiawatha LRT or the region as a whole. The Hiawatha LRT has the highest share of Black, non-Latino residents. Cedar BRT has the highest share of Latino residents living within ½ mile of the stations, but Hiawatha LRT has the highest share living within 1 mile of the stations.

- Residents along the Central LRT have the lowest mean household income and the highest percentage of families who have incomes below 150 percent of poverty (one-third). Residents along the Hiawatha LRT also have lower household incomes than residents in the region as a whole, but less so than Central LRT residents.

A TOD prioritization tool, developed for the CoO with funding from The McKnight Foundation, illustrates how the different contexts of each line have different implications for the kinds of transit-oriented development that are appropriate. These include demographic differences as well as differences in existing land use and market strength. The need to tailor development to local conditions should be kept in mind when examining the tracking indicators in later tables of this report. We should not expect development patterns to be the same across all the corridors.
### 4. Demographics of station-area residents prior to CoO

<table>
<thead>
<tr>
<th></th>
<th>Light Rail Transit (LRT)</th>
<th>Other transit</th>
<th>All Corridors</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hiawatha (Blue Line)</td>
<td>Central (Green Line)</td>
<td>Southwest</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Green Line</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>extension)</td>
<td></td>
</tr>
<tr>
<td>Total population (2010)</td>
<td>43,023</td>
<td>83,482</td>
<td>33,647</td>
<td>164,402</td>
</tr>
<tr>
<td>White, non-Latino</td>
<td>54.1%</td>
<td>52.0%</td>
<td>77.9%</td>
<td>62.3%</td>
</tr>
<tr>
<td>Black, non-Latino</td>
<td>27.4%</td>
<td>24.4%</td>
<td>9.2%</td>
<td>18.4%</td>
</tr>
<tr>
<td>Latino</td>
<td>7.0%</td>
<td>5.4%</td>
<td>5.6%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Asian/Pacific Islander, non-Latino</td>
<td>6.4%</td>
<td>13.8%</td>
<td>3.8%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Native American, non-Latino</td>
<td>2.0%</td>
<td>0.9%</td>
<td>0.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Some other race or multiracial, non-Latino</td>
<td>3.1%</td>
<td>3.5%</td>
<td>2.9%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

|                                |                          |                                      | Northstar     |        |
|                                |                          |                                      | Commuter Rail |        |
|                                |                          |                                      | Cedar Ave.    |        |
|                                |                          |                                      | BRT (Red Line)|        |
| Total population (2010)        |                          |                                      | 23,719        | 14,630 |
| White, non-Latino             |                          |                                      | 80.9%         | 71.2%  |
| Black, non-Latino             |                          |                                      | 7.5%          | 8.7%   |
| Latino                        |                          |                                      | 4.4%          | 10.0%  |
| Asian/Pacific Islander, non-Latino |                  |                                      | 3.7%          | 6.1%   |
| Native American, non-Latino   |                          |                                      | 0.7%          | 0.5%   |
| Some other race or multiracial, non-Latino |        |                                      | 2.7%          | 3.6%   |

|                                |                          |                                      |               |        |
|                                |                          |                                      |               |        |
|                                |                          |                                      |               |        |
| Mean household income (2008-2012; 2012 dollars) | $60,819 | $55,636 | $89,579 | $72,736 |
| Percentage of families with income less that 150% of federal poverty threshold (2008-2012) | 27.5% | 33.3% | 14.0% | 13.4% |
| Percentage of employed residents who can reach current employment with a 45-minute commute (2005-2009) | 77.2% | 73.2% | 71.4% | 66.0% |


**Note:** “Half-mile buffer” includes block-level data from census tracts whose population or geographic centroid is within one-half mile of a planned or existing station. “One-mile buffer” includes census tracts whose population or geographic centroid is within one mile of a planned or existing station. Income data is only available at the tract level, which cannot be reported meaningfully within a half-mile buffer.
Short-term outcomes

The evaluation was not designed to track the impacts of each funded project separately, but rather the overall accomplishments of the initiative in meeting its larger goals. Individual project outputs and outcomes have been reported by project staff and collected and shared by the overall initiative coordinators. This section highlights a subset of project-level outcomes, as collected and reported by the projects themselves, in order to illustrate the kinds and scope of accomplishments in the short term, i.e. the three-year grant period.

Short-term project outcomes have value on two different levels in a complex initiative such as Corridors of Opportunity. The most obvious is value to individuals and organizations who benefited from projects directly – including low-income residents who can access affordable housing, small businesses that have been helped during LRT construction, or development projects that received funding and/or community input to help strengthen and/or accelerate the planning. At the second level, when the outcomes are based on new strategies or models, the findings also provide feedback on the extent to which the new approach is able to generate the hoped-for results and should be considered for wider replication. These short-term benefits can also help mobilize and sustain motivation and energy for further work.

Development and pre-development projects funded

TOD and affordable housing projects were funded by both the Living Cities and HUD resources. HUD-funded projects were for either general or site-specific predevelopment activities, including market analysis, site surveys, and detailed planning, and were all in the form of grants. Living Cities-funded projects were funded through a mix of grants, Program Related Investments (PRIs, i.e., low-interest loans for a charitable purpose), and market-rate capital. These funds were used for predevelopment activities, bridge funding, and site acquisition for multi-family affordable housing and mixed use TOD. Lines of credit were used to finance single-family housing developers who used funds to acquire and renovate houses or construct new homes on vacant parcels.

The early stage of the HUD-funded predevelopment projects makes it hard to estimate specific details of housing units

Artist’s rendering of future development of the Old Home Dairy site at Western and University Avenues.
and amount of commercial space. Most of the projects funded by Living Cities resources, however, are further along and can be projected.

Projects that have already been financed with Living Cities funds are expected to generate 637 units of housing, of which 75 percent will be affordable. Other projects that are less far along have the potential to result in an additional 470 new housing units, of which 57 percent are expected to be affordable. The projects are also projected to include around 41,000 square feet of commercial space.

Development projects and anticipated outcomes are summarized in Figure 5 for those funded by Living Cities sources, and are shown in project-by-project detail in the Appendix.

### 5. Projects financed and supported from Living Cities resources

<table>
<thead>
<tr>
<th>Loan funded projects</th>
<th>Developer:</th>
<th>Amount</th>
<th>Commercial Space</th>
<th>Total Units</th>
<th>Percent Affordable</th>
<th>Number Affordable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Crossing</td>
<td>Portico TCHDC PPL ASANDC / Sand Wellington PPL Cornerstone*</td>
<td>$6,905,800</td>
<td>18,000</td>
<td>637</td>
<td>75%</td>
<td>477</td>
</tr>
<tr>
<td>Hamline Station*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. Alban’s Park</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Old Home site*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corcoran Triangle</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oxford Green Apts.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prospect Pk (Boeser site)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grant funded only</th>
<th>Developer:</th>
<th>Amount</th>
<th>Commercial Space</th>
<th>Total Units</th>
<th>Percent Affordable</th>
<th>Number Affordable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Exchange</td>
<td>Model Cities NDC AEDA/HAP/Theater</td>
<td>$65,000</td>
<td>20,000</td>
<td>147</td>
<td>100%</td>
<td>147</td>
</tr>
<tr>
<td>NW corner Univ. &amp; Dale Mai Village site Mu</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seward Commons, Ph.3</td>
<td>Redesign Amer.Indian CDC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anishinabe Bi Gi Wiin</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Projects in funding queue</th>
<th>Developer:</th>
<th>Amount</th>
<th>Commercial Space</th>
<th>Total Units</th>
<th>Percent Affordable</th>
<th>Number Affordable</th>
</tr>
</thead>
<tbody>
<tr>
<td>2700 University Jamestown Apts. Victoria Theater</td>
<td>Flaherty &amp; Collins TCHDC Several</td>
<td>$5,250,000 + TBD</td>
<td>3,000</td>
<td>323</td>
<td>38%</td>
<td>123</td>
</tr>
</tbody>
</table>

| Single family line of credit loans | | | | | | |
|------------------------------------| | | | | | |
| Everwood                           | | $2,400,000 | -- | Up to 34 units acquisition/rehab and 6 new construction homes |
| Estore Masters                     | | | | | | |
| Urban Homeworks                    | | | | | | |
| Greater Frogtown CDC               | | | | | | |
| MCASA, LLC                         | | | | | | |

**PROJECTED TOTALS**

- 41,000 sq.ft.
- 960 multi-family units
- 40 single-family units

*Source:* Documents compiled by project directors. Details by individual project are shown in the Appendix.

*Note:* * Denotes projects that also received Local Implementation Capacity (LIC) grants through HUD.
In addition, the Living Cities-funded projects are expected to leverage $150 million in additional public and private investment.

HUD funds were awarded through a competitive process to catalytic projects intended to test and demonstrate the capacity of local organizations to plan transit-oriented developments in a variety of settings. Some of these were site-specific projects, and some were for more general predevelopment activities. These projects are summarized in Figure 6 below.

### 6. Site-specific development projects funded by Local Implementation Capacity grants (part of the HUD grant)

<table>
<thead>
<tr>
<th>Site-specific predevelopment projects</th>
<th>Applicant</th>
<th>Corridor</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamline Station (a)</td>
<td>Project for Pride in Living</td>
<td>Central / St. Paul</td>
<td>$227,155</td>
</tr>
<tr>
<td>Old Home Redevelopment (a)</td>
<td>Aurora St. Anthony NDC</td>
<td>Central / St. Paul</td>
<td>$127,155</td>
</tr>
<tr>
<td>Prospect Park Masterplan (a)</td>
<td>The Cornerstone Group</td>
<td>Central / Minneapolis</td>
<td>$327,155</td>
</tr>
<tr>
<td>L &amp; H Station (b)</td>
<td>L &amp; H Station Development</td>
<td>Hiawatha</td>
<td>$33,285</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General predevelopment</th>
<th>Applicant</th>
<th>Corridor</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corridor Development Initiative</td>
<td>Local Initiatives Support Corporation (LISC)</td>
<td>Green Line (Central + Southwest)</td>
<td>$70,000</td>
</tr>
<tr>
<td>Aeon/YMCA</td>
<td>Aeon/YMCA</td>
<td>Central</td>
<td>$50,000</td>
</tr>
<tr>
<td>East Downtown Parking Lot Study</td>
<td>City of Minneapolis</td>
<td>Central / Hiawatha / Southwest</td>
<td>$43,250</td>
</tr>
<tr>
<td>8th Avenue Corridor/The Artery</td>
<td>City of Hopkins</td>
<td>Southwest</td>
<td>$50,000</td>
</tr>
<tr>
<td>SW Housing Inventory</td>
<td>Hennepin County on behalf of SW cities</td>
<td>Southwest</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

**Grand total (funded)**: $953,000

Source: Documents compiled by project directors. Details by individual project are shown in the Appendix.

Note: (a) Projects that also received funding from Living Cities resources. (b) Project did not move forward due to site control issues.

### Small business assistance

$450,000 in grants and $700,000 in Living Cities PRIs were used to help small businesses along the Central Corridor. The grant funds were deployed during the first two years of the initiative (2011 and 2012) and PRIs are available to lend through May 2014. These funds became part of a pool of resources, including grants and forgivable loans, from several different sources including the Central Corridor Funders Collaborative, the City...
of Saint Paul, and Metropolitan Council. Through the U7 Partnership, led by the Neighborhood Development Center, the funds helped business owners make façade improvements, enhance financial and business plans, market their enterprises to expand their customer base, and expand and/or purchase their own buildings. The goal of this funding was to help businesses survive the potential loss of revenue during construction and prepare to make the most of new opportunities after the light rail line begins to operate. In addition to the strengthening of individual businesses, the effort also provided support for cultural diversity and distinctiveness, including the development of a “cultural corridor” with different cultural focal points along the corridor.

The work has yielded the following results:

- Nine matching façade grants helped 15 businesses to upgrade their facades ($100,000)
- Six low-cost loans helped small businesses make internal and external enhancements to their buildings ($426,000 out of $700,000 total)
- Technical assistance helped 353 owners in total with accounting, legal questions, bookkeeping, marketing and signage, and energy efficiency
- Organizations providing small business assistance greatly increased their capacity to provide help
- Of 353 businesses that were helped, only 4 closed during the two years of heavy construction (2011-2012), which included major reductions in customer traffic due to the light rail construction.

To document the effects of construction, the Central Corridor Project Office monitored business openings, closures, and relocations from the second half of 2011 through the end of 2013. Their findings, summarized in Figure 7 below, show a substantial number of changes, with the openings slightly outnumbering the closures and off-corridor relocations. A year-by-year look shows the first year of construction, 2011, to be the one with the most churn and also the only one in which the net change in the number of businesses on the corridor was negative. 2012 and 2013 were each slightly more stable, and more favorable, compared to the previous year. These effects cannot be directly tied to business assistance programs; however, a 2012 survey of businesses along the corridor found that business
owners gave the assistance programs relatively high ratings for overall effectiveness and for their satisfaction with them.

7. Business starts, closures, and relocations along the Central Corridor

<table>
<thead>
<tr>
<th>Year</th>
<th>2011 (May-Dec)</th>
<th>2012 (Jan-Dec)</th>
<th>2013 (Jan-Dec)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business starts</td>
<td>53</td>
<td>40</td>
<td>36</td>
<td>129</td>
</tr>
<tr>
<td>Business closures</td>
<td>48</td>
<td>24</td>
<td>17</td>
<td>89</td>
</tr>
<tr>
<td>Relocations off the corridor</td>
<td>8</td>
<td>11</td>
<td>9</td>
<td>28</td>
</tr>
<tr>
<td>Net change in number of businesses</td>
<td>-3</td>
<td>+5</td>
<td>+10</td>
<td>+12</td>
</tr>
<tr>
<td>Relocations within the corridor</td>
<td>15</td>
<td>9</td>
<td>3</td>
<td>27</td>
</tr>
</tbody>
</table>

Source: Central Corridor Business Mitigation Status Reports, Metropolitan Council, Metro Transit, Central Corridor Project Office

Other outcomes that can be directly linked to the CoO’s efforts related to small businesses include connections made by the Neighborhood Development Center (NDC) with immigrant groups in several suburban communities, resulting in entrepreneur training classes in three different suburbs. As a result of its participation in the initiative, NDC also increased capacity in other ways to provide new kinds of services and assist a greater variety of small businesses. This includes more capacity to help immigrant businesses and the capacity to support existing businesses, not just entrepreneurs seeking to start them. Through a HUD-funded energy efficiency project, NDC also learned how to deliver energy efficiency training, engaging with 34 businesses to learn more about business participation in energy and resources outreach programs, and seven businesses participating in demonstration projects during the brief project period. As a result of the significant cost savings that can be realized, NDC now sees the energy efficiency assistance as part of its core competencies.

The energy efficiency project also demonstrated a strong outreach method that can be replicated to serve a hard-to-engage group (small business owners who are people of color and immigrants) about a cost savings opportunity that is hard to communicate (energy efficiency). The project leaders feel the model has good potential for larger impact including applicability to other kinds of small business services. At least one other organization is considering using it to assist small businesses in issues of solid waste disposal and recycling.
Community Development Finance Institution (CDFI) capacity

A significant focus of the Living Cities Integration Initiative has been on the community development finance system. For transit-oriented development, the three organizations filling this role for the CoO have been the Family Housing Fund, Twin Cities LISC, and the Twin Cities Community Land Bank (TCC Land Bank). As a result of CoO, these organizations have worked much more closely with each other than previously, identified gaps in the CDFI system in the region and begun to fill these gaps by developing new capacities and relationships.

[We have learned] that it's extremely important how government subsidies - smart subsidies - are arranged, and what type of resources [are used]. It's about the cost, type of resource, the arrangement of the resources, and the timing. I think we've learned among ourselves more about how important that is in order to attract private capital and to maximize the opportunity to interact with the market. [Lending Team member]

Examples of these innovations include:

**The “Accelerator” initiative**, created by Twin Cities LISC to complement the CoO financing. In one of LISC’s focus areas, the Midway East “district” of the Central Corridor in St. Paul, it provided enhanced technical assistance to help advance four catalytic, equitable TOD projects over the course of the three years of the CoO, with the goal of getting two projects under construction by the time the train starts running in mid-2014. The Accelerator has attempted to solve a fundamental mismatch between highly visible “opportunity sites” at or near station areas and economic challenges related to developing mixed-use, mixed-income TOD projects. Exemplifying a holistic view of community development, the Accelerator combined project feasibility and planning with predevelopment/ acquisition and project implementation tools to help advance projects working to raise the bar on investments in neighborhood infrastructure and amenities, promoting community safety, and catalyzing future development.

