

## Community Development Committee

Meeting date: November 16, 2015

For the Metropolitan Council meeting of December 9, 2015

**Subject:** Livable Communities Act Transit Oriented Development Tax Base Revitalization Account Site Cleanup and Livable Communities Demonstration Account Development Grant Recommendations

District(s), Member(s): All

Policy/Legal Reference: MN Statute §473.253

**Staff Prepared/Presented:** Erin Heelan, Senior Planner (651) 602-1633

**Division/Department:** Community Development / Housing and Livable Communities

### Proposed Action

That the Metropolitan Council (1) award four Livable Communities Demonstration Account Transit-Oriented Development grants as follows, totaling \$4,295,000, and (2) authorize its Community Development Division Director to execute the grant agreements on behalf of the Council:

Recommended Projects	Applicant	Points	LCDA-TOD Development
Place	St. Louis Park	103	\$2,000,000
Superior Plating	Minneapolis	81	\$395,000
66 West	Edina	81	\$900,000
Raymond Avenue Flats	St. Paul	74	\$1,000,000

**Total Recommended (LCDA) \$4,295,000**

Total LCDA – TOD Available \$4,750,000

Total TBRA-TOD Available \$1,145,000

### 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 Livable Communities Act (LCA)-TOD program guidelines, criteria, schedule and evaluation process was adopted as part of the 2015 Fund Distribution Plan (FDP). The FDP requires a two-step evaluation process for Livable Communities Demonstration Account TOD (LCDA-TOD) Development and Tax Base Revitalization Account TOD (TBRA-TOD) Cleanup grants. After a technical review by an interdivisional Council staff team (Step One), the Livable Communities Advisory Committee (LCAC) reviews projects that meet the minimum scoring threshold (Step Two). The LCAC funding recommendations are presented to the Community Development Committee for consideration.

### Rationale

On July 1, 2015, the Council received six applications. The six applications (four LCA-TOD Development requests and two joint LCA-TOD Development and TBRA-TOD requests) were evaluated by staff using criteria approved by the Council in the 2015 FDP. Five applications met the minimum Step One scoring threshold. The LCAC evaluated those five remaining applications. The LCAC is recommending full funding for four projects.

## **Funding**

As outlined in the FDP, \$5 million is available for LCDA-TOD Development and Pre-development activities such as site acquisition, infrastructure, and placemaking. The Pre-Development grants are offered in the spring and the fall, with \$250,000 reserved for each of those rounds. No applications were received in the spring. Therefore, \$4,750,000 was available for LCDA TOD Development projects. The FDP also makes available \$2 million for TBRA- TOD Cleanup grants to support the cleanup of materials and soils contaminated with asbestos and lead based paint. Acknowledging that TBRA-TOD was undersubscribed by \$854,500, at their June 24, 2015 meeting, the Council approved Business Item Number 2015-137, and awarded \$854,500 in the spring regular TBRA round of grant awards. The remaining \$1,145,000 was available for TBRA-TOD requests. However, no TBRA-TOD requests are recommended for funding.

## **Known Support / Opposition**

Resolutions of support were received from each applicant community. There is no known opposition to any of 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). Staff held workshops to familiarize applicants with the LCA-TOD process and criteria.

Project Concept Plans (PCPs), a shorter version of the full Development and Cleanup applications, were due on May 1, 2015. Seven PCPs were submitted. Staff provided comments on eligibility and alignment with Council objectives. The LCA-TOD design team, convened in May for a third year, reviewed the PCPs and provided constructive feedback to applicants before the final full application submittal.

Six full applications were submitted on July 1<sup>st</sup>, 2015. An interdivisional staff team used Council-approved FDP Step One criteria to evaluate the applications in six categories, including: housing, transit accessibility, walkability, and ridership, jobs and economic competitiveness, TOD design, environmental design, leverage, and partnerships. One application submitted by Minneapolis, 4041 Hiawatha, did not meet the minimum required 45-point scoring threshold and was found ineligible for further consideration.

