

Community Development Committee

Meeting date: December 21, 2015

For the Metropolitan Council meeting of January 13, 2016

Subject: Livable Communities Demonstration Account Transit Oriented Development Pre-Development 2015 Fall Round Grant Recommendations

District(s), Member(s): All

Policy/Legal Reference: MN Statue §473.253

Staff Prepared/Presented: Erin Heelan, Livable Communities, (651) 602-1633

Division/Department: Community Development/ Housing and Livable Communities

Proposed Action

That the Metropolitan Council (1) award two Livable Communities Demonstration Account Transit-Oriented Development Pre-Development grants as follows, totaling \$100,000 and (2) authorize its Community Development Division Director to execute the grant agreements on behalf of the Council

| Recommended Projects | Applicant | Recommended Amount |
|---|-----------|--------------------|
| Eastside St. Paul Weehouse EcoVillage Zoning | St. Paul | \$50,000 |
| Eastside St. Paul Weehouse EcoVillage Pre-Development | St. Paul | \$50,000 |
| TOTAL | | \$100,000 |

Background

Advancing Transit Oriented Development (TOD) along existing and emerging transitways is a priority of the Metropolitan Council. The TOD grant category funds are targeted to support TOD activities in several identified "TOD areas". The Council adopted the 2015 LCA-TOD guidelines, criteria, schedule, and evaluation process as part of the Fund Distribution Plan (FDP) earlier this year. The FDP specifies a one-step staff evaluation process for LCDA-TOD Pre-Development and TBRA-TOD Site Investigation grants. An evaluation team of staff from Community Development, Metropolitan Transportation Services, and Metro Transit evaluate applications.

Rationale

On November 2, 2015, the Council received four applications for the fall round of LCDA-TOD Pre-Development and TBRA-TOD Site Investigation funding. After the initial staff review for completeness and eligibility, one application was found ineligible and did not move forward to the staff evaluation process. The staff evaluation concluded that two of the remaining three eligible applications met the minimum scoring threshold to be recommended for funding.

Funding

As outlined in the FDP, two rounds of Pre-Development and Site Investigation funding in 2015 were made available in 2015, with \$250,000 available for Pre-Development and \$125,000 available for Site Investigation grants in each round. The Council did not receive any applications for the spring funding round. For the fall round, staff is recommending funding two applications for a total of \$100,000 in Pre-Development funding, leaving \$150,000 available for future use. There were no requests for fall round Site Investigation funding, leaving the full \$125,000 available for future use.

Known Support / Opposition

There is no known opposition to the applications recommended for funding.

Review Record

Review Process

A notice of funding availability was issued in March 2015 following adoption of the 2015 Annual Livable Communities Fund Distribution Plan (FDP). The Council approved two sets of evaluation criteria in the FDP for LCDA-Pre-Development grants, one for requests associated with a future development project and a second for requests for zoning implementation.

Four applications were submitted on November 2, 2015. See Table 1. Staff conducted an initial review for completeness and eligibility. One application, submitted by St. Paul, NW University and Dale, was found ineligible for further review, for reasons listed below. An interdivisional staff team used Council-approved FDP criteria to evaluate the remaining three applications in the following categories: housing, transit accessibility, walkability, and ridership, jobs, TOD design, readiness and partnerships. One application submitted by Hennepin County, Creating New Housing Opportunities Penn Ave, North Minneapolis, did not meet the minimum required 54-point scoring threshold in the staff evaluation and was found ineligible for funding. Full funding is being recommended for two requests, leaving \$150,000 of funding not awarded in this round.

Staff is recommending full funding for the following two complementary projects, listed in descending order by final score: Eastside St. Paul Weehouse EcoVillage Zoning, which will develop adjustments to the zoning requirements for an area in the East side of St. Paul to allow for an innovative housing option, and Eastside St. Paul Weehouse EcoVillage Pre-Development, which will develop designs and details to guide the actual Weehouse project.