**The Frogtown Rondo Home Fund (FRHF)**, resulting from a partnership of LISC, TCC Land Bank, Family Housing Fund, and Irrigate, a creative placemaking initiative focused on the Central Corridor in St. Paul. This partnership initiated discussions with the City of St. Paul around creating a Cluster Development Strategy within the Saint Paul Promise Neighborhood. It seeks to use a coordinated and concentrated strategy to maximize investments in a small geographic area. It brings together resident organizations, community development corporations, local government, community institutions, service providers and foundations to significantly improve housing conditions in the neighborhoods, with a special focus on preserving and producing affordable housing while helping to guide development and create visible impact in the focal areas.
**Developer and contractor recruitment and support.** To build capacity, TCC Land Bank has recruited both developers and contractors in communities of color, and helped them connect with each other as well as with the Twin Cities Construction Consortium and an online database, Job Connect, created by Ramsey County Workforce Solutions. It has also created an emerging developer loan pool and approved three developers that receive loans and technical assistance, with the opportunity to graduate to other Land Bank loan programs when they are no longer considered “emerging.”

**Predevelopment Funders Roundtables.** In these periodic meetings, the CoO Implementation Team has started to bring together developers with key funders and decision makers in the early stage of an equitable TOD project to identify challenges and outline a strategic path to implementation, to try to make the development process both more transparent and more streamlined. It has brought funders, developers, and other stakeholders together to work more collaboratively, and from an earlier point in the process, to solve the complex problems that are typical in the increasingly competitive and resource-constrained environment. Given the length of the development process, none of the projects that have been reviewed at these “predevelopment joint review” meetings have been completed yet, but developers have expressed strongly positive feedback on the process and the opportunity.

**Strategic Acquisition and Land Banking** framework and financing tools. A CoO-funded study of structured funds for community development has resulted in considerable new learning about the needs of the region for capital investment and potential tools for addressing those needs.

Recognizing that a number of opportunity sites were strategically important and had clear redevelopment potential, but lacked a feasible development plan or partner, the CoO lenders identified a Strategic Acquisition Framework to assist development partners in obtaining critical parcels while the market is still undervalued. The framework helps to classify potential projects based on local priority, timing, and sponsor capacity, and defines a set of risk mitigation tools. An important part of the framework is an additional $2 million investment of subordinate PRI from the Family Housing Fund.

Another new investment tool is under exploration by LISC. This will be a “mezzanine” financing tool to help address a secondary permanent financing or equity gap that was identified in several CoO HUD-insured, mixed-income projects. This creative financing tool directly addresses strong limitations regarding secondary financing on HUD-insured projects that preclude most private lenders and equity investors from participating.
Community engagement

The HUD grant funded $720,000 in grants awarded to 19 community organizations or partnerships. The purpose of these grants was “to support innovative and effective placed-based initiatives that engage and involve underrepresented and marginalized communities (low-income, communities of color, immigrant communities, persons with disabilities) in participation, decision-making, and leadership roles around transitway corridor planning and implementation.” Project records and interviews with grant leaders and participants show that the following occurred as a result of these grant-funded activities:

- Over 37,000 members of historically underrepresented communities, many previously unaware of transitway plans, were reached through flyers, newsletters, door knocking, and other outreach.

- Grant leaders estimate that grant activities helped about 15,000 participants gain new skills or confidence to express opinions to policy makers.

- 58 individuals from these communities have been appointed to serve on formal or informal transitway advisory or planning committees.

Results of the community engagement efforts will be reported in greater detail in a separate report. These include:

- Considerable gains in the capacity of grantees to understand transitway and development planning processes.

- Increased capacity of grantees to engage community members in working with public agencies on the issues.

- Significant increases in the extent to which public agency staff have become aware of the needs and perspectives of the grantees’ communities.

- Gains in public agencies’ understanding of effective ways to reach out and engage with communities that have not previously been involved.
A very important immediate outcome of the community engagement process – including not only the grants but also the efforts of the Community Engagement Team and Steering Committee as well as the Metropolitan Council’s public outreach and other staff – has been the development and implementation of a model of engagement that is new for the region. This has helped to create a change in attitude about engagement and equity that has been described as a shift from doubt in the first year, to inquiry in the second year, to commitment in the third year. One agency partner of grantees summarizes this recognition as follows:

In the last few years, we are much more attuned to engagement and communicating with the community. [It is] becoming standard practice. We get much more involved with council members’ offices at the start of a project to identify groups and partnerships at the beginning to bring in people to design teams. It is not [institutionalized] by funding or policy, but it is driven by success. Our best projects have had the community involvement. We can be more successful by early engagement. [Agency partner PM,Q9]

Strategies for transit-oriented development (TOD)

Southwest LRT corridor integrated planning

Both the HUD grant and the Living Cities funds were used to augment the planning processes for the Southwest Light Rail Transit corridor. HUD funds supported the development of Transitional Station Area Action Plans and corridor-wide housing inventory, and Living Cities funds supplemented the county’s Community Works process with opportunities for learning from national experts and special opportunities such as a developers’ workshop and a development tools survey.

Specific project outcomes in the immediate time frame include (but are not limited to):

- Colocation of the transitway engineering staff with land use planning staff, and the hiring of a land use planner by the Project Office
- Adoption of the 17 Transitional Station Area Action Plans (TSAAPs) which, along with a market feasibility and accessibility study, have been compiled into the Southwest Corridor Investment Framework; this will act as a living document guiding the public and private sector investments necessary to facilitate the evolution of the station areas into transit-oriented developments each with a unique sense of place
- As a result of the TSAAPs, the adoption by each city of specific recommendations and implementation strategies
Completion of a housing inventory and work on a gaps analysis that will lead to adoption of a corridor housing strategy to address fair and affordable housing corridor-wide and development of a project pipeline to track progress with both production and preservation.

**Corridor-wide studies**

Five of the corridors were funded for corridor-specific studies relevant to their particular setting, mode, and stage of development. All included elements to help bridge geographic jurisdictions and content areas and better align project engineering with land use planning, and resulted in the identification of strategies for achieving transit-oriented development in the corridor’s own context. General outcomes and learnings include the following:

- Staff are in the process of preparing a product that pulls together learnings about what kinds of planning activities are most useful at what stage of corridor development, and what was learned about the most effective ways of doing them. For example, it was helpful on Southwest to do the housing inventory before final design, so that findings could be incorporated into the station area planning.

- Market research is helpful at all stages of development. It addresses different needs at different stages: for example, in early stages it can provide a useful reality check against overly-optimistic development expectations; closer to final design, it can help identify infrastructure conditions and constraints that should be addressed.

- Related to market research, the identification of station area typologies helps guide planning to what is both realistic and meaningful in each specific context, avoiding a tendency to plan all development to some “ideal” vision of TOD that is unconnected to factors related to history and place.

- For corridors in early stages of planning, it is important to resist “TOD impatience” which could lead to anticipating the market. This could result in development that is not optimal for TOD and may even preclude more optimal developments.

- The Cedar and Northstar corridor studies explored less-well-understood issues related to TOD along non-LRT transitways that are also primarily suburban. The issues of TOD are unfamiliar to developers, neighbors, and riders in these contexts, and in the case of Cedar BRT, the market is seen to be responding primarily with more auto-oriented development.

- At earlier stages of development, when plans are less definite, it is more difficult to engage the community, but still very important because the decisions carry large implications for the communities.
The cross-jurisdictional and cross-sector partnerships were valuable. They promoted greater understanding across jurisdictions and a more corridor-wide approach based on shared learnings and best practices that were valued by participants. On Northstar, a scarcity of time and resources made it difficult to promote cross-city collaboration, but the sharing of learnings across the city-specific studies raised the interest in such collaboration.

**Demonstration projects on Central Corridor**

HUD funds supported four demonstration projects intended to identify and test potential solutions to challenges related to transit-oriented development, sustainability, and the equitable sharing of benefits with low-income residents of transitway corridors. Two dealt with energy efficiency as a means of reducing costs (one for housing, one for small businesses), one related to improved solutions for the management of stormwater, and one explored a corridor-level approach to employment for long-term unemployed residents. In addition, based on ideas from Living Cities cross-site meetings, a fifth project to maximize the corridor-level economic impact of major local institutions was added to the CoO portfolio, with funding from the Central Corridor Funders Collaborative and The McKnight Foundation.

**Multi-family energy efficiency**

Under Minnesota Housing leadership, an Energy Scorecards collaborative undertook this project to “Improve information about building performance as a key component in motivating landlords to improve energy efficiency to support sustainable communities.” They engaged landlords to participate in a study to benchmark energy efficiency across properties and use the results to make the case for reducing housing costs through reduced energy consumption.

Successes include new and strengthened relationships between housing and energy sector representatives including local utilities, and an energized dialog on energy efficiency in multifamily housing that has attracted the attention of several national foundations. The partners have also used the results of the first 47 properties that have been benchmarked to identify areas to target to increase efficiency, and used preliminary indicators of the elements of an effective process to engage landlords in the work on efficiency improvements.

**Small business energy and resource efficiency**

Like the multi-family project, this also targeted energy and resource efficiency as a means to reduce costs for low-income corridor stakeholders, but in this project the target population was immigrant and minority small business owners. The project identified
barriers to participation in existing resource efficiency programs and strategies for addressing the barriers, and piloted approaches to implementing those strategies and helping business owners learn to reduce operating expenses through the solutions that are most appropriate for their needs.

Successes include a strong partnership between NDC, Eureka Recycling, and Michael’s Energy, and the addition of energy efficiency consultation as a core business competency for NDC. The pilot also made it clear that outreach and consultation to small business owners, especially non-English-speaking, requires strong relationships, and considerable support to navigate the complex and technical content and follow through with adoption of new energy saving practices.

**Stormwater and green infrastructure planning**

This project originally planned to create a framework for the development of shared, stacked-function green infrastructure for stormwater management for groups of parcels each too small to do it alone. However, the project leaders learned that it was not possible to achieve the needed coordination for this approach, and pivoted to working on plans for two larger redevelopment projects.

Successes included the convening of a cross-sectoral advisory group that generated good communications among developers and city officials, including those in planning and political roles. The project raised awareness of the issue of stormwater management among these groups, and identified and created a set of tools and resources for site assessment and stormwater infrastructure planning. Based on the project’s learnings, the project leaders also advocate a focus on stormwater management planning from the early stages, with a recognition of the social value (through the open space it can help to create in dense urban areas) and not solely the bureaucratic value of achieving a regulatory mandate.

**Corridors 2 Careers jobs pilot**

The overall purpose of the jobs pilot project was to increase benefit to low-income residents and employers in the Corridor as a "beyond the rail" public investment by improving low-income Corridor residents' employability and access to jobs and improving employers' access to local workforce resources and workers to meet their hiring needs.

The Corridors 2 Careers (C2C) project piloted strategies designed to build awareness of and connections to existing workforce resources; to identify the skills that residents possessed and how these matched the current job markets; and to understand the hiring trends of and skills needed by Corridor employers. Although the project was not a job
placement initiative, it was assumed that through these efforts some residents would, indeed, gain employment. As its primary focus, the project set out to increase the level of knowledge of both job-seeker residents and employers. Based on this increased knowledge, it sought to connect both residents and employers to existing workforce resources; to improve alignment of workforce development and economic development systems in the Corridor; and to report findings and recommendations for system improvements.

The project’s own evaluation found that it succeeded in increasing residents’ and employers’ knowledge about workforce resources and in connecting both groups to those resources. Results for job seekers include:

- Over 1,400 corridor residents participated in project activities, of whom 87 percent indicated they had no prior knowledge of or use of workforce resources
- 679 residents were connected to at least one formal workforce resource
- 65 reported gaining employment (this is a conservative estimate, because the reporting of employment was voluntary)
- 47 reported attending occupational training or Adult Basic Education classes

Results for employers include:

- 56 employers were engaged in the project
- Most of these employers – like the job seekers – did not know about the range of workforce resources available to them, and reported that they gained awareness as a result of the project
- 8 of the employers reported hiring local residents

The outcomes were limited due to the project’s primary focus on building knowledge (rather than on employment for unemployed corridor residents), and by the short time frame that required the pilot to be wrapped up as it was gaining momentum and beginning to show potential. The pilot developed and demonstrated a replicable model for workforce development and connections in a specified geography, using and connecting existing resources (making it more replicable than if it relied on new training resources). However, it was unable to meet its goals in the building of connections between employers and job seekers, or to align economic development and workforce development efforts.
**Anchors Institutions initiative**

The concept of engaging “eds and meds” in an anchor institution strategy along Central Corridor came about during a 2011 Living Cities meeting. COO partners, with funding from the McKnight Foundation and the Central Corridor Funders Collaborative created the Central Corridor Anchor Partnership (CCAP), which is an association of colleges, universities, hospitals, and health care organizations which, through their physical presence on or near the Central Corridor, are anchored in the neighborhoods surrounding them. Through the CCAP these institutions are exploring ways to amplify their impact on the economic prosperity of their communities while also recognizing that the increased connections can help the anchors themselves prosper. Based on initial research, five strategies have been identified that focus on personnel, placemaking, and procurement. Accomplishments though the end of 2013 include:

- Two “Scrubs Camps” provided 98 high school students with a week-long exposure to health careers.

- A College Fellows Partnership served 8 health care students in the participating colleges who are corridor residents, helping them find entry-level employment with employers who are also in the corridor, thereby allowing them to gain meaningful work experience prior to graduation; it also connects fellows with mentors in the healthcare professions. By the end of 2013, an additional 40 students had submitted initial applications.

- The anchors explored coordinated procurement to increase the amount of goods and services purchased from vendors in the corridor. Through extensive work to develop a shared RFP, the partners selected a corridor vendor for snow removal who will hire 15 – 20 employees as a result, with further strong growth potential, while also saving participating anchors 39 percent over previous contracts. In other coordinated local procurement efforts to date, success has been small due to limited capacity of local vendors; work is in progress with intermediary organizations to help build local capacity.

- Placemaking efforts include exploration of collaboration on recreation and fitness facilities, co-located classrooms, shared work on multi-modal connections from institution locations to the light rail line, and increasing options for employees to live within the corridor. No concrete outcomes of any of these efforts were reported by the end of 2013.
Studies of policy tools and programs

Resources for accessing affordable housing

Enhancements have been made to two applications on the HousingLink website. One is a search tool for rental housing, and one is a new tool, called Streams, for searching a database of publicly funded affordable housing in the Twin Cities. In 2013, there were over 552,000 searches for housing on the site.

In April 2013, the www.FairHousingMN.org site was launched. This is a resource guide for renters, government agencies, and housing providers to help answer important questions about fair housing and how to help further fair housing. By the end of the year, the site had received over 1,700 unique visitors, with an average duration of 30 minutes spent on the site. Pages have been viewed over 10,000 times, and over 3,700 documents have been downloaded from the site. Documents downloaded include a Limited English Proficiency (LEP) brochure and HUD sample forms, Minnesota Human Rights Act, and a document on civil rights best practices in the Low Income Housing Tax Credit program.

Work is also in progress to launch an Affirmative Marketing Toolkit, a website to help housing providers market their properties to populations not currently served by their housing. At the end of 2013, the site was in beta testing.

Location efficient mortgages

Another study investigated the feasibility of introducing new mortgage products based on proximity to transit. In their historical form, such products increase the amount that a homeowner can borrow in a walkable or transit-oriented neighborhood. The study found that market conditions do not support such products currently, because other credit constraints are a more important consideration. It recommended other ways for residents to capture the value of location efficiency, including incorporating transportation issues into financial counseling, and creating transit passes and savings programs for renters as well as owners.

Program of Projects study

A study was commissioned to investigate the feasibility of developing multiple transitway corridors simultaneously, to learn about best practices of other regions that have done so, and (if feasible) identify investment scenario and corridor projects consistent with CoO goals. The study found the approach is feasible, but only with significant funding policy changes, and it developed different scenarios for a program of projects (PoP) approach if such changes were made.
The study results informed the work of Governor Dayton’s Transportation Finance Advisor Committee in 2012, which in turn shaped significant legislative action. It also influenced the Metropolitan Council’s process for revising the regional Transportation Policy Plan and updates the Counties Transit Improvement Board is making to its Transit Investment Framework to better prepare future transit proposals to qualify under new federal MAP-21 funding guidelines. By providing all partners with the same base of knowledge and research, it also allowed the CoO partners to better align their approaches to transportation funding. Moreover, a statewide coalition called MoveMN was formed in the fall of 2013 to advocate for comprehensive transportation funding during the 2014 legislative session.