The five projects meeting the minimum Step One scoring threshold were sent to the Livable Communities Advisory Committee (LCAC) for their review and evaluation. The LCAC evaluated projects in the Step Two categories of TOD model/demonstration value, catalytic potential, and readiness. The Committee's scores were combined with scores from the Step One process to yield a preliminary score. Four projects met the minimum required combined scoring threshold of 72 points. One application submitted by St. Paul, for the University Vandalia project, did not meet the required scoring threshold and was determined by the LCAC ineligible for further consideration, in accordance with the FDP. Housing Performance Scores for each city were added for final ranking.

Full funding is being recommended for the four LCDA-TOD requests, leaving \$455,000 of LCDA-TOD funding not awarded in this round. No applications including TBRA TOD funding requests met minimum scoring thresholds, and are therefore not recommended for funding in this round. Of the \$2 million available, \$854,500 was awarded in the Spring round of regular TBRA awards, leaving \$1,145,000 available for award in this Fall's upcoming TBRA round.

Table 1: Application Summary

Grant Category	Project Concept Plans received	Full applications received	Eligible applications	Applications moved forward to Step Two	Applications recommended for award
LCDA-TOD	4	4	4	4	4
Joint LCDA-TOD Development and TBRA-TOD	3	2	2	1	0
TOTAL	7	6	6	5	4

**Table 2: Applicant Scoring Summary**

Project	Applicant	Points	LCDA-TOD Amount Requested	TBRA-TOD Amount Requested	LCDA-TOD Recommendation	TBRA-TOD Recommendation
Place	St. Louis Park	103	\$2,000,000		\$2,000,000	
Superior Plating	Minneapolis	81	\$395,000		\$395,000	
66 West	Edina	81	\$900,000		\$900,000	
Raymond Avenue Flats	St. Paul	74	\$1,000,000		\$1,000,000	
University Vandalia	St. Paul	69	\$1,800,000	\$616,500		
4041 Hiawatha	Minneapolis	43	\$400,000	\$189,605		
<b>Total Recommended</b>					<b>\$4,295,000</b>	<b>\$0</b>
<b>Total Available</b>					<b>\$4,750,000</b>	<b>\$1,145,000</b>

### Outcomes Summary

The table below shows the expected outcomes for the 2015 LCA-TOD investment in the Metro region.

Table 3: Expected outcomes of projects recommended for funding

Total Housing Units 738	
Affordable Housing Units (≤80% AMI)	239 (32%)
Market Rate Housing Units	499 (68%)
Total Jobs (FTEs) 1311	
Regular (or permanent) Jobs	236
Regular Jobs Paying a Living Wage*	135 (57% of regular jobs)
Temporary (or construction) Jobs	1,075
Net Tax Capacity Increase \$2,000,407	
Total Investment \$257 million	
Private Investment Leveraged	\$229 million
Other Public Investment Leveraged	\$24 million
Parking	
Average Residential Parking Ratio	0.78 stalls per unit
Average Commercial Parking Ratio	1 stall per 557 commercial sq. ft.
Density	
Average Net Dwelling Units per Acre (DUPA)	98
Average Net Floor-Area Ratio (FAR)	2.73
Average Jobs per Acre	28.2

## Projects not Recommended for Funding

### **4041 Hiawatha**

**Applicant:** City of Minneapolis

**Determination:** Ineligible; did not meet required threshold score in Step One.

**Rationale:**

- The project does not include the following TOD design features: mix of uses, jobs, "active" and pedestrian oriented first floor uses, and publically accessible space.
- An affordable housing project (78 apartments). Lowest projected job growth among applicants. Development site is not within a regional job center.
- A modest increase in Net Tax Capacity is projected.
- The project has a relatively low density and high parking ratio compared to other submitted projects. They will retain a large surface parking lot.

### **University Vandalia**

**Applicant:** City of St. Paul

**Determination:** Ineligible; did not meet required threshold score in Step Two.

**Rationale:**

- The project scored low for readiness. No funding has been committed to the project to date. Final design will not start until 2017. Staff expect the project will be re-submitted next year.
- Single use project. Missed opportunity on a corner lot to activate the streetscape with a mixed use project.
- High parking ratio compared to other submitted projects.
- Uncertainty around the developer commitment to the linear park, mix of uses, and design.

