

Community Development Committee

Meeting date: October 17, 2016

For the Metropolitan Council meeting of October 26, 2016

Subject: 2016 Livable Communities Demonstration Account and Tax Base Revitalization Account Transit Oriented 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 six Livable Communities Demonstration Account Transit Oriented Development grants as follows, totaling \$4,750,000, (2) award two Livable Communities Tax Base Revitalization Account Transit Oriented Development grants as follows, totaling \$1,028,365, and (3) authorize its Community Development Division Director to execute the grant agreements on behalf of the Council:

Recommended Projects	Applicant	Points	LCDA-TOD	TBRA-TOD
Lexington Station	St. Paul	97.71	\$800,000	0
Great River Landing	Minneapolis	97.62	\$638,500	0
L&H Station	Minneapolis	93.43	\$1,361,500	0
Riverdale Station Apartments	Coon Rapids	93.15	\$985,000	0
Sanctuary on Vandalia	St. Paul	86.14	\$716,500	\$615,000
Union Flats (aka 2300 Territorial)	St. Paul	84.14	\$248,500	\$413,365
Total Recommended			\$4,750,000	\$1,875,000
Total Available			\$4,750,000	\$1,028,365
Total Remaining				\$846,635

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 2016 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, 2016, the Council received eight applications (six LCDA-TOD requests and two joint LCDA-TOD and TBRA-TOD requests). Staff evaluated the applications using criteria in the 2016 FDP. Six applications met the minimum Step One scoring threshold. The LCAC evaluated those six remaining applications. The LCAC is recommending funding for six 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. LCDA-TOD 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 \$2 million available for TBRA-TOD Cleanup and Site investigation grants to support the cleanup of soils and materials contaminated with asbestos and lead-based paint in projects applying for LCDA-TOD Development funding. TBRA-TOD Site Investigation grants are offered in the spring and the fall, with \$125,000 reserved for each of those rounds. No applications were received in the spring. Therefore, \$1,875,000 was available for TBRA-TOD projects.

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 2016 following adoption of the 2016 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, 2016. Ten PCPs were submitted. Staff provided comments on eligibility and alignment with Council objectives. The LCA-TOD design team, convened in May for a fourth year, reviewed the PCPs and provided constructive feedback to applicants before the final full application submittal.

Eight full applications were submitted on July 1st, 2016. 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. Two applications did not meet the minimum required 45-point scoring threshold and were found ineligible for further consideration, TOD Redevelopment and Repositioning at 147th Street and Garrett Avenue and Glazier Avenue (Apple Valley) and Ramsey Apartments (Ramsey).

The six 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. Six projects met the minimum required combined scoring threshold of 72 points. Housing Performance Scores for each city were added for final ranking.

The LCAC is recommending funding for the six LCDA-TOD requests, totaling \$4,750,000. Funding is also being recommended for two TBRA-TOD applications, totaling \$1,028,365. The remaining TBRA-TOD dollars will be available for award in this fall's upcoming TBRA round.

Full funding is being recommended for Lexington Station (St. Paul), Great River Landing (Minneapolis), and Riverdale Station (Coon Rapids). L&H Station (Minneapolis) is being recommended for a funding award less than their original request due to the \$2 million per City funding limit policy. Sanctuary on Vandalia (St. Paul) ranked slightly higher than Union Flats (St. Paul). The committee discussed and voted with the City's consent and encouragement to recommend splitting the remaining funds (\$965,000) between the two projects and recommending an award of \$716,500 to Sanctuary of Vandalia and \$248,500 to Union Flats (the amount needed for site acquisition of a rail spur adjacent to the project site). The committee is also recommending full funding of the requested TBRA-TOD funds for Sanctuary on Vandalia and Union Flats.