**Housing-Jobs Balance Study**

A study by the University of Minnesota transportation researchers investigated factors that influence site selection and employment through interviews with real estate developers and business leaders. It also included the development of strategies to influence housing and job location decisions to maximize the value of transitway investments through increasing accessibility. The study found that there is support for TOD from both housing developers and business leaders, especially when they are considering the need to attract a younger demographic. However, compared to housing location decisions, business location decisions are far less frequent, and less likely to include considerations of transit. Recommendations focus on ways to make transit-oriented location decisions require less compromise with factors that currently undercut the desirability of transit-accessible locations, such as site costs and regulatory processes.

**Regional Plan for Sustainable Development: Thrive MSP 2040**

The Metropolitan Council develops a regional comprehensive development plan that helps guide the future growth of the region. The current plan is the 2030 Regional Development Framework, adopted in 2004. The Council is laying the foundation for a new plan, called Thrive MSP 2040, to be adopted in 2014. This plan will be the culminating product for the HUD Sustainable Communities grant, which funded the augmentation of the existing regional planning process. It will include a Fair Housing and Equity Assessment (FHEA), which has now been re-named “Choice, Place, and Opportunity: An Equity Assessment of the Twin Cities” in recognition of the breadth of topics it addresses beyond fair housing.2

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2 The Council also develops more specialized regional plans for transportation, parks, and water resources. The Council coordinates these plans with the long-range comprehensive plans of local communities, and assists communities in their planning efforts.
This plan will be described in greater detail in later sections of this report, because it goes beyond a short-term outcome. It substantially incorporates the vision and goals of the CoO and many of the strategies that it tested and thereby extends its influence beyond the three-year term of the original project.

**Leveraged funding**

CoO partners leveraged about $12.3 million in funds during 2013. Unlike in the first year of the initiative, when leveraged funds were primarily used to provide technical, programmatic, and organizational support to the CoO’s original projects, in 2013 the leveraged funds appear to be oriented more toward moving beyond the original projects and building on them.

The full list of leveraged funding is in the Appendix, as is a summary of the approximately $3.4 million of existing funds of the CoO partners that have been re-purposed to better align with the goals and principles of the initiative.

Over the three years of the initiative, leveraged funds have totaled over $17.7 million, and re-purposed funds $39.5 million.

**Indicators of development in station areas**

Figures 8 and 9 below are first of the tracking indicators collected from various public sources to describe changes along the corridors. Most of the measures are of trends that are important to the initiative over the long term. These can be seen as baselines for future analysis and evaluation as trends become more evident over time. In the shorter term – such as at this three-year point – these measures can help stakeholders understand conditions in the community and identify potential areas of concern or celebration. They should not be considered outcomes for which the Corridors of Opportunity is uniquely responsible.

Figure 8 tracks the amount of residential development and construction activity occurring near transit stations. The following are key highlights of this analysis of development over the last four years:

- Transitway locations along light rail lines are becoming noticeably more popular. One-quarter of all new residential units built in the seven-county region were constructed within the half-mile buffer in 2012 compared with 8 percent in 2009. This high level of construction close to the transitways is likely to continue into 2013 data, which the Metropolitan Council is currently compiling from building permit data collected from cities. Although this has not yet been completed, we already know that in September 2013, the City of Saint Paul announced it had issued $143
million in building permits along the Central Corridor so far that year, and a quick perusal of where construction cranes are presently working indicates the vitality and viability of central transitway locations. As the Central Corridor approaches its June 2014 opening, the value of transitway proximity is becoming more obvious to developers.

- One in seven new residential units in 2012 was built within ½ mile of the Central Corridor alone.
- As of 2012, residential construction had not yet emerged in proximity to the Cedar Avenue BRT line, which did not open until June 2013.

8. Residential permits within a half-mile of corridor station areas

<table>
<thead>
<tr>
<th>Permitted units for new residential construction</th>
<th>Light Rail Transit (LRT)</th>
<th>Other transit</th>
<th>All Corridors</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hiawatha (Blue Line)</td>
<td>Central (Green Line)</td>
<td>Southwest (Green Line extension)</td>
<td>Northstar Commuter Rail</td>
</tr>
<tr>
<td>2012</td>
<td>1,271</td>
<td>1,594</td>
<td>1,137</td>
<td>928</td>
</tr>
<tr>
<td>2011</td>
<td>389</td>
<td>328</td>
<td>304</td>
<td>131</td>
</tr>
<tr>
<td>2010</td>
<td>123</td>
<td>387</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>2009</td>
<td>178</td>
<td>357</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

| Percent of region’s new residential units     |                        |              |              |        |      |
| 2012                                          | 11.2%                  | 14.1%        | 10.0%        | 8.2%   | 0.3%  | 24.4% | 100.0% |
| 2011                                          | 6.2%                   | 5.2%         | 4.8%         | 2.1%   | 0.3%  | 15.3% | 100.0% |
| 2010                                          | 2.1%                   | 6.7%         | 0.1%         | 0.1%   | 0.1%  | 9.1%  | 100.0% |
| 2009                                          | 4.0%                   | 8.0%         | 0.1%         | 0.0%   | 0.1%  | 8.3%  | 100.0% |

Source: Metropolitan Council, Residential Construction Survey.

Note: Figures calculated for areas within one-half mile of planned or existing stations.

Figure 9 tracks the commercial, industrial, public and institutional (CIPI) development activities occurring near transit stations. Significant non-residential investment occurred along the Southwest Corridor in 2012 and along the Central Corridor in 2011, but CIPI development does not show the same response to transitways as residential. This merits notice, in view of the research showing that the location of jobs in station areas does more to promote accessibility than does the location of housing near transit.
9. Non-residential permits within a half-mile of corridor station areas

<table>
<thead>
<tr>
<th></th>
<th>Light Rail Transit (LRT)</th>
<th>Other transit</th>
<th>All Corridors</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hiawatha (Blue Line)</td>
<td>Central (Green Line)</td>
<td>Southwest (Green Line extension)</td>
<td>Northstar Commuter Rail</td>
</tr>
<tr>
<td><strong>Value of non-residential construction permits in millions</strong></td>
<td>$16.068</td>
<td>$19.837</td>
<td>$127.982</td>
<td>$0.150</td>
</tr>
<tr>
<td>2012</td>
<td>$24.095</td>
<td>$51.924</td>
<td>$22.853</td>
<td>$8.274</td>
</tr>
<tr>
<td>2010</td>
<td>$32.451</td>
<td>$19.221</td>
<td>$26.125</td>
<td>$1.631</td>
</tr>
<tr>
<td><strong>Percent of region’s non-residential construction value</strong></td>
<td>2.1%</td>
<td>2.6%</td>
<td>17.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2012</td>
<td>3.6%</td>
<td>7.7%</td>
<td>3.4%</td>
<td>1.2%</td>
</tr>
<tr>
<td>2010</td>
<td>5.4%</td>
<td>3.2%</td>
<td>4.4%</td>
<td>0.3%</td>
</tr>
<tr>
<td>2009</td>
<td>0.8%</td>
<td>4.0%</td>
<td>2.1%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

**Source:** Metropolitan Council, Building Permits Survey.

**Note:** Data exclude transit-related permits (i.e., construction of stations and park and ride facilities) and all permit values associated with the construction of Target Field (permits in 2008 and 2009). Figures calculated for areas within one-half mile of planned or existing stations.
Systems change

Both the Living Cities and HUD grants placed an emphasis on new ways of doing business, including cross-sector, cross-jurisdictional planning at a regional level. Both also emphasized that the pursuit of new ways of working together was not an end in itself, but rather a means to achieving better outcomes that would include more equitable benefits for low-income populations (in the Living Cities language) and historically underrepresented communities (HUD’s language).

In this section we present findings about change in how the partner organizations worked with each other and, in some cases, how they organized their work internally. First we examine systems change during the time period of the grant. The second half of this section explores what changes appear likely to endure beyond the end of the grants.

What was done differently this time

Change within and among organizations

According to responses to the national web survey, a majority of CoO stakeholders report that the initiative has influenced their organization’s practices (88% of respondents), culture (76%), and policies (56%), as well as influencing how they partner with other organizations (92%) and deploy their own organization’s resources (80%).

These results were re-affirmed in semi-structured interviews with 33 representatives of CoO partner organizations. Respondents were asked a series of nine questions about changes that might have occurred within their own organization’s practices as a result of their involvement in the initiative. In eight of these nine kinds of changes, a majority of respondents indicated that their organization had changed at least some institutional practices. As shown in Figure 10, the most common changes were increased collaboration across geographic boundaries (88%), intentional alignment of resources more in keeping with CoO priorities and partners (85%), and increased collaboration across sectors (82%). The change least likely to have been adopted by CoO member organizations was finding new ways to raise or deploy resources to support development (36%).
10. Changes in institutional practices by CoO members as a result of the initiative

As a result of the Corridors of Opportunity, has your organization changed any institutional practices in any of the following ways?

- Increased collaboration across geographic boundaries? 88% Yes, 12% No
- Aligned resources more intentionally with other Corridors of Opportunity partners? 85% Yes, 15% No
- Increased collaboration across sectors, for instance, housing and jobs, or land use planning and arts? 82% Yes, 18% No
- Increased public-private collaboration? 76% Yes, 24% No
- Implemented a new strategy related to development planning or funding? 69% Yes, 31% No
- Increased the level of focus or priority on equity? 64% Yes, 30% No, 6% Don’t Know
- Implemented a new strategy related to equity? 64% Yes, 33% No, 3% Don’t Know
- Implemented a new strategy related to transit planning or funding? 64% Yes, 36% No, 3% Don’t Know
- Found new ways to raise or deploy resources to support development? 36% Yes, 61% No, 3% Don’t Know

Source: Semi-structured interviews with 33 Policy Board and Senior Staff members and project leaders, December 2013-January 2014.

Some examples of these changes are described below. They cluster in five main kinds of change, which are inter-related: new cross-sector or cross-jurisdictional planning groups or “tables;” new ways of planning for development; new ways of engaging community members in planning; new connections built between economic development and transitway and land use planning; and new funding streams.

New cross-sector and/or cross-jurisdiction planning “tables”

Formation of a new “table” is a way to institutionalize a combination of perspectives that otherwise has no venue for convening. The Policy Board is the central example of this change, but there are many other examples of ongoing groups that have formed due to the CoO in order to take advantage of combinations of perspectives that would not otherwise
have been possible. In addition to the Senior Staff group, there have been a variety of specific project work groups, including:

**Southwest Corridor** has several different planning groups, including the Steering Committee, Technical Implementation Committee and its issue-specific workgroups (e.g. housing, funding). These have enabled partners to share perspectives with each other, learn together, and coordinate the work across the entire corridor.

The **Affordable Housing/TOD** working group has formed both an Implementation Team and a Lending Team. By assembling representatives of the different organizations that have roles in the community development finance system, they have identified gaps and overlaps in the system, learned which organizations have the greatest expertise in which role, strengthened parts of the system that were weaker initially, and begun to work much more closely together with each other. This group has also formed the **Predevelopment Funders Roundtable** which has brought together lenders from predevelopment and development stages for a more coordinated review of potential projects, aligning not only the public and private players but also the stages of the project.

The **Community Engagement** work of the CoO has generated several new groups, beginning with the **Community Engagement Team** itself. The **Community Engagement Steering Committee** has become a self-sustaining body that is moving the CoO’s engagement work into a region-wide context while continuing to provide leadership, peer support and technical assistance to CoO activities and those of its successor initiative. Another self-organizing group has formed during 2013 consisting of community engagement grantees and other community-based organizations, to address engagement and development issues in North Minneapolis along the Bottineau Corridor.

Some new “tables” have been formed within member organizations, including the new TOD unit at the Metropolitan Council which brings together multiple sectors within the overall agency. It will work closely with cities and counties to support high-profile TOD projects. As part of this effort, McKnight is supporting a Transit-Oriented Development (TOD) Peer Exchange group of public sector staff members working directly on TOD issues and projects across the region.

The value of the new “table” of the overall initiative is so greatly appreciated that the group’s members were not willing to disband at the end of the grant period. The Corridors of Opportunity is being succeeded by the **Partnership for Regional Opportunity**. Several features of this group are notable illustrations of the accomplishments of the original CoO: First, nearly every organizational member is continuing, and some major new organizations have been added to fill strategic purposes. Most notable among these is the main region-wide economic development entity, GREATER MSP. Second, the PRO has
elected to give itself a mandate for a one-year period only, with the intention of using that time to develop the work to the point that it can be fully embedded in organizations’ ongoing operations thereafter for sustainability. Third, while maintaining the CoO’s emphases on equity, transitway and transit-oriented development, and economic competitiveness, the geographic scope of the work will be broadened to the metropolitan region overall, including areas not within any current or planned transitway corridor.

The PRO articulates its goals as follows:

To enhance the region’s economic competitiveness we will:

- Improve the economic prospects of low-income people and low-wealth communities
- Promote high quality development near existing assets (e.g. employment centers, transitways, and commercial and industrial corridors)
- Advance a 21st century transportation system

In addition to the governing group, which will meet every other month, PRO has four working groups, with greatly expanded membership, to focus on specific aspects of the overall effort. These are:

- Regional equity and community engagement
- Shared prosperity
- Transit-oriented development
- Transportation funding

The Partnership for Regional Opportunity is largely funded from local and in-kind sources, adding to its chances of developing sustainable models and programs. CoO stakeholders have a high level of confidence that it will produce results that further the original goals of the Corridors initiative. Of those who were interviewed, 84 percent feel that PRO will move the region closer to its intended outcomes; 13 percent did not feel they knew enough about it to express an opinion; and only one respondent (3%) felt it would not further the work of the CoO. (Figure 11)
11. CoO stakeholders’ perceptions of the Partnership for Regional Opportunity (PRO)

Do you feel the PRO … will result in further progress toward the original goals? (N=31)

- Yes: 84%
- No: 3%
- Don't know: 13%

Source: Semi-structured interviews with 33 Policy Board and Senior Staff members and project leaders, December 2013-January 2014.

Changes in how development planning is done and how TOD is supported

The CoO was designed to help the Twin Cities region use new models of planning for transitways and the development “beyond the rail” that goes with it. It has succeeded in changing development planning in significant ways, including:

- Increased cross-jurisdiction planning on multiple corridors

- Increased cross-sector planning, including some increase in coordination of engineering and land use planning; use of TSAAPs to bring more integrated thinking into the design stage; and workshops with representatives from the private market to benefit from their insights during preliminary engineering

- Increased emphasis on more holistic planning

“More holistic planning” goes beyond cross-jurisdictional and cross-sector planning to also include a vision of planning that considers impacts not only on individual parcels but also on entire blocks or station areas or communities, and looks beyond individual station areas to also consider the entire line. In the Program of Projects effort, CoO has also looked beyond individual lines to consider the larger picture of the overall vision and priority for corridors in the region as a whole.

Another element of more holistic planning is a simultaneous consideration of the mix of land uses that are needed for a healthy community. For example, the Affordable Housing/TOD group recognized early in the initiative that if all available properties along the Central Corridor were to be acquired for affordable housing, it would have damaging consequences for the locally-owned small businesses that are also a vital element of the neighborhood. The housing and small business groups have become far more aware of each other’s perspectives and needs, and have begun to work much more closely with each other in planning. Mixed-use (commercial and residential) development was being
done before CoO, of course, but CoO has funded a higher proportion of such projects, which have benefited from a greater understanding of the interdependence of housing and small business development.

The development of the Cedar Avenue Bus Rapid Transit (BRT) line has offered an opportunity to pilot the first suburban BRT line in the nation, and has resulted in new learnings about how BRT affects markets and the potential for TOD to occur in a suburban setting. The experience with this line will help to shape other regional decisions.