## Projects Recommended for Funding

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

## Livable Communities Project Summary

**Grant #** SG2015-  
**Type:** LCDA-TOD Development  
**Applicant:** St. Louis Park  
**Project Name:** PLACE  
**Project Location:** METRO Green Line Extension – Wooddale Station  
**Council District:** 6 – Gail Dorfman

Project Detail	
Project Overview	The City of St. Louis Park is partnering with the Developer PLACE (Projects Linking Art, Community & Environment) to redevelop a vacant industrial site into a landmark mixed-use, mixed-income community that integrates 300 units of affordable and market-rate housing, a mobility hub, urban agriculture, maker's space, live/work space, a hotel, and renewable energy generation including anaerobic digestion of food waste.
Jobs (FTEs)	Regular: 119 (100 living wage); temporary: 600
Net tax capacity increase	\$997,390
Total housing units	300
Affordable units	200 (12 @ 30 AMI and 188 @ 60% AMI)
Anticipated # bedrooms	Studio: 50; One bedroom: 88; Two bedroom: 68; Three+ bedroom 94
Est. total development cost	\$117,660,953
Est. private funds leveraged	\$103,911,509
Est. other public funds	\$11,749,444
TOD metrics	Floor-area ratio: 3.03; dwelling units per acre: 95.54; distance to station: 972 feet; residential parking ratio: 1.1 stall/unit; station area average block size: 3.4; jobs/acre: 37.9
Comments/ Demonstration value	<ul style="list-style-type: none"> <li>• Model for the redevelopment of difficult "island" or remnant parcels near transit lines.</li> <li>• The project boasts multiple modes of transportation (walking, biking, car-share, bus and LRT) and includes a mobility hub with concierge to encourage use and access.</li> <li>• Alternative renewable energy system including anaerobic digestion, urban agriculture, and solar path</li> <li>• Innovative storm water management system and design</li> <li>• Innovative construction method</li> <li>• Parking will be designed for easy adaptation for alternative future use.</li> </ul>
Funding	
Requested amount	\$2,000,000
Previous LCA funding	\$100,000 LCDA-TOD Pre-development
Use of funds	
Amount	Uses to be completed by 12/31/2018
\$500,000	Storm water Improvements
\$986,893	Site acquisition
\$513,107	Anaerobic digester
<b>\$2,000,000</b>	<b>TOTAL</b>

## Livable Communities Project Summary

**Grant #** SG2015-  
**Type:** LCDA-TOD Development  
**Applicant:** City of Minneapolis  
**Project Name:** Superior Plating  
**Project Location:** 315 1<sup>st</sup> Avenue NE  
**Council District:** 8 – Cara Letofsky

Project Detail	
Project Overview	The City of Minneapolis is partnering with Lennar Development to build a multifamily mixed-use development at the historic Superior Plating site. The high-end luxury rental community includes 22,000 sq. ft. of commercial and 278 residential units. The site is divided between a tower and low-rise building, with a retail corridor, public plaza, and associated parking.
Jobs (FTEs)	Regular: 74 (18 living wage); temporary:200
Net tax capacity increase	\$719,030
Total housing units	280
Affordable units	0
Anticipated # bedrooms	50 studios; 117 one bedroom; 93 two bedroom; 20 three bedroom
Est. tot. development cost	\$104,359,000
Est. private funds leveraged	\$102,032,125
Est. other public funds	\$2,326,875
TOD metrics	Floor-area ratio: 3.67; dwelling units per acre: 135.35; distance to station: 870 feet; commercial parking ratio: one space per 233.36 sq. ft.; residential parking ratio:1.04; station area average block size: 3.63 ; jobs/acre: 35.8
Comments/ Demonstration value	<ul style="list-style-type: none"> <li>• Difficult redevelopment site due to contamination levels.</li> <li>• Potential to catalyze additional private development on 4<sup>th</sup> Ave.</li> <li>• The pedestrian friendly streetscape design has the potential to catalyze improved design as 4<sup>th</sup> Ave. continues to redevelop.</li> <li>• Design (high density, hidden parking access, mix of uses, public plaza) is consistent with TOD principles.</li> <li>• Project will catalyze a 2<sup>nd</sup> phase of development on the adjacent site.</li> </ul>
Funding	
Requested amount	\$395,000
Previous LCA funding	TBRA
Use of funds	
Amount	Uses to be completed by 12/31/2018
\$115,000	Sidewalks
\$100,000	Public Art
\$145,000	Placemaking features including: benches, pedestrian scale lighting, decorative string lights, drinking fountain, and landscaping (place-making related only)
\$35,000	Publically accessible bike racks/storage and fix it stations
<b>\$395,000</b>	<b>TOTAL</b>