Table 1: Application Scoring Summary

| Grant Category | Project | Applicant | Points | Amount Requested | Amount Recommended |
|---------------------------|---|-----------------|--------|------------------|--------------------|
| LCDA-TOD Zoning | Eastside St. Paul Weehouse Ecovillage Zoning | St. Paul | 74 | \$50,000 | \$50,000 |
| LCDA-TOD Pre-Development | Eastside St. Paul Weehouse Ecovillage Pre-Development | St. Paul | 67 | \$50,000 | \$50,000 |
| LCDA-TOD Pre-Development | Creating New Housing Opportunities Penn Avenue | Hennepin County | 50 | \$15,000 | - |
| LCDA-TOD Pre-Development | NW University Dale | St. Paul | N/A | \$50,000 | - |
| Total Available: | | | | | \$250,000 |
| Total Recommended: | | | | | \$100,000 |

Projects not Recommended for Funding

NW University and Dale

Applicant: City of St. Paul

Determination: Ineligible

Rationale:

- The sources did not include the required 25% match
- The applicant applied for work that began prior to application date.
- The Council has an open 2014 TOD Pre-Development grant for this project. At the time the application was received only \$3,399.40 of the \$40,000 available had been drawn down.

- The requested grant funded activities are the same as the 2014 award. The applicant did not provide clarification on why additional funding is needed.

Creating New Housing Opportunities Penn Ave, North Minneapolis

Applicant: Hennepin County

Determination: Ineligible; did not meet required threshold score

Rationale:

- The project's relationship to transit was not well defined
- Single use project
- No permanent jobs are being created as part of this project

Projects Recommended for Funding

Project summaries for projects recommended for funding are on the following pages.

Project Summary

Grant #
Type: LCDA-Pre-Development Zoning Implementation Grant
Applicant City of St. Paul
Project Name Eastside St. Paul Weehouse Ecovillage Zoning Implementation
Project Location High Frequency Bus - Route 64 Payne/Maryland
Council District 13 – Richard Kramer

| Project Detail | |
|----------------------------------|--|
| Project Overview | <p>The project scope includes: 1) adjusting zoning designations on traffic corridors, and 2) creating a Cluster Home overlay that provides credit allowances in density (car/housing unit ratios, affordability, housing unit size, etc.), & built in variances on setbacks, hardcover, FAR, etc.</p> <p>The project intends to identify and remove obstacles in the St. Paul zoning code that prevent innovative TOD design projects. This will include revising the Cluster Home overlay with new guidelines and controls that promote affordability, reduced parking ratios, car sharing, transit use, and increased densities.</p> |
| Comments/ Demonstration value | <ul style="list-style-type: none"> • Adjustment to zoning code to allow for and encourage Transit Oriented Development • Allow for density bonuses in cluster home overlay districts |
| Funding | |
| Requested amount | \$50,000 |
| Previous LCA funding | None |
| Use of funds | |
| Amount | Uses to be completed by 12/31/2016 |
| \$50,000 | Make adjustments to current zoning code and develop a new cluster home overlay |
| \$50,000 | Total |

Project Summary

Grant #
Type: LCDA-Pre-Development
Applicant City of St. Paul
Project Name Eastside St. Paul Weehouse Ecovillage Pre-Development
Project Location High Frequency Bus - Route 64 Payne/Maryland
Council District 13 – Richard Kramer

| Project Detail | |
|-------------------------------------|--|
| Future Development Project Overview | The City of St. Paul, Eastside Neighborhood Development Center (ESNDC), and Robert Engstrom Companies are partnering with WeeHouse, developed by Alchemy Architects bring a “tiny house” pocket neighborhood to East St. Paul. The project includes design of a small scale pocket neighborhood on a transit corridor and will link residential, transit, community space, and commercial space. The applicant will build a scale of housing that is affordable and sustainable because of unit size, delivery methods, and design efficiencies. This project is needed as it will create a new form of housing that will provide a template for TOD projects through the state. |
| Jobs (FTEs) | 21 |
| Total housing units | 36 total (35 – Ownership 1- Rental) |
| Affordable units (80% AMI) | 9@ 60 % AMI, 26@ 80% AMI, and 1 Market Rate |
| Anticipated # bedrooms | 36 |
| TOD metrics | Floor-area ratio (FAR): .9; Dwelling units per acre (DUPA): 44.69; Parking stalls per dwelling unit: .32; distance to station (bus stop): 38 ft. |
| Comments/ Demonstration value | <ul style="list-style-type: none"> • Potential demonstration for infill development along transit lines • Demonstrates a new housing product not currently being built in the Metro Area • Affordable homeownership option on transit line |
| Funding | |
| Requested amount | \$50,000 |
| Previous LCA funding | None |
| Use of funds | |
| Amount | Uses to be completed by 12/31/2016 |
| \$50,000 | Design development of pocket neighborhood concept including residential, commercial, and community space. |
| \$50,000 | Total |