The McKnight Foundation modified its own philanthropic practices when it launched the competitive “Moving the Market” RFP which sought to fund cross-sector partnerships to unlock private capital for the benefit of low-income people. During 2013, it made two major grants in this area:

- **Southwest LRT Employment-TOD:** A $750,000 grant to Hennepin County, in partnership with Metropolitan Economic Development Association (MEDA) and Neighborhood Development Center (NDC), to implement an employment TOD pilot to connect transitway, jobs, and workforce development at two station areas. The project goes beyond the traditional “mixed use” focus on housing and retail to explore strategies to both retain and grow employment opportunities in the Southwest corridor. It will include efforts to grow and expand existing businesses owned by people of color, as well as capitalize on opportunities to grow jobs in current and emerging markets.

- **East Metro Strong:** A $750,000 grant to a public-private partnership formed to promote regional transit in the eastern part of the Twin Cities metro area. Transit goals include encouraging businesses to locate near proposed transit lines and affordable housing projects. The key partners are the City of St. Paul, Ramsey, Washington, and Dakota Counties, and the St. Paul Area Chamber of Commerce.

**Engagement of community members**

A number of changes have been evident during the course of the CoO initiative, including growth in the capacity of community organizations to engage residents and to master the complicated field of transitway planning with sufficient knowledge to engage with public officials strategically and usefully. Capacity has also been built at the intermediary level, through the Community Engagement Team and Steering Committee, to support community organizations and convene them for shared learning and mutual support.

Public agencies have also increased their capacity to engage residents and changed their perception of the value of deeper engagement. Most of those that have worked directly
with community engagement grantees report making changes in how they do their own outreach. The changes have spread more widely than just where the grants were made. Other organizations in the region are also reporting changes in their practices, including philanthropy, nonprofits, and government agencies. At this time, most such changes are in practice only and have not yet been institutionalized through policy or new funding.

Figure 12 shows the change in public agencies’ staff perceptions of the usefulness of community engagement, for those agencies that have worked directly with organizations that received community engagement grants. While there was little change in the overall proportion who saw it as useful (combining “very useful” and “somewhat useful”), it shows a large increase in the proportion who feel community engagement is “very useful.”

12. Public agencies’ perceptions of the value of community engagement

<table>
<thead>
<tr>
<th></th>
<th>Before the grants were awarded</th>
<th>When you think about the current views of your colleagues in your agency (or department or group)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very useful</td>
<td>41%</td>
<td>73%</td>
</tr>
<tr>
<td>Somewhat useful</td>
<td>50%</td>
<td>23%</td>
</tr>
<tr>
<td>Not useful</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Varies too widely; No consensus or majority view</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Interviews with 22 public agency staff who had worked with grant-funded organizations, first and second rounds of grants combined.

Connections of transitways and TOD to economic development

Over the course of its three years, the CoO has shown an increase in linkages among transitways, housing, and small business and other employment-focused activities. Along with this has developed an emerging emphasis on the bigger picture of how the three can be optimally combined in the larger vision of economic development at the regional scale.

Systemic changes related to this topic include the shifts already noted in relationships and coordination of efforts across sectors and jurisdictions. The increased capacity of the small business support system is also a part of this change. An illustration of changes in philanthropic activity is a $25,000 grant from The McKnight Foundation to the Minnesota
Department of Employment and Economic Development (DEED) to inventory small business economic development resources in the metropolitan area, as well as the “Moving the Market” grant for work on job development on the Southwest Corridor.

The CoO funded a study by University of Minnesota researchers that is also contributing to new insights on this topic. The research that was funded was on how to achieve system-level, transit-oriented jobs and housing balance. It provides insights from employers and developers on their interests in TOD and the incentives and constraints they perceive in location and (for developers) design considerations. Earlier research by the same researchers showed that locational decisions for jobs have more impact on accessibility than decisions about the location of housing. Both sets of findings have been communicated to policy makers and are part of the framework for decision-making about TOD priorities.

**New funding streams and new criteria for existing funding**

Several new funding streams have been created with large influences from the Corridors of Opportunity. Some of these are one-time, and some are indefinite. One-time funding opportunities, including some already mentioned, include:

- In 2011, the Metropolitan Council created a Livable Communities Act (LCA) TOD grant opportunity. Initially $32 million from LCDA and TBRA fund balances were identified to fund the TOD grants. Nearly $25M was awarded through the first two funding rounds. In 2013, the Council decided to continue the TOD grant program by maximizing the LCDA levy, using relinquished grant funds and other Council resources to support an annual program ranging from $3 to 8 million.

- The McKnight Foundation awarded the two major “Moving the Market” grants as mentioned above

- The McKnight Foundation provided $250,000 through the Community Engagement Team to fund a third year of community engagement grants

- Hennepin County funded NDC to increase job growth, including small businesses and entrepreneurship along transitways

- The LISC Accelerator Project is a mix of financial resources (grants, program related investments, and a loan guarantee) that provides favorable financing to strategically supplement resources on the Central Corridor, thereby accelerating the pace of development for equitable TOD projects that will improve the livability of neighborhoods while helping to shift the market
In 2013 MN Housing changed how it allocates points in its 2014/2015 Qualified Allocation Plan (QAP, which is used to allocate Low Income Housing Tax Credits) to increase the number of points for projects located near fixed transitway stations (up from 3 to 5 points). The City of Saint Paul also adjusted its QAP scoring to allow for new construction to compete with preservation, and to prioritize projects that already had a previous City investment. Both of these changes reflect a higher priority for locational efficiency, proximity to transit and TOD. However, it is still a challenge to attract private financing and equity to equitable, mixed-use TOD projects that serve a strong public purpose, which is why LISC and the CoO lending partners are exploring the aforementioned “mezzanine” financing tool.

**Other evidence of system changes**

As a reality check on the extent of change accomplished in conjunction with the Corridors of Opportunity, the interviews with stakeholders directly involved in the initiative were supplemented by a second set of interviews with others who were not personally involved, but who were in positions to notice changes if they occurred. These included other public officials with city, county, and Metropolitan Council positions, and private for-profit and non-profit developers of different sizes. Their views of the impact of CoO generally agreed with those of the directly involved stakeholders, and also provided evidence that impacts were indeed spreading beyond the directly funded projects and organizations.

Eight of the nine observers who were interviewed reported that their organization had been affected by the CoO. The kinds of impacts they described were varied, but by far the most common was an increase in collaboration with other organizations, along with learning from that collaboration leading to changes in how their organization did their work. (Figure 13)

<table>
<thead>
<tr>
<th>Open-ended responses, grouped by theme</th>
<th>Private (N=4)</th>
<th>Public (N=5)</th>
<th>Total (N=9)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received funding for project</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Promote collaboration with other organizations</td>
<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Promote collaboration within own organization</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Shared learning due to national resources</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Shared learning from one corridor to the next</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Shared learning from collaboration influences how we do our work</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>More visibility or support for our issues / projects</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

**Source:** Semi-structured interviews with 9 organizational leaders aware of the CoO but not directly involved, December 2013 and January 2014.
Besides the impacts on their own organizations, observers also reported that sectors or systems in the Twin Cities had changed how they did their work as a result of the Corridors of Opportunity. The main changes they described were in the public sector, and in particular the Metropolitan Council. Other sectors and systems frequently mentioned included land use planning and transit or transportation planning. The list of sectors named was broad, reflecting the breadth of the CoO. Other sectors named more than once included community development finance and investment, businesses (small and otherwise), foundations, arts, workforce and employment, and community development more broadly, including the integration of housing, employment, and transportation.

Observers generally agreed with directly involved stakeholders on the results of these systems changes, including strong agreement that the region had affected transit-oriented development practices, community engagement, and collaboration of several different kinds. (Figure 14)

14. adjacent observers’ perspective on changes to which CoO has contributed

The region has new tools or improved practices for transit-oriented development (N=9)

The region has improved practices for including low-income residents in decision-making (N=9)

Cities or counties are collaborating more across jurisdictions (N=10)

There is more cross-sector collaboration or joint planning (N=9)

Public and private organizations are collaborating more (N=9)

The region is more effectively addressing racial or economic disparities (N=9)

Source: Semi-structured interviews with 9 organizational leaders aware of the CoO but not directly involved, December 2013 and January 2014.
It is notable that while the developers perceived changes in the tools and/or practices for TOD, not all were convinced these changes are favorable for them. Smaller and non-profit developers were more likely to express positive attitudes about the changes. Most remain to be convinced whether these new tools/practices will have the desired impact.

[Does the region have new tools or improved practices for TOD?] [It is doing] A lot of “addressing” but the “effective” part is where it's not quite meeting the test. [Nonprofit developer]

Because of light rail, the city has done more planning than I would like. They've gotten a lot of grants and done a lot of planning [including] light rail studies. They want to guide more intensive development around the light rail. [But they still have] challenging regulatory requirements. Due to market reasons and demographics, there won't be a rush to put development on that site. [Large for-profit developer]

**Indicators of opportunities due to development**

Figure 15 shows indicators of the extent to which new developments in transitways are maintaining and/or increasing affordable housing opportunities along the corridors. Key highlights of this analysis of development over the last four years include:

- Permanently affordable housing rental units, once built, appear stable. From 2010 to 2012, 713 new affordable rental units were added to the areas close to transitway stations.

- There is no evidence yet of any loss of opportunities for Section 8 vouchers along the lines.

- There have been noticeable increases in rents being asked for residential units along transitways. The rise in rental rates appears to be mainly due to the construction of new units with higher rents. This reinforces the importance of policy steps to assure the continuation of affordability for renters who are transit-dependent.

- Rental prices are more responsive to transitway investment than home prices.

- Severe rental housing cost burden -- that is, renters who are paying 50 percent or more of their income on housing – is most common along the Central Corridor where one in four households are experiencing severe housing cost burden.
15. Housing in corridors

<table>
<thead>
<tr>
<th>Permanently affordable rental units</th>
<th>Light Rail Transit (LRT)</th>
<th>Other transit</th>
<th>All Corridors</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hiawatha (Blue Line)</td>
<td>Central (Green Line)</td>
<td>Southwest (Green Line extension)</td>
<td>Northstar Commuter Rail</td>
</tr>
<tr>
<td>2012</td>
<td>14,182</td>
<td>21,197</td>
<td>7,243</td>
<td>5,684</td>
</tr>
<tr>
<td>2011</td>
<td>13,828</td>
<td>20,889</td>
<td>7,139</td>
<td>5,657</td>
</tr>
<tr>
<td>2010</td>
<td>13,616</td>
<td>20,817</td>
<td>7,114</td>
<td>5,632</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section 8 Housing Choice Vouchers in use</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>2009</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Median rent (2 bedroom units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2-Q3 2013</td>
</tr>
<tr>
<td>Q2-Q3 2012</td>
</tr>
<tr>
<td>Q2-Q3 2011</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Median home sales price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2010</td>
</tr>
</tbody>
</table>

| Severe housing cost burden, paying at least 50% of income on housing costs (2008-2012) |
| Renting households           | 26.0%                      | 29.3%          | 18.9%         | 21.6%  | 26.3%  | 25.6%  | 24.5%  |
| Owning households            | 11.8%                      | 11.5%          | 10.0%         | 7.7%   | 8.0%   | 10.2%  | 9.7%   |

*Source:* HousingLink, Streams and Twin Cities Rental Revue; U.S. Department of Housing and Urban Development, Picture of Subsidized Households; Analysis of Parcel Data; U.S. Census Bureau, American Community Survey, 2008-2012. “One-mile buffer” includes census tracts whose population or geographic centroid is within one mile of a planned or existing station.
Durable system changes

Three years is a short time frame for achieving systems change. Some sources hold that it takes at least ten years for an established system to settle into a “new normal” pattern of operation. However, there is evidence currently that at least some of the changes noted so far are likely to be sustained over time, and beyond the period of the two grants. As Figure 16 illustrates, a large majority of CoO stakeholders believe that planning is now being done differently, both for transitways and for development more generally, at least in part due to the work of the Corridors of Opportunity.

16. Stakeholders’ perceptions of change in how planning is done

As Figure 17 illustrates, there is also some consensus among stakeholders that some other changes are likely to be permanent. Nearly all stakeholders (97%) feel that the CoO has sparked new conversations about equity and equitable development in the region; 67 percent feel it has made “a big difference” in this regard, and 30 percent feel it has made a small difference (3%, or one person who was interviewed, wasn’t sure).

There is less consensus on whether or not CoO has made it easier to develop in transitway corridors. One-third (34%) feel it has made “a big difference” and another one-third (31%) feel it has made “a small difference.” Another 3 percent feel it has not yet, but believe it will make a difference in the longer term. Combined this means that two-thirds of stakeholders (69%) feel the CoO has had or will have an impact in this way. This result should be interpreted with caution, however, because some of those who answered “Yes” to this question began their next sentence with language expressing less than full certainty, such as “I hope so” or “I think it will” while others chose to say “yes” but then amend the question. A typical response of this type is the following:

Source: Semi-structured interviews with 33 Policy Board and Senior Staff members and project leaders, December 2013-January 2014.
I'm sort of asking the question about “easier,” because … when we talk about for whom is it easier, I think it's more comprehensive, or more inclusive and I think things are just more visible. There's more transparency in the process, and more awareness of the need for inclusivity in all parts of the development process. So, that's how I'm defining 'easier,' I guess. (Senior staff, public agency)

A third question about longer-term impacts asked if the CoO had resulted in development that is more equitable overall. Compared to the first two questions, fewer stakeholders felt that it had already made a difference (24% “a big difference” and 15% “a small difference). However, compared to the first two questions, slightly more were ready to say that it would make such a difference in the longer term (12%). Only 6 percent felt it would not have this result, while over one-third (39%) did not feel prepared to express an opinion one way or the other at this time.

17. Stakeholders’ perceptions of longer-term change due to the CoO

<table>
<thead>
<tr>
<th>Do you believe the CoO has ...</th>
<th>Yes, big difference</th>
<th>Yes, small difference</th>
<th>Yes, don't know how much</th>
<th>No, but it will in the longer term</th>
<th>No, and it will not in the longer term</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sparked new conversations about equity and equitable development in the region? (N=33)</td>
<td>67%</td>
<td>30%</td>
<td>3%</td>
<td>97%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Made the development process easier in transit corridors? (N=32)</td>
<td>34%</td>
<td>31%</td>
<td>9%</td>
<td>22%</td>
<td>3%</td>
<td>69%</td>
</tr>
<tr>
<td>Resulted in development that is more equitable overall? (N=33)</td>
<td>24%</td>
<td>15%</td>
<td>12%</td>
<td>3%</td>
<td>6%</td>
<td>39%</td>
</tr>
</tbody>
</table>

Source: Semi-structured interviews with 33 Policy Board and Senior Staff members and project leaders, December 2013-January 2014.

Based on the above survey answers as well as more nuanced evidence from open-ended comments, focus groups, project reports, and other documents, the evaluation finds strong reasons to expect that many changes are likely to settle into “new normal” patterns rather than reverting to former practices upon the end of the grant period.

Two major changes that are unlikely to revert, but that are not related to specific systems, are the greatly strengthened relationships and cross-partner understanding that have developed during the Corridors of Opportunity. Even if these are not immediately tapped
for specific new activities, they increase the capacity of the region to undertake new cooperative activities in the future, and provide a means for such activities to reach full effectiveness more quickly.

A second enduring change is in the level of shared awareness and knowledge of best practices on many related topics including transitway planning and finance, community development finance, transit-oriented development under a variety of community and market conditions, and community engagement.