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 Development	8	6	6	4	4
Joint LCDA-TOD Development and TBRA-TOD	2	2	2	2	2
TOTAL	10	8	8	6	6

Table 2: Applicant Scoring Summary

Project	Applicant	Points	LCDA-TOD Amount Requested	TBRA-TOD Amount Requested	LCDA-TOD Recommendation	TBRA-TOD Recommendation
Lexington Station	St. Paul	98	\$800,000		\$800,000	
Great River Landing	Minneapolis	98	\$638,500		\$638,500	
L & H Station	Minneapolis	93	\$1,430,000		\$1,361,500	
Riverdale Station Apartments	Coon Rapids	93	\$985,000		\$985,000	
Sanctuary on Vandalia	St. Paul	86	\$1,400,000	\$615,000	\$716,500	\$615,000
Union Flats (aka 2300 Territorial)	St. Paul	84	\$1,175,000	\$413,365	\$248,500	\$413,365
Total Recommended					\$4,750,000	\$1,028,365
Total Available					\$4,750,000	\$8,750,000

Outcomes Summary

The table below shows the expected outcomes for the 2016 LCA-TOD investment in the Metro region.

Table 3: Expected outcomes of projects recommended for funding

Total Housing Units	
Affordable Housing Units (≤80% AMI)	878
Market Rate Housing Units	163
Total Jobs (FTEs)	
Regular (or permanent) Jobs	93
Temporary (or construction) Jobs	1200
Net Tax Capacity Increase: \$1,205,941	
Total Investment: \$235,447,984	
Private Investment Leveraged	\$200,330,932
Other Public Investment Leveraged	\$29,337,687
Parking	
Average Residential Parking Ratio	.78
Average Commercial Parking Ratio (1 space per "X" square feet)	8.53
Density	
Average Net Dwelling Units per Acre (DUPA)	84.5
Average Net Floor-Area Ratio (FAR)	1.56
Average Jobs per Acre (Regular and Temporary)	11.8

Projects not Recommended for Funding

Ramsey Apartments

Applicant: City of Ramsey

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

Rationale:

- Single use
- Minimal jobs
- Project lacked TOD design elements: design included a large surface parking lot, single use, inactive first floor
- Minimal connections within the station area

TOD Development and Repositioning at 147th Street and Garrett Avenue and Glazier Avenue