## Livable Communities Project Summary

**Grant #** SG2015-  
**Type:** LCDA-TOD Development  
**Applicant:** City of Edina  
**Project Name:** 66 West  
**Project Location:** 3330 66<sup>th</sup> Street West  
**Council District:** 5- Steve Elkins

Project Detail	
Project Overview	The City of Edina is partnering with Beacon Interfaith Housing to provide high quality, permanent affordable housing with intensive services for 39 young adults, ages 18-24, who are experiencing homelessness. The location of the development including its access to jobs and educational opportunities through transit are key to this development. Currently, there are no housing options for homeless youth in the western suburbs; it is estimated that there are 250-300 young people homeless in the western suburbs on any given night.
Jobs (FTEs)	Regular: 5.35 ( 4 living wage); temporary: 50
Net tax capacity increase	\$122,000
Total housing units	39
Affordable units	39 (39 @ 30% AMI)
Anticipated # bedrooms	39 studios
Est. tot. dev't. cost	\$9,948,487
Est. private funds leveraged	\$367,000
Est. other public funds	\$9,581,487
TOD metrics	Floor-area ratio:.78; dwelling units per acre: 43.17; distance to station: feet; residential parking ratio: .49 per unit; station area average block size: ; jobs/acre: 5.9
Comments/ Demonstration value	<ul style="list-style-type: none"> <li>• Model for housing youth currently experiencing homelessness in suburban communities with access to transit, educational opportunities, and jobs.</li> <li>• Innovative partnership model between city, developer, and local congregations.</li> <li>• Potential to catalyze similar supportive housing project in other suburban communities.</li> <li>• Innovative reuse of a former commercial building.</li> </ul>
Funding	
Requested amount	\$900,000
Use of funds	
Amount	Uses to be completed by 12/31/2017
\$900,000	Site Acquisition
<b>\$900,000</b>	<b>TOTAL</b>

## Livable Communities Project Summary

**Grant #** SG2015-  
**Type:** LCDA-TOD Development  
**Applicant:** City of St. Paul  
**Project Name:** Raymond Flats  
**Project Location:** Metro Green Line - Raymond Station  
**Council District:** 14- Jon Commers

Project Detail	
Project Overview	The City of St. Paul is partnering with Exeter Development to develop the Raymond Avenue Flats. The project consists of the addition of a 5-story residential structure to an existing obsolete commercial and industrial building. The Developer will rehabilitate the existing building to include structured parking, approximately 11,500 SF of retail and restaurant space and create 119 market rate apartments and attendant amenities in a new tower that will be built atop the existing structure.
Jobs (FTEs)	Regular: 38 (13 living wage); Temporary: 225
Net tax capacity increase	\$161,988
Total housing units	119
Affordable units	0
Anticipated # bedrooms	35 studio; 70 one bedroom; 14 two bedroom
Est. total development cost	\$23,308,015
Est. private funds leveraged	\$22,308,015
Est. other public funds	0
TOD metrics	Floor-area ratio: 3.12; dwelling units per acre: 120.2; distance to station: 578; residential parking ratio: .5; station area average block size:5.95 ; jobs/acre: 33.3
Comments/ Demonstration value	<ul style="list-style-type: none"> <li>• Model for increasing density while preserving a building that is contributing to the neighborhood historic district.</li> <li>• Model for adding energy efficiency components to a historic building.</li> <li>• Demonstrates TOD design principles including high density, mix of uses, improved pedestrian realm, activated streetscape, and low parking ratio.</li> </ul>
Funding	
Requested amount	\$1,000,000
Previous LCA funding	None
Use of funds	
Amount	Uses to be completed by 12/31/2017
\$20,000	Bike racks, storage, fix it stations
\$30,000	Architectural/engineering to support grant funded activities
\$503,000	Stormwater improvements (Green roof)
\$42,000	Utility updates (Storm sewer and utility connections)
\$25,000	Sidewalks and trails
\$380,000	Installation of solar array
<b>\$1,000,000</b>	<b>TOTAL</b>