A lot of these [CoO] values and principles that started because we were focusing in on Central Corridor, they really have become values for us countywide. (County representative)

For cities and counties to view opportunities for the whole corridor, not just their part. In Central Corridor, Saint Paul/Ramsey and Minneapolis /Hennepin viewed that as a whole corridor, and on Southwest, the five cities along that corridor are working [together] on economic development. I think that stays [even when the grants are over, as] we develop the Gateway, or Bottineau, or the Robert Street Corridor …that shared approach between cities and counties, looking at these transit corridors as one. (County representative)

At the Policy Board level, there could be shifts and changes, but I think the relationships that have been forged at the staff level will actually sustain the momentum of this project. (City representative)

I think there's momentum that's started that even if the group doesn't stay together, individual agencies will keep moving forward. I do think that there's kind of a momentum [to continue to support] the whole focus in raising the level of importance of transit-supported development as a strategy. That's a good regional strategy. (City representative)

Organizational changes (such as in policies, positions, or initiatives)

A large proportion of participating organizations have made significant changes in some aspect of their organization or policies that align with the goals and principles of the CoO. Briefly summarized, they include:

- New departments, staff, and/or funding dedicated to TOD (Saint Paul, Metropolitan Council, Hennepin County, Minneapolis)

- Revisions to ongoing funding streams to increase the priority for TOD and/or location-efficient development (Metropolitan Council, Minnesota Housing, Saint Paul, Minneapolis)
Cities that received LCA-TOD grants from Metropolitan Council have begun to adopt policy and/or zoning to align both with TOD principles and equitable development principles (4 of 14 cities have fully adopted all the “threshold criteria” and 3 others are missing only one of the criteria)

New initiatives, at significant scale, related to TOD, transit, or equitable development (Saint Paul, Ramsey County)

Community engagement

Evidence of the durability of systems change related to community engagement can be seen at multiple levels and locations across the Corridors of Opportunity:

- The Community Engagement Steering Committee has evolved into an independent, self-guiding organization that is now working at the regional level not only on transitway but a broader set of issues related to equitable development

- The Metropolitan Council is working with the Community Engagement Steering Committee to develop a Public Engagement Plan that the Council will formally adopt in 2014 to guide the Council’s community engagement work.

- Nexus Community Partners has launched a new Boards and Commissions Leadership Institute to help prepare and support emerging leaders to take roles on formal decision-making and advisory groups

- Slightly under half of agencies that have worked with grantees report making changes in engagement policies or funding, including Ramsey County which has adopted new outreach and response strategies for residents and businesses

- Considerably more than half of public organizations in the CoO have adopted new practices related to engagement, and there is a widely shared understanding that more inclusive practices, that begin earlier in the decision-making process, benefit the public agency as well as the community

In addition to what stakeholders report about the changes their agencies have made in their community outreach and engagement practices, we also have the perceptions of two other groups. One is a set of 20 “community observers” familiar with the landscape of engagement in the Twin Cities area, who provided their perceptions through a survey in February 2014 about the extent to which public agencies in general have changed how they involve members of the community. One-fifth of this group (21%) reported that agencies had made “significant changes,” and nearly all the rest (65%) reported “modest changes.” (Figure 18)
The other group whose perceptions were collected was agency staff who had worked directly with the community organizations who received CoO engagement grants. Fully half of this group reported that their own agency had made “significant changes,” and an additional one-third (33%) reported “modest changes.” These proportions are consistent with the information from other stakeholders, which tends to indicate that most agencies have changed their outreach practices, at least in modest ways, and that a subset of agencies have made significant changes. The agencies that have made significant changes are often those who have worked with grantees, but the impact has not been limited to that subset.

18. **Extent of change in engagement practices by public agencies**

<table>
<thead>
<tr>
<th>Agency counterparts of grantees: How much has your agency changed how they involve members of the community? (N=24)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant changes</td>
</tr>
<tr>
<td>50%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Community observers: How much have public agencies changed how they involve members of the community? (N=34)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant changes</td>
</tr>
<tr>
<td>21%</td>
</tr>
</tbody>
</table>

**Evolution of a regional vision for equitable development**

One of the outcomes most often cited by stakeholders is the development of a regional vision of equitable development as a result of the Corridors of Opportunity. It is particularly notable that over the three years of the initiative equity has moved from a principle, at the edges of the vision and goals statement, to one of the two primary outcomes of the initiative, equal with economic competitiveness. It has been incorporated as a core element of the *Thrive MSP 2040* regional plan, and is integrated into all aspects of the CoO’s successor initiative, the Partnership for Regional Opportunity.

*Met Council has actually incorporated equity into their comprehensive 2040 Thrive plan. We haven't seen that, ever, in the past.* (County representative)

One of the frequent comments about the CoO Policy Board has been that it is the only place where such a broad group of regional leaders can have conversations about both economic competitiveness and equity together. Although there were relatively few
discussions of equity in the first year, by the third year equity was a topic at almost every Policy Board meeting.

**Broadly speaking, [the CoO] has shifted the community from admiring the problem to doing something about it, as far as racial disparities in employment … getting folks to really make different decisions that will impact the higher levels of disparity that exist.** (Philanthropy representative)

Over the course of the three years, a recurrent issue was the question of how to distribute resources for affordable housing investment. There is an ongoing debate about the relative priority for siting affordable housing in communities where low-income people currently live as opposed to in communities that offer more mixed incomes and more opportunities (such as schools with higher-performing students). However, through many discussions and in particular through the Choice, Place, and Opportunity assessment process, the initiative has resolved the issue through a balanced (or “both/and”) approach that will both strengthen low-income neighborhoods where they currently are and also increase access for low-income people to other neighborhoods.

The agenda for equitable development has gone far beyond housing, however. As the leader of the regional planning effort, the Metropolitan Council is taking a prominent lead in making the case for “equity as the superior growth model,” as PolicyLink terms this approach to economic development. In a series of public communications, including the annual State of the Region event, the Council chair has been making the case for the importance of focusing on the three-legged stool of housing, jobs, and transportation opportunities as a means of ensuring that the region’s returning economic prosperity provides benefits to all and not just those at the top.

**Our corridor planning efforts in general, related to the importance of combining work and transportation and housing, have been impacted to drive towards economic development… I think those areas – workforce and transportation and also housing plans – are greatly impacted [to work together more].** (City representative)

**Stronger CDFI landscape**

One of the significant interests of the Living Cities Integration Initiative was to promote an increase in the capacity of local community development finance institutions (CDFI) to absorb and deploy capital. There is significant evidence that this has occurred, including:

- The three CDFI organizations in the CoO (Family Housing Fund, Twin Cities LISC, and Twin Cities Community Land Bank) have developed closer relationships with each other, with more cooperation and fewer gaps in services
The Predevelopment Funders Roundtable has integrated different funders and different stages of funding, and the group has pledged to continue its operations beyond the end of the CoO grants.

Based on a study initially funded through the CoO, work is under way to develop a strategic acquisition fund to acquire strategically important properties that need to be held patiently until the time is ripe for development.

Together with the strategic acquisition fund, the group has developed a set of guiding principles for assessing and managing risk in long-term acquisition.

An example of the increase in local capacity is the Accelerator Project inaugurated by Twin Cities LISC, using $13 million in low-interest loans, loan guarantees, and grants from the City of Saint Paul, the Central Corridor Funders Collaborative, The Saint Paul Foundation and the Bigelow Foundation, with the purpose of accelerating mixed-use, mixed-income equitable TOD in weak market areas of the Central Corridor.

More integrated planning

Numerous examples have been cited of more integrated planning. Evidence that this now constitutes a “new normal,” and not something that was done just as part of the CoO initiative, includes the incorporation of more integrated approaches through:

- The *Thrive MSP 2040* regional plan for sustainable development.

- The incorporation of GREATER MSP into the PRO table, adding an important regional organization with a significant role in regional development into the framework.

- New TOD department, units, or positions in major public agencies, as described above.

- Philanthropic representatives in the region report that they are seeing stronger relationships and increased trust among the organizations they fund, and that the work has gone beyond mere collaboration to genuine integration of efforts; they also report that they themselves are increasingly willing to fund at a regional level.

- Linkages with other significant regional efforts beyond the scope of the CoO itself, including influences that have helped increase alignment of those efforts – for example, the MSPWin workforce funders collaborative, which has designed for itself a more cross-sectoral structure as a result of observing the functioning of CoO.
A recurrent theme among stakeholders who were interviewed, including not only those directly involved but also observers, is that the new relationships and collaborative work of the partners is so well established, and its value so evident, that it is likely that it can be replicated as needed on other issues of importance to the region.

Observers generally shared with stakeholders the perception that the CoO had made long-term impacts. They were unanimous agreeing that it had “sparked new conversations about equity and equitable development.” (Figure 19) Majorities of those interviewed also agreed that it would “provide new models for equitable development that can be replicated more widely in the region,” and that it “will help accelerate the build-out of the transit system.” They also endorsed the idea that it will “make the development process easier in transit corridors,” although as in the core stakeholders’ comments there was some qualification of this with the suggestion that while the process was likely to be better and more thoughtful, it might not actually be easier for all those involved.

19. Adjacent observers’ perspectives on longer-term change

<table>
<thead>
<tr>
<th>Statement</th>
<th>Yes</th>
<th>No</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>CoO has sparked new conversations about equity and equitable development</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CoO will provide new models for equitable development that can be replicated more widely in the region</td>
<td>7</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>CoO will help accelerate the build-out of the transit system</td>
<td>6</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>CoO will help to make the development process easier in transit corridors</td>
<td>7</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Semi-structured interviews with 9 organizational leaders aware of the CoO but not directly involved, December 2013 and January 2014.
Long-term impact

Indicators of access to economic opportunity

Figure 20 presents the tracking indicators related to the extent to which development on the corridors is increasing access to economic opportunity. The indicators show a variation between income levels of station area residents compared to the wage levels of station area jobs, demonstrating some spatial mismatch between those who are employed along the corridors and those who live along the corridors. The highest wages are along transitways with termini in the downtowns. The lowest wage levels are along the Red Line, which has a significant proportion of retail jobs in its overall employment mix.

Employment along all the transitways has been increasing over the last few years, although not as rapidly as for the region as a whole. However, the average annual wage paid in transitways has increased faster than for the overall region.

20. Jobs and wages in corridors

<table>
<thead>
<tr>
<th></th>
<th>Light Rail Transit (LRT)</th>
<th>Other transit</th>
<th>All Corridors</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hiawatha (Blue Line)</td>
<td>Central (Green Line)</td>
<td>Southwest (Green Line extension)</td>
<td>Northstar Commuter Rail</td>
</tr>
<tr>
<td>All jobs within one-mile</td>
<td>233,537</td>
<td>326,536</td>
<td>222,523</td>
<td>145,831</td>
</tr>
<tr>
<td></td>
<td>233,430</td>
<td>305,170</td>
<td>223,647</td>
<td>143,108</td>
</tr>
<tr>
<td></td>
<td>238,164</td>
<td>303,751</td>
<td>219,832</td>
<td>143,723</td>
</tr>
<tr>
<td></td>
<td>232,321</td>
<td>302,291</td>
<td>216,936</td>
<td>141,201</td>
</tr>
</tbody>
</table>

Percent change in jobs within one-mile

<table>
<thead>
<tr>
<th></th>
<th>Light Rail Transit (LRT)</th>
<th>Other transit</th>
<th>All Corridors</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>0.05%</td>
<td>6.54%</td>
<td>-0.51%</td>
<td>1.87%</td>
</tr>
<tr>
<td>2010-11</td>
<td>-2.03%</td>
<td>0.46%</td>
<td>1.71%</td>
<td>-0.43%</td>
</tr>
<tr>
<td>2009-10</td>
<td>2.45%</td>
<td>0.48%</td>
<td>1.32%</td>
<td>1.75%</td>
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</tbody>
</table>

Average annual wage

<table>
<thead>
<tr>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>$64,536</td>
<td>$63,182</td>
<td>$70,551</td>
<td>$70,245</td>
</tr>
<tr>
<td>$62,846</td>
<td>$60,702</td>
<td>$69,434</td>
<td>$68,188</td>
</tr>
<tr>
<td>$63,726</td>
<td>$60,210</td>
<td>$66,428</td>
<td>$70,230</td>
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<tr>
<td>$60,555</td>
<td>$57,399</td>
<td>$62,326</td>
<td>$64,688</td>
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</table>
## Jobs and wages in corridors (continued)

<table>
<thead>
<tr>
<th></th>
<th>Light Rail Transit (LRT)</th>
<th>Other transit</th>
<th>All Corridors</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiawatha (Blue Line)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central (Green Line)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southwest (Green Line extension)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northstar Comuter Rail</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cedar Ave. BRT (Red Line)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent change in average annual wage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011-12</td>
<td>2.6%</td>
<td>3.9%</td>
<td>1.6%</td>
<td>3.8%</td>
</tr>
<tr>
<td>2010-11</td>
<td>-1.4%</td>
<td>0.8%</td>
<td>4.3%</td>
<td>3.6%</td>
</tr>
<tr>
<td>2009-10</td>
<td>5.0%</td>
<td>4.7%</td>
<td>6.2%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Percentage of jobs paying $15,000 per year or less</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>17.5%</td>
<td>17.5%</td>
<td>17.4%</td>
<td>19.8%</td>
</tr>
<tr>
<td>2010</td>
<td>16.5%</td>
<td>16.6%</td>
<td>15.8%</td>
<td>18.8%</td>
</tr>
<tr>
<td>2009</td>
<td>16.3%</td>
<td>17.0%</td>
<td>16.3%</td>
<td>18.9%</td>
</tr>
<tr>
<td>Percentage of jobs paying $15,001 to $40,000 per year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>25.4%</td>
<td>25.9%</td>
<td>24.5%</td>
<td>27.3%</td>
</tr>
<tr>
<td>2010</td>
<td>25.7%</td>
<td>26.4%</td>
<td>24.1%</td>
<td>27.8%</td>
</tr>
<tr>
<td>2009</td>
<td>26.2%</td>
<td>26.6%</td>
<td>24.5%</td>
<td>28.5%</td>
</tr>
<tr>
<td>Percentage of jobs paying more than $40,000 per year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>57.2%</td>
<td>56.6%</td>
<td>58.1%</td>
<td>52.8%</td>
</tr>
<tr>
<td>2010</td>
<td>57.7%</td>
<td>57.0%</td>
<td>60.2%</td>
<td>53.4%</td>
</tr>
<tr>
<td>2009</td>
<td>57.5%</td>
<td>56.4%</td>
<td>59.1%</td>
<td>52.6%</td>
</tr>
</tbody>
</table>


**Note:** Figures calculated for areas within one mile of planned or existing stations. “One-mile buffer” includes census tracts whose population or geographic centroid is within one mile of a planned or existing station.
Will low-income people will be better off in the longer term?

A large majority of people involved in the Corridors of Opportunity believe that low-income people in the region will be better off because of the initiative. Nearly all (88%) believe it will; 12% are not sure. No respondents believed it will not have this impact (Figure 21).

21. Stakeholders’ estimation of long-term benefits to low-income populations

Do you believe low-income people in the region will be better off because of the CoO? (N=33)

88% 12%

Yes No Don’t know

Source: Semi-structured interviews with 33 Policy Board and Senior Staff members and project leaders, December 2013-January 2014.

As indicated in the section on durable systems changes, there are a number of reasons to expect that the changes made by the Corridors of Opportunity will result in long-term improvements for low-income populations and other historically underrepresented communities in the Twin Cities region. There are a number of interrelated changes that together provide reasons for expecting this benefit.

Elevation of equity as a principle to be joined with economic development. Along with the increased regional focus on development in corridors has come an elevated focus on the equity of that development. The number of organizations and cross-sector initiatives working on equity has extended well beyond the CoO and its successor initiative PRO. Though the CoO cannot claim to have caused the attention among all the other groups, it has helped to bring them into alignment. The list includes the Itasca Project, MSP-WIN (a funders collaborative related to employment disparities), and a new initiative of Ramsey County to address concentrated areas of poverty. Strengthening the impact is the fact that these changes are operating hand in hand with an increase in regional thinking and hence the regional scale of application of these principles, by a coordinated partnership of regional organizations and leaders who are in support of each other’s efforts.

New patterns of community engagement. Direct outcomes from specific community engagement grants include changes in some specific plans that will have a high likelihood of making a difference to low-income and underrepresented groups, e.g. a potentially re-located station area in Eden Prairie, changes to Blake Road station to improve low-income community’s access, planning on the Gateway Corridor that will include a more comprehensive perspective on low-income residents’ transit needs and options, and the inclusion of an elevator in downtown Saint Paul to make a station accessible to users with
disabilities. More broadly, the community organizing will help to ensure higher ridership among low-income communities, benefiting individuals as well as the sustainability of the transitway system itself. The embedding of new community engagement practices across a wide variety of public agencies has potential to result in similar benefits on a region-wide scale.

**Linkage of transitways with affordable housing and access to employment.** The holistic view of development that has been championed by CoO and adopted by so many partners is seen by many of the stakeholders as holding a high promise for improving the well-being of low-income residents of the region. The extent to which this vision of development has been adopted by a wide assortment of organizations, and has been institutionalized in the regional plan and in changes to some important funding streams, suggests a high likelihood that this vision will be sustainable even in the case of changes in the economy or in elections.

**Increased capacity to support entrepreneurship and small businesses.** The CoO has greatly strengthened the capacity of NDC and partner organizations to support not only aspiring entrepreneurs but also existing small businesses. It has included increases in capacity specifically to serve immigrant and minority entrepreneurs and small business owners. It has also helped integrate these services with the field of affordable housing development, increasing the likelihood that communities will be helped to achieve a balance of housing and locally-owned enterprises that are likely to provide jobs and wealth building for local residents.

**New relationships and trust among leadership between sectors.** The new relationships that have been built are felt by almost all partners to be promising of ongoing collaborative work on important issues. The new relationships are across jurisdictions within the public sector; among leaders of different sectors; between community members and public agency staff; and between philanthropy and public officials. It is widely felt that each of these feel the other understands them better and is more willing to listen. This in turn leads to more willingness to take risks in the pursuit of innovation.

Beyond the transitway and TOD topics of the CoO, and the equity and economic prosperity issues of the PRO, these “new normal” patterns can be applied to additional components of healthy community --such as job development or education -- to even more fully address disparities in community well-being illustrated by the Choice, Place and Opportunity assessment.

Other cross-functional and cross-jurisdictional ways of working together could be extended to many other regional issues such as education, business climate, and entrepreneurship, brand and image, inclusion and diversity. There are a lot of key, core denominators to regional success that are all about cross-jurisdictional and cross-functional collaboration. And so Corridors provides the model for how to do it. (Observer)
It is not only the directly involved stakeholders who are convinced that the Corridors of Opportunity will make a long-term difference. Almost unanimously, the observers around the boundaries of the initiative share this perspective as well, as shown by Figure 22.

### 22. Adjacent observers’ estimation of longer-term impacts of CoO

<table>
<thead>
<tr>
<th>Impact</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well-being of communities in general will be different (N=9)</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Low-income communities will be impacted (N=9)</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Other long-term impacts (N=9)</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Semi-structured interviews with 9 organizational leaders aware of the CoO but not directly involved, December 2013 and January 2014.*

“Other longer-term impacts” cited by respondents include:

- Development of the “one table” for conversations on regional issues among high-level leaders from diverse jurisdictions and sectors, and the corresponding development of greater mutual understanding across perspectives

- Higher visibility for issues of equity and equitable development, and shared learning to move the conversation from “it’s important” to “here’s how to do it”

- Greater density, less sprawl, and therefore more economically competitive
Learning

Barriers and challenges

“Tensions” or competing values and priorities that require balancing

The Theory of Change anticipated a number of “tensions,” or competing priorities that require balancing – for example, the question of whether to invest affordable housing resources where low-income people currently live, or where they might be able to access a greater number of opportunities. For the most part, these tensions surfaced and were addressed head-on during the course of the initiative, and stakeholders expressed a high level of satisfaction with the initiative’s leadership and organization. The management of these tensions, however, soon a significant amount of time and effort on the part of the initiative’s leadership.

Not all of the tensions identified in the theory of change proved to be significant factors over the course of the initiative. The following were important to the implementation of the work. For each, the first paragraph provides the description of the tension as it was anticipated in the theory of change. This is followed by evaluation’s findings about how this tension affected the work.

- **Benefit existing residents and businesses ↔ Create new opportunities**

  Some purposes and values prioritize the benefits and protections for existing residents and businesses, while others prioritize new development, increased density, and hence opportunities for new residents and businesses. It is widely expected that there will be winners and losers in the change process; different people have different ideas about who the main winners and losers will be (current or new residents/businesses).

  This tension was evident throughout the CoO. However, the balance between the two priorities appears to have been maintained to the satisfaction of most. While the initiative explicitly promoted new development and increased density along transitway corridors, it also invested significant resources to protect and promote the interests of those already living in the affected areas. The most salient example of this tension was seen in the ongoing debate about where resources for affordable housing should be prioritized – where people current the plans who need it the most, or in neighborhoods that offer access to greater amenities but are not currently affordable.

  The risk of gentrification continues to be a concern for many in the initiative. The selection of tracking indicators includes several measures to be watched for early evidence of this potential pattern. However, stakeholders who commented on this
issue during the interviews also felt that the initiative had done a good job of building in protections against its worst effects.

- **Concrete outcomes ↔ New processes and structures**
  There is not unanimity in the relative priorities of (a) concrete projects and associated outcomes such as increased jobs, housing, economic development (and equity in all of those) compared to (b) the attention to the planning, participation, and development processes and structures and ensuring that these are equitable and sustainable.

  This tension became interwoven with a related one:

- **Seize immediate opportunities for short-term wins ↔ Build toward long-term goals**
  Some decisions must be made in the short term or the opportunity (or motivation) is lost; some must be longer-term. Some of the most feasible and politically palatable short-term decisions can work counter to the likelihood of achieving the higher-priority longer-term decisions; however, not making those short-term decisions may reduce the support of needed allies or participants.

Most of the initiative leadership was strongly in favor of a combination of tangible, immediate, visible outcomes and progress toward real change in systems and processes over the longer term. Many stakeholders, particularly among Senior Staff, appear to have been frustrated that there were not more concrete outcomes sooner. Developers, and private developers in particular, were especially frustrated at the pace of action. The Policy Board, however, while sympathetic to the need for tangible results, maintained a consistent focus on bigger-picture issues in a longer-term frame of reference. This focus helped produce both the new vision and the shared commitment to it.

- **Well-being of local neighborhood ↔ Well-being of overall region**
  Different people and organizations focus mainly on small geographic units, others at larger scale. Some decisions must be made at a certain level; others would benefit from consideration at a different scale, or from taking a different scale at an earlier time. Plans that maximize value at one scale may depress value at a different scale (e.g. an incentive that draws a large number of businesses to relocate to one station area may deprive others of commercial activity needed for a balanced neighborhood).

  A tension that surfaced frequently was the balancing of interests between different geographic and political scales. This played out most frequently in tensions between local versus citywide interests, and city-level versus corridor-wide considerations. It affected how stakeholders perceived their roles in cross-jurisdictional tables, and in decisions about the equitable allocation of resources. The vast majority of comments about the cross-jurisdictional tables were positive. In fact, this and the cross-sectoral
relationship building appear to have one of the most valuable aspects of the entire initiative for most of the stakeholders. The following excerpts from interviews are representative:

[What are the outcomes for your organization you are most proud of?] Corridors was a catalyst for [and] it really forced us to work together and collaborate with adjacent communities. Typically when we do planning, we do it for ourselves, we don’t look beyond our boundaries. [City planner]

[What is the most important difference compared to before the Corridors of Opportunity?] The planning that’s being done between Minneapolis and Saint Paul, Ramsey and Hennepin Counties, we’re looking at that as one entire corridor. …I think in the past, Saint Paul would have viewed their portion of the corridor, Minneapolis would have viewed their portion – in some cases, there would have been maybe competition for some of the resources, where now, both Minneapolis and Saint Paul and the two counties early on agreed that any investment in the corridor was a benefit to the whole corridor, and we all benefited, and so … it’s much stronger and more unified, with all of us working together. [County representative]

However, some at the staff level appeared to have felt that their roles and authority were compromised by the involvement of others in what they saw as their work.

[What has the Corridors of Opportunity done to make the development process easier in transit corridors?] In my experience, this is something that cities usually do, and that’s the traditional role of cities. At the moment there’s this very weird sort of “neither” world that we’re in where the Met Council and counties are trying to do that, so it’s feeling a little competitive, too many cooks in the kitchen. Both Met Council and counties are saying "we’re trying to be supportive, let’s do this as a region," but some of the stuff that’s starting to come out, it’s complicating things. [City planner]

- **Recognize and leverage the power of the market ⇔ Plan and regulate development to assure public good including equity**

Goals of the initiative include both preserving the quality of life for low-income residents and small business owners already living along the corridor (equity) as well as encouraging more of the region’s growth to occur along the corridors, increasing density and opportunities for more people and businesses to be attracted into the same areas. As experience elsewhere has shown, natural market processes tend to generate rising property values, which may benefit local residents by increasing their property values, or harm them by making rents unaffordable. Regulatory controls can avert some of the unintended negative consequences of development, but tend to be seen, especially by private developers, as disincentives to invest.
This tension between markets and regulation also required consistent balancing. A core principle of the Living Cities Integration Initiative was to find ways to drive private markets to work for the benefit of low-income communities. This purpose, and the balancing work required to achieve it, lay behind the market analyses of the several corridor studies, the investment frameworks to identify public improvements most likely to leverage private investment, and the station area typologies to identify an optimal mix of private and public interests. The new relationships between public and private partners are also a resource that will help with the balancing.

The initiative’s twin goals of equity and economic competitiveness perfectly exemplify this tension. Economic competitiveness seeks to maximize both the energy and the benefits to be obtained from a vigorous market, while equity is a deeply-held public value that can only be achieved through a certain level of subsidy or regulation. One of the main tasks of the PRO’s partner organizations is to use 2014 to embed these principles into new planning and development patterns, and to continue to shift the regional dialogue to recognize the importance of both of these goals, and the need to maintain the balanced priority of both.

**Other challenges**

One challenge that arose early in the initiative was to represent the diversity of the region’s population in the people directly involved in the Corridors of Opportunity leadership and work group staffing. This need was recognized early by staff and leadership. However, the leadership of CoO relied on the positional leadership of organizations in the Twin Cities region, which is primarily white. When the first year’s evaluation results confirmed the importance of addressing the Policy Board membership, new members were added in the second year. By the third year, it was evident that the inclusion of additional voices at the table was contributing to differences in the conversation. As the theory of change predicted, this led to a broader and more inclusive vision for the initiative.

This experience illustrates that it will be important to review the PRO leadership through the same lens and ask whether it includes the diversity needed to continue this more inclusive vision. The new Boards and Commissions Leadership Institute is intended to help develop more diverse leadership, and to do so more quickly than can be accomplished through the community engagement work alone. However, the issue cannot be solved at scale without significantly increased, and more widely dispersed, efforts.
Other challenges most frequently mentioned by participants include a list that will surprise no one who has any experience with large-scale initiatives:

- The funded projects had ambitious work plans, and many were hard to get done in the available time.

- When diverse partners come together to collaborate, it takes time to build relationships and trust and develop a shared knowledge base and understanding of the issues to be addressed.

- Similarly, the effort to authentically engage underrepresented communities required more time and support that was anticipated, and the success of initial engagement efforts led to more requests for participation than some grantees had the capacity to fulfill.

- As member organizations became aware of what other organizations were capable of doing, some organizations were called upon to do more than they had the capacity to provide; this was particularly true of some nonprofit organizations including the Community Engagement Team and Steering Committee, NDC, and HousingLink.

- The scale of resources made available from Living Cities and HUD was small compared to the scale of the changes that were sought; this applies both to the scale of development in the context of the overall region, and to the scale of the systems that the initiative sought to affect.

**Factors that contributed to positive results**

*Political environment.* It is widely accepted that the CoO was able to dig into its goals at the level of intensity it achieved in large part because of the changes in the Metropolitan Council that occurred just as the grants began. Because of the appointed nature of the chair and council, and the change in the governor’s office in January of 2011, the regional planning organization – which was the lead organization for one of the two main grants – was made up of leaders who were philosophically committed to the issues of transit, affordable housing, and equity and had less ambivalence than their predecessors about the role of a regional planning agency in relationship with local jurisdictions.

*Existing cross-sector relationships.* It was also helpful that the Twin Cities has a history of organizational leadership that crosses sectors. Thus, for example, the chair of the Metropolitan Council is also the CEO of a housing non-profit; leaders at both of the primary philanthropic partners had recently held important positions in the core cities; and it is not at all uncommon for staff to move between cities, counties, the Metropolitan Council, and state agency positions. This has enabled a much faster on-ramp to cross-sector understanding and collaboration.
Combination of the two funding sources. The Twin Cities were fortunate to obtain both the Living Cities funding and the HUD Sustainable Communities Regional Planning grant. Unlike other places that received both, they chose to combine them under the Corridors of Opportunity umbrella. That choice amplified the effects of each. While the Living Cities funds went predominantly to nonprofit organizations, the HUD funds went predominantly to government agencies. The combination into a single initiative helped immensely to bring both kinds of organizations to the table as genuinely engaged partners – not necessarily because they were receiving money to be there, but because the initiative was funding activities that were important to them. By bringing more stakeholders to the table, it also exposed more leaders to the new concepts and modes of thinking that were under development.

Big tent approach. In its first iteration, the CoO’s expression of its purpose included a vision statement, seven goals, and six overarching principles to shape the work. It was an open question for at least the first two years whether this was a sufficiently focused understanding of the work to be accomplished. Living Cities staff, in particular, advocated for a tighter focus on a more narrowly understood issue to be addressed. At the end of the first year, when the initiative’s leaders were asked to name the top three goals of the initiative, it was clear that there was no single consensus. In response, the statement of purpose was reframed in the second year to highlight equity and economic competitiveness as the two main goals within the overall vision of sustainability.

The elevation of equity to this level of priority, and its pairing with economic competitiveness, was the result of the conversations that occurred at the Policy Board table during the first year and a half of the initiative. In the interviews at the end of the third year, stakeholders and observers alike expressed a high level of commitment to these twin goals, and felt that they represented a powerful vision for strengthening the well-being of the Twin Cities region. They represent a more powerful goal, with broader support and commitment, than any goal that could have been selected at the outset.

The experience of the CoO has shown that the loose nature of the original goals, although frustrating at the time, allowed the initiative to recruit and retain the diverse partnership for long enough to change the dynamics of the conversation, develop the collective vision, and build this broad base of collaboration to support it.

Lessons learned

Three common themes run through everything that has been described in this report. These “red threads” embody the most important learning about what worked and why it worked. These are: the “one table” approach; the community engagement model and its implementation; and the power of partnership and linkage.
One table

The term “one table” is shorthand for a forum in which to convene a diverse set of stakeholders, from public, private, business, and philanthropic organizations, across multiple geographies and sectors of interest. As it was implemented in the Corridors of Opportunity, it included not only the Policy Board but also cross-sector and cross-jurisdiction tables at other mutually supporting levels.

By this set of tables the initiative secured not only high-level policy-maker guidance but also senior staff support at a level to shape implementation within partner organizations. Members reported that they highly valued the opportunities to work with people from kinds of organizations and content areas that were new to them. In particular, participants reported that the participation of business representatives offered an opportunity that was most valued.

For some organizations and some projects, there were also project-level tables that brought in front-line staff as well. At each of these levels, there were opportunities for peer learning and sharing, and learning to understand the perspectives of people from other jurisdictions and/or areas of specialty. The tables also offered opportunities to obtain buy-in and support not only for the project but also for the overall initiative and its purposes, although it was not always possible for the CoO project directors to ensure that the big picture about the overall initiative was shared with all the separate projects.

The particular contribution of the one table, especially at the Policy Board level, was the participation of a unique assortment of leaders from across the region. This novel combination of stakeholders added more diverse backgrounds and perspectives to the conversations at the table than any stakeholder could engage with in any other setting. Through ongoing dialogue the group built relationships and trust over time, leading through their evolving interactions to new understandings of the issues and the options for addressing them. This progression is evident in the meeting minutes over the course of the initiative. Over time as the trust and understanding increased, the discourse at the table changed, and with it evolved a new vision for what the group could achieve. The diversity of representation at the table provided access to a broader set of resources to do the work. Out of this evolving mix arose a new shared commitment to action to make the vision happen.

I think there’s definitely more thought and conversation around the equitable side…. An increased focus on equity is what I’m most proud of at this point. …. I think there are a lot of people who've not had equity on their radar and now they do. (Policy Board member, private sector)
[The new conversations about equity have been influenced] by having a cross-sectional group with pretty wide representation. I think it's been unparalleled to any efforts in the past. And by the intention that every meeting focus on the issues that affect prosperity and equity, so setting that as an intentional part of the agenda, and for people to just stay at the table and have these difficult conversations, because they're not easy. … I've just never seen anything like that, in the past. … There's been a lot of conversation over three years. (Senior Staff member, public sector)

[What has the CoO done to make this difference?] For the most part, we always felt that we were incorporating these values [in our organization, but] when you're really deliberate, you're going to look at your decision making, your outcomes, and aligning them with these principles and values…I think we found we weren't doing as good a job as we thought we were. Being much more intentional about aligning our outcomes and our approaches to equity and ensuring that we're listening to the communities we're trying to serve, about how best to partner with them. (Policy Board member, public sector)

Community engagement

The community engagement strategy, like the “one table” strategy, also owes part of its effectiveness to the fact that it included multiple interlocking strategies at multiple levels. The work began with groundwork at the regional level to establish a shared framework and dialog about equity. When the community engagement grants were made, the environment in which they were implemented was thus more welcoming. The region-wide groundwork also created a shared context that made it easier for grantees to share resources and learning. It was also important to the success of the strategy that the grants to grass-roots organizations were paired with capacity building and support, not only to the grantees but also to public agencies, to help build understanding of the new model of engagement and to help them learn some of the strategies for doing it successfully.

These preparatory steps – among many others – helped create the conditions for the grant activities to be successful. Successes for grantees and participants were matched by successes for agencies, a high proportion of whom found that the work they did with grantees produced better plans that would better meet the needs of their communities.

In the last few years, we are much more attuned to engagement and communicating with the community. [It is] becoming standard practice. … It is driven by successes. Our best projects have had the community involvement. We can be more successful by early engagement. [City staff member]

It makes a huge difference. I can’t even tell you how it’s jumped out in me when you understand the perspective of different cultures, and it changes the way you do your planning. … It’s important to have these voices and perspectives. Better? Yes. Better served? Yes. It’s a community influx and it’s good… People are more open to getting everyone’s voice at the table. (City staff member)
This success was widely observed, and resulted in elements of the model being adopted by other agencies. As more agencies began to adopt elements of the model – such as earlier outreach, or more on-going and two-way communications – the greater level of engagement became more of a standard practice, even though it is still typically not institutionalized in policy. These widely diffused changes in practice, however, made it easier for large organizations like the Metropolitan Council and Hennepin County to begin to institutionalize elements into their formal processes – such as by asking community members to be part of the hiring process for outreach staff. It also created more of a pool of peers among agencies with whom to share learning and support staff.

As a result of this organic growth and adoption of elements of the model, the conversation about community engagement has changed. Community organizations and their members are more likely to suspend old habits of confrontation and mistrust and enter into work with a willingness to partner with the public agencies; and public agency staff are similarly less concerned that reaching out would only cause delays and objections. As a result, more organizations are changing how they do their outreach (e.g. by going out into the community to meet, instead of only asking people to come to their public meetings), and are doing so earlier in the decision-making process. If these actions continue to yield better plans and more satisfied residents, organizations are likely to be motivated to continue to use this model of engagement, and to help to find funding to allow them – and their new community partners – to continue to do so.

**The power of partnership and linkage**

Not all of the influence of the Corridors of Opportunity occurred within the partnerships formed at the Policy Board. The initiative also extended its reach and influence through connections to other centers of energy in the region. For example, though it is not a formal organization relationship, partners in the CoO are interconnected with members of another collaborative group called MSPWin that is working on addressing employment disparities in the region. Because of this relationship, MSPWin has chosen to create a more cross-sectoral structure than it had originally contemplated and is aligning its work with CoO and its successor, PRO, in several important ways. As another example, some of the efforts for affordable housing along the Central Corridor have been focused in the geographic area of the Saint Paul Promise Neighborhood, so that the aligned efforts can each strengthen the other’s effectiveness.

**Theory of Change**

While the theory of change was not regularly used as a touchpoint with partners, it proved to be a remarkably accurate description of how the initiative played out.
The paragraphs below describe in narrative form the weaving together of strategies that was expected to result in the intended outcomes. (Please refer to the graphical representation of the theory of change on the next page. The description below follows the diagram from top to bottom and from left to right.) Please note, as the planned strategies and processes are described, that virtually all of them have been implemented as planned.

The top section of the diagram shows how the Corridors of Opportunity expected to meet the Living Cities goal to “Create a new framework for solving complex problems.” As displayed in this section, the theory of change held that new funding would drive new ways of doing business, including creating collaborative decision-making structures, emphasizing certain unifying principles in the work, and including different participants at the table. In turn, it was expected that the inclusion of new participants at decision-making tables would help to expand the vision, resulting in a broader, more inclusive, integrated vision, supported by new relationships, networks, and collaborations. As the “one table” description above illustrates, this has played out as expected.

Meeting the second Living Cities goal to “Drive the private market to work on behalf of low-income people,” the theory of change posited that the broader and more inclusive vision, along with the deployment of private capital and new collaborations and relationships, would help generate new forms of planning. These would include new planning products (e.g., the investment framework, station area typology, and other tools). Other transformations of planning were expected to include integrated planning across jurisdictional/programmatic boundaries; new transparency required as a consequence of the new participants; strengthened accountability; and new measures as a result of new accountabilities. As a result of the transformation of planning, it was expected that the initiative would generate new pool(s) of blended resources and, more broadly, the alignment, leveraging, and attraction of financial resources, and adjustment of policies and rules in accordance with the new vision.

The third goal of Living Cities, to “Improve the lives of low-income people,” was anticipated to occur as a result of different projects and opportunities arising out of the new processes – and expanded resources – described in the first two stages of the model. These were not fully determined at the start of the initiative, since it was expected that they would depend on the resources and opportunities that were identified by the new partners and through the new processes. However, the preservation and creation of affordable housing, and stabilization of small businesses at risk of disruption from construction, were both determined in advance and directly funded through the Living Cities grant. Another potential area of opportunity that was considered likely was the facilitation of greater access to employment and educational opportunities.
23. Corridors of Opportunity theory of change
Impact at the population scale, over time, was expected to derive from the specific directly-funded projects, amplified by the systems change that would build the knowledge, capacity, and commitment to replicate the work at scale and institutionalize the new decision-making structures to maintain the processes supporting the projects and priorities. In this connection, it should be noted that the collaborative decision-making structure is moving one step closer to being institutionalized through the Partnership for Regional Opportunity. Similarly, the inclusion of different participants is also being institutionalized through the additional year of community engagement grantmaking. These two strategies proved to be the key levers of change during the CoO, so it is heartening to see that they have been as powerful as expected, and that they have been recognized as such and incorporated into the ongoing work of the region.

To reach population-level results in the ten-year period, what remains is for the work to transcend the pilot scale of the initial efforts. The PRO is a promising step in this direction for three reasons. First, its four work groups address content areas found during the CoO to be vital to equitable economic development, and the groups have intentionally brought geographically and sectorally diverse partners to the table to address these areas. Second, it broadens the efforts beyond transitway corridors to a fully regional scope of implementation. Third, it seeks to use the one year for which it has been set up to find ways to embed the work permanently into ongoing operations of partner organizations.
Conclusions and recommendations

Summary of findings

As of the end of the third and final year of the Corridors of Opportunity, the evaluation finds that specific funded projects have produced development results that are at or close to the intended scale, including:

- Affordable housing creation and preservation
- Funding of a variety of catalytic transit-oriented development projects to demonstrate the potential for TOD and accelerate market readiness
- Support of diverse and locally-owned small businesses during the stresses of light rail construction
- Delivery of workforce services to long-term unemployed residents of the Central Corridor in conjunction with links to existing services and employers
- Increased engagement of historically underrepresented community residents in planning, and creation of development plans that will better serve the local communities

The results of these efforts have also increased the capacity of many organizations and communities in a variety of ways:

- The community development finance institutions (CDFIs) are better prepared to work with each other, with developers, and with other funders including the cities. They are better prepared to address gaps in the community development finance continuum (such as strategic acquisition).
- There is more recognition of the role that small business support can play and how it can and must partner with housing and transit for sustainable community development. Providers have also increased their capacity to deliver support services and to partner with these other sectors.
- The Southwest Corridor planning process has made progress in developing a partnership between engineering and land use planners. The work has demonstrated both the promise of the collaboration and some of the continuing challenges. Those who have been involved in the partnership are committed to extending it to future corridors and beginning it at an earlier stage of the work.
A variety of new funding streams have been created, and existing ones re-prioritized, to incentivize and promote transit-oriented development and locally-efficient affordable housing.

The principles and vision of the Corridors of Opportunity, and learnings from how to prioritize and accomplish the work, have been substantially embedded in the Metropolitan Council’s *Thrive MSP 2040* regional plan, institutionalizing the combination of equity and economic competitiveness (or “prosperity,” as it is termed in *Thrive*) at the regional level.

Partners widely agree that the partnership across content areas, types of organizations, and geographic jurisdictions has been a highly effective means of addressing complex community challenges at the regional level. Significant shifts have occurred in the extent to which such collaboration is now seen as the assumed way to approach transit and transit-oriented development.

It is also now more commonly assumed that such development with promote both equity and economic competitiveness, and will use a more inclusive method of planning that brings grass-roots community members into the process more fully and at an earlier stage.

This work is supported by new tools and strategies that have been identified for planning and financing transitways and transit-oriented development. These tools and strategies, developed through the CoO’s studies and pilot projects, have also been shared with others in the region.

It is impossible at this time to say how much this work will impact low-income populations in the Twin Cities region overall. However, stakeholders within the initiative, and observers not directly involved, have high expectations for the likelihood of benefits to low-income communities over time.

There are feedback loops in place to help maintain momentum by communicating the results of preliminary efforts, along with what was learned about effectiveness of the strategies for creating those results. This can help others replicate the efforts in new communities or as new opportunities arise.

**Implications for the work as the region moves forward**

Over the three years of the Corridors of Opportunity, the position of “equity” has evolved significantly. In the original formulation of the CoO’s vision and goals, equity was one of six principles to be applied across all the activities. In the reformulation of the vision
document, midway through the initiative, it became one of the two main outcomes. By the third year, it had become part of the overarching framework of the *Thrive MSP 2040* regional plan, and was the focus not only of one of the four work groups of the PRO, but also a necessary condition for the work of each of the other three.

These changes bespeak a significant shift in the perception of the importance of equity to the region and also a perception that it is possible as well as desirable to take concrete action to address it.

A number of regional stakeholders and observers have pointed out that the collaborative structure of the CoO and PRO, and the new relationships and understandings that have been built as part of it, have become a powerful engine for accomplishing regional priorities. Now that this engine has been built, these stakeholders point out that it can be called on for other important regional priorities besides transitways – such as increasing employment opportunities or addressing educational disparities.

The evaluation sources consistently show that systems change efforts so far have not exhausted regional leaders’ interest in new ways of addressing transit, development, and equity. Rather, there is enthusiasm for the potential and appetite to apply the learning to new and complementary challenges.

The shift in the perception of equity as “the superior growth strategy” is a big change. It is a necessary, though not sufficient, condition for taking the results of the CoO to scale to assure that low-income residents share in the benefits of the new investments and systems changes. It is important to recognize that many of the systems changes have been made possible by a favorable political and economic climate. It will take adoption of this new perception by a much greater pool of thought leaders in the region before it can be considered a stable new pattern of thought.

The roll-out of the *Thrive MSP 2040* plans during the State of the Region event makes it clear that the Metropolitan Council and CoO leadership recognizes this fact, and are already preparing strategies to help others in the region achieve the same shift in perceptions as the CoO table has over the past three years. This effort must be kept at the forefront in order to maximize the chances that the Corridors of Opportunity – and the Partnership for Regional Opportunity – and *Thrive MSP 2040* – and other aligned and not-yet-aligned efforts in the region to address equity and disparities – will fulfill the high hopes that so many have come to have for them and for the region.
Appendix

A. Development projects funded, and expected results in jobs, housing units, and commercial space

### LIVING CITIES LOAN FUNDED PROJECTS

<table>
<thead>
<tr>
<th>Name of Project</th>
<th>Developer</th>
<th>Funding Types</th>
<th>Amount</th>
<th>Purpose</th>
<th>Commercial</th>
<th>Total Units</th>
<th>% Affordable</th>
<th># Affordable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Crossing</td>
<td>Ponto</td>
<td>Loan</td>
<td>$850,000</td>
<td>Acquisition</td>
<td>44</td>
<td>100%</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>St Alban's Park</td>
<td>TCHDC</td>
<td>Loan</td>
<td>$850,000</td>
<td>AHPreservation</td>
<td>74</td>
<td>100%</td>
<td>74</td>
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</tr>
<tr>
<td>Hamline Station &quot;*&quot;</td>
<td>PPL</td>
<td>Loan</td>
<td>$570,000</td>
<td>Predevelopment</td>
<td>13,000</td>
<td>100%</td>
<td>108</td>
<td></td>
</tr>
<tr>
<td>Old Home &quot;*&quot;</td>
<td>ASANDC/SDC</td>
<td>Loan</td>
<td>$880,000</td>
<td>Predevelopment</td>
<td>5,000</td>
<td>100%</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Corporate Triangle</td>
<td>Wellington Management</td>
<td>Loan</td>
<td>$1,000,000</td>
<td>Predevelopment</td>
<td>103</td>
<td>100%</td>
<td>103</td>
<td></td>
</tr>
<tr>
<td>Oliford Green Apartments</td>
<td>PPL</td>
<td>Loan</td>
<td>$1,696,000</td>
<td>Acquisition</td>
<td>61</td>
<td>100%</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Prospect Park - Bonset Site</td>
<td>The Cornerstone Group</td>
<td>Loan</td>
<td>$1,650,000</td>
<td>Predevelopment</td>
<td>200</td>
<td>20%</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL FOR TOO PROJECTS</strong></td>
<td></td>
<td></td>
<td><strong>$6,305,000</strong></td>
<td></td>
<td><strong>18,090</strong></td>
<td></td>
<td><strong>637</strong></td>
<td><strong>76%</strong></td>
</tr>
</tbody>
</table>

* denotes projects that received LIC grants through HUD

### LIVING CITIES GRANT FUNDED - ONLY PROJECTS

<table>
<thead>
<tr>
<th>Name of Project</th>
<th>Developer</th>
<th>Funding Types</th>
<th>Amount</th>
<th>Purpose</th>
<th>Commercial</th>
<th>Total Units</th>
<th>% Affordable</th>
<th># Affordable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Exchange</td>
<td>Model Cities</td>
<td>Grant</td>
<td>$7,500</td>
<td>Predevelopment</td>
<td>20,000</td>
<td>70</td>
<td>100%</td>
<td>70</td>
</tr>
<tr>
<td>Northwest Corner of UniversityDial</td>
<td>NDC</td>
<td>Grant</td>
<td>$125,000</td>
<td>Feasibility/PreDev</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mail Village Site</td>
<td>AEDA/HA/PTheater M</td>
<td>Grant</td>
<td>$10,000</td>
<td>Feasibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seward Commons-Phase 3</td>
<td>Pedesign</td>
<td>Grant</td>
<td>$7,500</td>
<td>Feasibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antinoble Bi Gill Min</td>
<td>American Indian CDC</td>
<td>Grant</td>
<td>$7,500</td>
<td>Feasibility</td>
<td>77</td>
<td>100%</td>
<td>77</td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td></td>
<td><strong>$ 85,000</strong></td>
<td></td>
<td><strong>20,090</strong></td>
<td></td>
<td><strong>147</strong></td>
<td><strong>147</strong></td>
</tr>
</tbody>
</table>

### CODD PROJECTS IN FINANCING QUEUE

<table>
<thead>
<tr>
<th>Name of Project</th>
<th>Developer</th>
<th>Funding Types</th>
<th>Amount</th>
<th>Purpose</th>
<th>Commercial</th>
<th>Total Units</th>
<th>% Affordable</th>
<th># Affordable</th>
</tr>
</thead>
<tbody>
<tr>
<td>2700 University</td>
<td>Flaterly &amp; Collins</td>
<td>Potential loans</td>
<td>$5,000,000</td>
<td>PreDev &amp; Mini Perl</td>
<td>3,000</td>
<td>250</td>
<td>20%</td>
<td>50</td>
</tr>
<tr>
<td>Jamestown Apartments</td>
<td>TCHDC</td>
<td>Potential loans</td>
<td>?</td>
<td>Acquisition</td>
<td>0</td>
<td>73</td>
<td>100%</td>
<td>73</td>
</tr>
<tr>
<td>Victoria Theater</td>
<td>Several</td>
<td>Purchased by II+CLB w/ COO resources</td>
<td>$250,000</td>
<td>Acquisition</td>
<td>3,000</td>
<td>323</td>
<td>38%</td>
<td>123</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td></td>
<td><strong>$ 250,000</strong></td>
<td></td>
<td><strong>3,000</strong></td>
<td></td>
<td><strong>323</strong></td>
<td><strong>38%</strong></td>
</tr>
</tbody>
</table>

### LIVING CITIES SINGLE FAMILY LINE OF CREDIT LOANS

<table>
<thead>
<tr>
<th>Single Family Acquisition &amp; Rehab</th>
<th>Funding Type</th>
<th>Amount</th>
<th>Purpose</th>
<th>POSSIBLE UNITS REHABBED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evergood</td>
<td>Line of Credit</td>
<td>$1,000,000</td>
<td>Acquisition/Rehab</td>
<td>Up to 34 units total</td>
</tr>
<tr>
<td>EstereMasters</td>
<td>Line of Credit</td>
<td>$400,000</td>
<td>Acquisition/Rehab</td>
<td></td>
</tr>
<tr>
<td>Urban Homeworks</td>
<td>Line of Credit</td>
<td>$400,000</td>
<td>Acquisition/Rehab</td>
<td></td>
</tr>
<tr>
<td>Greater Frogtown CDC</td>
<td>Line of Credit</td>
<td>$300,000</td>
<td>New Construction</td>
<td>6 new construction homes</td>
</tr>
<tr>
<td>MCASA, LLC</td>
<td>Line of Credit</td>
<td>$300,000</td>
<td>New Construction</td>
<td></td>
</tr>
<tr>
<td><strong>PROJECTED TOTALS</strong></td>
<td></td>
<td><strong>$2,400,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Multi-family units (including approved loans, grants, and in-queue for financing): 950

Single-family units: 40

Commercial space in square feet: 41,000
B. Description of projects receiving Corridors of Opportunity funding

Corridors of Opportunity – Project Updates

Prior Crossing - Fairview Station
Developer: Beacon in collaboration with House of Hope Presbyterian Church.
Project Concept: 44 units of quality housing linked with dynamic social services for homeless youth and young adults.
TDC: $9.2 million
Primary Financing: 9% LIHTCs (or 4% LIHTCs/ bonds), Met Council LCPA/TOD, St. Paul HOME, MHFA subsidy gap.
Timing: begin construction in Spring 2014

St. Albans Park – Dale Station
Developer: Twin Cities Housing Development Corp. (TCHDC)
Project Concept: Preservation of 74 units existing affordable housing that had serious deferred maintenance and physical deterioration.
TDC: $14.6 million
Primary Financing: 9% LIHTCs, St. Paul HOME, MHFA LMR & PARR, Met Council LHIA, Family Housing Fund
Status/Timing: Under Construction
CoO Financing/Lending Partner Supports:
$850K CoO Bridge Loan, LISC $40K recoverable grant, $21.7K operating support (2012).

Corcoran Triangle – Midtown/ Lake Street Station
Developer: Wellington
Project Concept: Redevelopment of vacant parcel along Hiawatha LRT line into 103 units of affordable workforce and family housing, including 11 units of supportive housing for residents with HIV.
TDC: $17.2 million
Primary Financing: 4% LIHTCs/Bonds, TIF, Hennepin County TOD/AHIF, Met Council LCPA, MHFA subsidy gap.
Timing: Begin construction Spring 2015
CoO Financing/Lending Partner Supports: $1MM CoO Predevelopment Loan. Joint funder/TA meeting.

Western U Plaza – Western Station
Developer: Aurora St. Anthony NDC & Sand Companies
Project Concept: Combine reuse of historic Old Home Dairy building and new construction to create 53 units of affordable workforce/family housing and 5,000 sq. ft. commercial space.
TDC: $13.7 million
Primary Financing: 9% LIHTCs, Historic Tax Credits, Met Council TOD, MHFA 1st mortgage.
Timing: begin construction Fall 2013
CoO Financing/Lending Partner Supports: $680K CoO Predevelopment Loan, TCCLB: Land Banked property to allow time to assemble dev team and define viable project. LISC: $60K cap bldg grants (2012-13); $35.5K fees grants; $45K recoverable grant, commercial market study; Safesgrowth/ CPTEO training. Joint funder/TA meeting.

11-19-13
Corridors of Opportunity – Project Updates

Prospect Park Village (Boese site). Ph 1. 29th Ave. Station
Developer: The Cornerstone Group
Project Concept: transformation of industrial district into vibrant, mixed-use TOD district. Ph. 1 conceptual plan includes 204 units of energy efficient mixed-income housing (20% affordable).
TDC: $53.1 million
Primary Financing: 4% LIHTCs/ bonds, TIF, Met Council LCDA/TOD, Minneapolis AHTF, Hennepin County, private equity, MHFA subsidy gap.
CoO Financing/ Lending Partner Supports: $1.65MM CoO Predevelopment Loan. LISC: $15K feas grant, $50K recoverable grant. Joint funder/ TA meeting.

Oxford Green- Blake Road Station
Developer: Project for Pride in Living (PPL)
Project Concept: acquire and redevelop 6 duplexes into 51 units of affordable workforce housing in suburban community along planned Southwest LRT close to jobs and amenities.
TDC: $14.6 million
Primary Financing: 9% LIHTCs, Met Council LCDA/ TOD, Hennepin County TOD/ HOME/ AHTF, FHLB, MHFA gap.
CoO Financing/ Lending Partner Supports: $1.5MM CoO Acquisition Loan. TCCLB: administered site assembly. LISC: $150K cap bldg grants (2012-13), $5K feas grant, $75K recoverable grant.

Hommel Station TOD – Hommel Station
Developer: Project for Pride in Living
Project Concept: redevelop vacant lot into 108 units of affordable workforce/ family housing, 13,000 sq. ft. commercial space and an outdoor plaza.
Estimated Cost: $25.6 million
Primary Financing: 9% LIHTCs (east bldg), 4% LIHTCs/ bonds (west bldg), TIF, Met Council LCDA/TOD, St. Paul HOME, MHFA subsidy gap.
CoO Financing/ Lending Partner Supports: $570K CoO Predevelopment Loan. LISC: $150K cap bldg grants (2012-13), $5K feasibility grant, $80K recoverable grant; commercial market study, SafeGrowth/ CPTED training. Joint funder/ TA meeting.
### C. Detailed tables showing leveraged and re-purposed funding

#### Additional funds leveraged to support the goals and purposes of Corridors of Opportunity

<table>
<thead>
<tr>
<th>Organization receiving funds</th>
<th>Organization providing funds</th>
<th>Amount</th>
<th>Purpose of new funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliance for Metropolitan Stability</td>
<td>The McKnight Foundation</td>
<td>$350,000</td>
<td>To support general operations and the Regional Equity Project.</td>
</tr>
<tr>
<td>American Indian CDC</td>
<td>LISC</td>
<td>$55,000</td>
<td>operating and capacity building.</td>
</tr>
<tr>
<td>Aurora Saint Anthony NDC</td>
<td>LISC</td>
<td>$40,000</td>
<td>operating and capacity building.</td>
</tr>
<tr>
<td>Beacon Interfaith Housing</td>
<td>LISC</td>
<td>$55,000</td>
<td>operating and capacity building.</td>
</tr>
<tr>
<td>Business Resources Collaborative</td>
<td>Blue Cross</td>
<td>$40,000</td>
<td>To study returning parking to University Avenue with the mindset of how, configuring University Avenue, what would be the configuration with the most positive impact. If we want to spur development and bring jobs, would it make sense to have one lane of traffic and parking or to have two lanes of traffic? It's really around economic development and job development, how do we make the jobs happen. (Any particular areas?) Specifically, capital to campus.</td>
</tr>
<tr>
<td>Business Resources Collaborative</td>
<td>CCFC</td>
<td>$86,000</td>
<td>Support convening &amp; staffing of workgroup as it implements workplan, measures results and wraps up work.</td>
</tr>
<tr>
<td>Central Corridor Anchor Partnership</td>
<td>The Saint Paul Foundation</td>
<td>$50,000</td>
<td>To support the activities of the Central Corridor Anchor Partnership.</td>
</tr>
<tr>
<td>City of Eden Prairie</td>
<td>Metropolitan Council Livable Communities TOD grant fund</td>
<td>$60,000</td>
<td>To create transit-oriented development zoning ordinances around the station areas (approved in 2012 or 2013 to spend in 2014).</td>
</tr>
<tr>
<td>City of St. Louis Park</td>
<td>Livable Communities funds</td>
<td>$100,000</td>
<td>it was for station area planning for one of the stations in St. Louis Park.</td>
</tr>
<tr>
<td>City of St. Paul</td>
<td>CCFC</td>
<td>$150,000</td>
<td>To support a new staff person whose role it will be to facilitate transit-oriented economic development along all of the city's transitways.</td>
</tr>
<tr>
<td>City of St. Paul</td>
<td>The McKnight Foundation</td>
<td>$150,000</td>
<td>To support a new staff person whose role it will be to facilitate transit-oriented economic development along all of the city's transitways.</td>
</tr>
<tr>
<td>Community engagement grantees</td>
<td>Various</td>
<td>$200,000</td>
<td>Leveraged by the community engagement grantees to support engagement projects.</td>
</tr>
</tbody>
</table>

*continued*
### Additional funds leveraged to support the goals and purposes of Corridors of Opportunity (continued)

<table>
<thead>
<tr>
<th>Organization receiving funds (Organization providing funds)</th>
<th>Amount</th>
<th>Purpose of new funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Engagement Team (Nexus Community Partners, Alliance for Metropolitan Stability, and Minnesota Center for Neighborhood Organizing)</td>
<td>McKnight Foundation</td>
<td>$250,000</td>
</tr>
<tr>
<td>Ford Foundation</td>
<td>$440,000</td>
<td>To support the ongoing work of the Community Engagement Team.</td>
</tr>
<tr>
<td>Northwest Area Foundation</td>
<td>$75,000</td>
<td>To support the ongoing work of the Community Engagement Team.</td>
</tr>
<tr>
<td>The Cornerstone Group</td>
<td>LISC</td>
<td>$50,000</td>
</tr>
<tr>
<td>Dayton’s Bluff Community Council</td>
<td>CCFC</td>
<td>$70,000</td>
</tr>
<tr>
<td>Family Housing Fund</td>
<td>CCFC</td>
<td>$100,000</td>
</tr>
<tr>
<td>Goodwill Easterseals</td>
<td>CCFC</td>
<td>$163,956</td>
</tr>
<tr>
<td>Hennepin County</td>
<td>The McKnight Foundation</td>
<td>$750,000</td>
</tr>
<tr>
<td>Hennepin County</td>
<td>Blue Cross/Blue Shield Health Equity Grant</td>
<td>$750,000</td>
</tr>
<tr>
<td>Itasca Project</td>
<td>The McKnight Foundation via The Saint Paul Foundation</td>
<td>$75,000</td>
</tr>
<tr>
<td>LISC</td>
<td>Family Housing Fund</td>
<td>$75,000</td>
</tr>
<tr>
<td>McKnight Foundation</td>
<td>Multiple Foundations for the creation of MSP WIN</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Metropolitan Council</td>
<td>property tax and one-time funds</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Minneapolis Regional Chamber Development Foundation</td>
<td>The McKnight Foundation</td>
<td>$150,000</td>
</tr>
<tr>
<td>Minnesota Center for Neighborhood Organizing (MCNO)</td>
<td>Ford Foundation</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

*continued*
## Additional funds leveraged to support the goals and purposes of Corridors of Opportunity (continued)

<table>
<thead>
<tr>
<th>Organization receiving funds</th>
<th>Organization providing funds</th>
<th>Amount</th>
<th>Purpose of new funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnesota Community Foundation</td>
<td>The McKnight Foundation</td>
<td>$200,000</td>
<td>To support strategic communications about the benefits of an integrated approach to transportation investment to move public opinion around statewide transportation finance.</td>
</tr>
<tr>
<td>Minnesota Department of Employment and Economic Development</td>
<td>The McKnight Foundation</td>
<td>$25,000</td>
<td>To support a project to conduct an inventory &amp; assessment of small business economic development resources in the Metropolitan Area.</td>
</tr>
<tr>
<td>Minnesota Housing Finance Agency</td>
<td>The McKnight Foundation</td>
<td>$25,000</td>
<td>To unlock housing finance strategies to expand the role of private-sector developers in creating mixed-income housing in transit-served neighborhoods.</td>
</tr>
<tr>
<td>Model Cities of St. Paul, Inc.</td>
<td>LISC</td>
<td>$95,000</td>
<td>Recoverable grant and capacity/operating.</td>
</tr>
<tr>
<td>Model Cities of St. Paul, Inc.</td>
<td>The Saint Paul Foundation</td>
<td>$75,000</td>
<td>To build capacity to produce &amp; manage transit-oriented development projects in Model Cities’ pipeline.</td>
</tr>
<tr>
<td>Neighborhood Development Center</td>
<td>The McKnight Foundation</td>
<td>$400,000</td>
<td>For general operating support, and for new initiatives expanding work geographically and to mid-sized businesses.</td>
</tr>
<tr>
<td>Neighborhood Development Center</td>
<td>CCFC</td>
<td>$200,000</td>
<td>U7 Business Preparation Collaborative.</td>
</tr>
<tr>
<td>Neighborhood Development Center (NDC)</td>
<td>The Saint Paul Foundation</td>
<td>$75,000</td>
<td>To support U7’s work in support of small businesses along Central Corridor.</td>
</tr>
<tr>
<td>Neighborhood Development Center (NDC)</td>
<td>LISC</td>
<td>$75,000</td>
<td>For a real estate development project on the NW corner of University and Dale.</td>
</tr>
<tr>
<td>Project for Pride in Living</td>
<td>LISC</td>
<td>$150,000</td>
<td>Recoverable grant and capacity/operating.</td>
</tr>
<tr>
<td>Ramsey County</td>
<td>CCFC</td>
<td>$50,000</td>
<td>To provide professional consulting services to support the management of the C2C pilot project.</td>
</tr>
<tr>
<td>St. Paul Chamber of Commerce Foundation</td>
<td>The Saint Paul Foundation</td>
<td>$50,000</td>
<td>To support the East Metro Strong initiative.</td>
</tr>
<tr>
<td>St. Paul Chamber of Commerce Foundation, Inc.</td>
<td>The McKnight Foundation</td>
<td>$750,000</td>
<td>To establish a public-private partnership to develop and promote a prioritized program of transit projects and related investments to support economic development in the east metro of the Twin Cities.</td>
</tr>
<tr>
<td>Twin Cities Community Land Bank</td>
<td>CCFC</td>
<td>$250,000</td>
<td>To support strategic acquisition along the Central Corridor.</td>
</tr>
<tr>
<td>Urban Land Institute</td>
<td>McKnight, Hennepin County, LISC</td>
<td>$50,000</td>
<td>Technical assistance to align land use &amp; transportation decisions.</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$12,304,956</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Wilder Research survey of stakeholders January - February 2014; project reports; communications from Central Corridor Funders Collaborative, McKnight Foundation, and Saint Paul Foundation.
Existing partner organization funds re-purposed to align with Corridors of Opportunity goals and purposes

Note: This table does not include additional costs absorbed by organizations for staff time and/or consultant fees as a result of engaging in new, more collaborative planning processes than they would have used in the absence of Corridors of Opportunity.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
<th>Purpose of new funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Housing Fund</td>
<td>$2,000,000</td>
<td>Family Housing Fund contributed an additional $2 million PRI to as subordinate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>debt in the COO loan pool. This is in addition to a previous $2M.</td>
</tr>
<tr>
<td>Hennepin County</td>
<td>$1,000,000</td>
<td>Pending discussions on creating a fund to acquire properties along transit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>corridors.</td>
</tr>
<tr>
<td>Ramsey County (Regional Railroad Authority)</td>
<td>$100,000</td>
<td>Corridors of Opportunity Pilot Project.</td>
</tr>
<tr>
<td>Hennepin County</td>
<td>$200,000</td>
<td>STA planning grant funds and Hennepin County Regional Rail Authority funds to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>provide additional resource to the TSAAP process.</td>
</tr>
<tr>
<td>Neighborhood Development Center (NDC)</td>
<td>$10,000</td>
<td>To do entrepreneur training in Eden Prairie.</td>
</tr>
<tr>
<td>Nexus Community Partners</td>
<td>$100,000</td>
<td>To organize community-based organizations all along the Blue Line for more</td>
</tr>
<tr>
<td></td>
<td></td>
<td>jointly-shared outcomes.</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$3,410,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Wilder Research survey of stakeholders, January - February 2014.