Applicant: City of Apple Valley

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

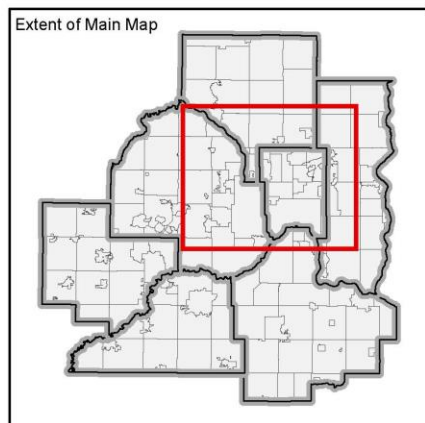
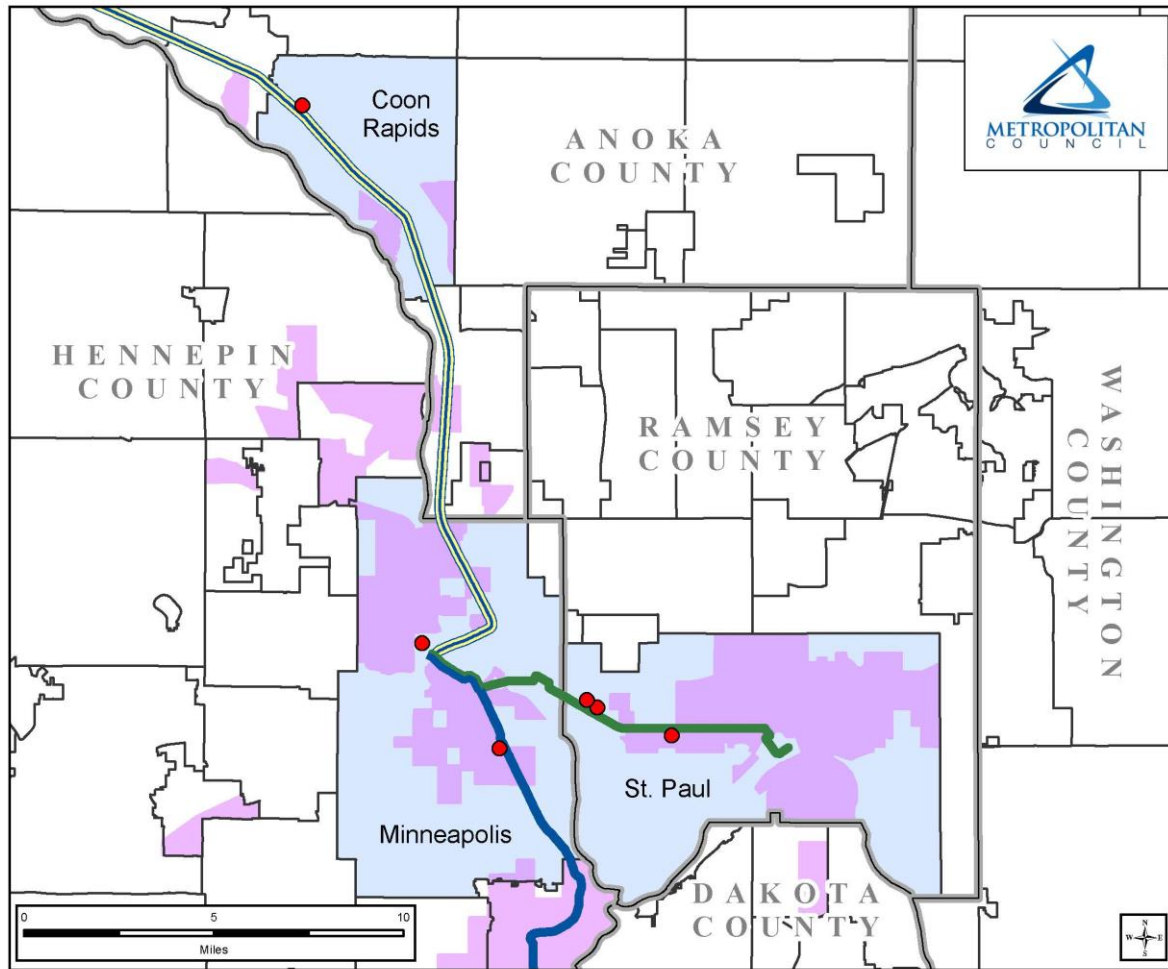
Rationale:

- The proposed large quantity of parking does not align with Bus Rapid Transit Oriented Development plan or LCA-TOD goals
- Project lacks TOD design elements
- Project included minimal affordable housing
- Sources and uses were incomplete; no secured funding/leverage to date
- No partnerships or plan in place for financing the affordable housing portion of the project

Projects Recommended for Funding




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

**Livable Communities 2016 Transit-Oriented Development Grants
Communities Recommended for Award**



Transitway

-  Blue Line
-  Green Line
-  Northstar Line

-  TOD Project Site
-  Areas of Concentrated Poverty
-  Community Recommended for Funding

10/13/2016

Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD Development
Applicant: St. Paul
Project Name: Lexington Station Apartments
Project Location: Green Line – Lexington Station
Council District: District 14 – Jon Commers

Project Detail	
Project Overview	The City of St. Paul is partnering with Michaels Development Company and CPM Companies to develop a new construction TOD community adjacent to Wilder Foundation that includes 243 units of housing with a mix of affordability from 30-60% AMI. Additionally, the developer will increase pedestrian connectivity by extending Fuller Avenue up to Lexington Pkwy and adding a signal to the new intersection. The Fuller extension will include a bike/pedway, and the new signalized intersection will allow people to safely cross Lexington Pkwy.
Jobs (FTEs)	Temporary (construction): 100 Permanent: 6
Net tax capacity increase	\$289,475
Total housing units	243
Affordable units	123 @ 30-50% AMI and 130 @ 51-60% AMI
Anticipated # bedrooms	106 Studio, 106 1BR, 31 2BR
Est. total development cost	\$39,269,069
Est. private funds leveraged	\$17,108,119
Est. other public funds	\$21,360,950
TOD metrics	Floor-area ratio: 2.18 Dwelling units per acre: 119 Jobs per acre: 2.4 Distance to station: 631 feet Residential parking ratio: .33 stall/unit
Comments/ Demonstration value	<ul style="list-style-type: none"> • The project incorporates TOD design features: low parking ratio, walk-up units, active first floor uses, oriented to station, bike racks, efficient land use, increased connections, and electronic transit travel trackers • Incorporates green design features: solar PVs, on-site food production, and rain gardens • Michael’s scholarship program will be available to residents; the program provides monetary support to residents who are seeking to advance their education • Potential to catalyze additional TOD investment and increased density within the Lexington Station area
Funding	
Requested amount	\$800,000
Use of funds	
Amount	Uses to be completed by 12/31/2019
\$800,000	Site acquisition
\$800,000	TOTAL

Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD Development
Applicant: City of Minneapolis
Project Name: Great River Landing
Project Location: 813 5th Street N, Minneapolis
Council District: District 7- Gary L. Cunningham

Project Detail	
Project Overview	Redevelopment of an underutilized lot in the North Loop neighborhood in downtown Minneapolis. Currently storing abandoned cars for a towing operating and a small garage, an approximately 45,000 square foot residential building is proposed. Great River Landing is an apartment building for up to 72 adults, most of them fathers, who have struggled with the challenges of homelessness, unemployment and/or previous incarceration. The tenants will have a home, a job and access to services promoting health and recovery. Project partners are Westminster Presbyterian Church, Plymouth Congregational Church and Better Futures Minnesota, an experienced provider of services and support to this group.
Jobs (FTEs)	Temporary (construction): 50 Permanent: 14
Net tax capacity increase	\$40,318
Total housing units	72
Affordable units	72 (All at or below 30% AMI)
Anticipated # bedrooms	72 Studios
Est. tot. development cost	\$ 18,661,860
Est. private funds leveraged	\$14,868,160
Est. other public funds	\$3,175,000
TOD metrics	Floor-Area Ratio: 1.72 Dwelling Units Per Acre: 114 Jobs Per Acre: 29 Distance to Station: 631 feet Residential Parking Ratio: .38 stall/unit
Comments/ Demonstration value	<ul style="list-style-type: none"> Innovative partnership between developer, faith-based organization, and social service provider Demonstrative community engagement process which included focus groups with potential tenants to impact site and building design TOD design features: compact land use, low parking ratio, active first floor uses
Funding	
Requested amount	\$638,500
Previous LCA funding	\$500,000
Use of funds	
Amount	Uses to be completed by 12/31/2019
\$207,500	Site acquisition
\$10,375	Holding costs (5%)
\$4,500	Street, curb, gutter to fill in existing driveway apron
\$124,000	Utilities
\$135,000	Stormwater improvements
\$17,175	Project coordination of grant activities
\$139,950	Site preparation
\$638,500	TOTAL

Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD Development
Applicant: City of Minneapolis
Project Name: L&H Station Phase I
Project Location: Blue Line – Lake/Hiawatha
Council District: District 8 - Cara Letofsky

Project Detail	
Project Overview	In partnership with the City of Minneapolis and Hennepin County, Saturday Properties will be developing L&H Station Phase I. They will acquire air rights over the Hennepin Co. underground parking ramp to construct 114 units of affordable/workforce housing. The project will include several stormwater amenities including a green roof and a private street with pervious pavers and tree trenches. The private street will also serve as an important connection for pedestrians and bicyclists to access the station.
Jobs (FTEs)	Temporary (construction): 150 Permanent: 4
Net tax capacity increase	\$246,250
Total housing units	114
Affordable units	114 @ 61-80% AMI
Anticipated # bedrooms	11 Studios, 74 1BR, 29 2BR
Est. tot. development cost	\$18,320,687
Est. private funds leveraged	\$16,959,187
Est. other public funds	\$0
TOD metrics	Floor-area ratio: 2.22 Dwelling units per acre: 110.46 Jobs per acre: 3.9 Distance to station: 528 feet Residential parking ratio: 1
Comments/ Demonstration value	<ul style="list-style-type: none"> • Affordable units at 60-80% AMI, a product that does not currently exist in the station area, cited as a specific need by the neighborhood • Unique public/private partnership • Demonstrative community engagement process in partnership with Corcoran Neighborhood, including a community benefits agreement • Project includes several TOD design features: shared parking, bicycle parking, and large ground floor windows.
Funding	
Requested amount	\$1,430,000
Award amount	\$1,361,500
Use of funds	
Amount	Uses to be completed by 12/31/2019
\$1,140,000	Site Acquisition
\$175,000	Stormwater management including green roof
\$46,500	Utilities
\$1,361,500	TOTAL

Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD Development
Applicant: City of Coon Rapids
Project Name: Riverdale Station Apartments
Project Location: NorthStar – Riverdale Station
Council District: District 9 – Edward Reynoso

Project Detail	
Project Overview	The City of Coon Rapids in partnership with Sherman Associates is proposing the first new multi-family housing development in Coon Rapids in 25 years. Riverdale Station Apartments is Phase I of a 15 acre redevelopment adjacent to the Riverdale LRT into a 245 mixed-income apartments, 2,000 to 5,000 square feet of retail space and public walking trail to adjacent shopping center. The development will bring additional users to this highly-visible and accessible site, provide a variety of mixed-income housing opportunities, handle public/private storm water needs and enhance Riverdale Station as an amenity through better access and visibility.
Jobs (FTEs)	Regular: 4 Temporary (construction): 450
Net tax capacity	\$358,500.00
Total housing units	245
Affordable units	82 affordable (48 @31-50%AMI and 7@or below 30%AMI)
Anticipated # bedrooms	106 1BR, 118 2BR, 19 3BR
Est. total development cost	\$56,477,506
Est. private funds	\$53,496,506
Est. other public funds	\$2,000,000
TOD metrics	Floor-area ratio: .50 Dwelling units per acre: 16 Jobs per acre: .5 Distance to station: 510 feet Residential parking ratio: 1.37
Comments/ Demonstration value	<ul style="list-style-type: none"> • Redevelopment an underutilized parcel of land adjacent to a transit station into mixed-use and mixed income residential neighborhood • TOD design features include: utilizing Metro Transit technology to communicate real-time transit information to residential community, walk up units, trail connections to existing commercial/retail, and retail space • First phase of a multi-phase development with the potential for a shared stormwater management system.
Funding	
Requested amount	\$985,000
Previous LCA funding	None
Use of funds	
Amount	Uses to be completed by 12/31/2019
\$10,000	Public bike racks and fix-it station
\$10,000	Permanent benches, tables, Metro Transit electronic schedule/monitors
\$475,000	Stormwater improvements (including stormwater related landscaping)
\$15,000	Public Plaza with public art component
\$50,000	Sidewalks and trails
\$395,000	Streets, curb, and gutter
\$985,000	TOTAL

Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD Development and TBRA-TOD Cleanup
Applicant: City of St. Paul
Project Name: Sanctuary on Vandalia
Project Location: Green Line- Raymond Station Area
Council District: District 14 - Jon Commers

Project Detail	
Project Overview	The Sanctuary at Vandalia brings together a development collaboration between the City of St. Paul, Aeon and SCA Properties. The project will result in the redevelopment of two underutilized commercial buildings into a thriving community for seniors. Located two blocks from the Raymond Avenue Green Line Station, the development will be 100% affordable and provide 151 homes for seniors and 61 skilled care jobs to meet the needs of the residents.
Jobs (FTEs)	Temporary (construction): 200 Permanent: 61
Net tax capacity increase	\$68,898
Total housing units	151
Affordable units	151 affordable @51-60 % AMI
Anticipated # bedrooms	97 Studios, 54 1br
Est. total development cost	\$37,807,888
Est. private funds leveraged	\$34,334,888
Est. other public funds	\$2,141,534
TOD metrics	Floor-area ratio:.92 Dwelling units per acre: 84 Jobs per acre: 34 Distance to station:1598 feet Residential parking ratio: .22 stall/unit
Comments/ Demonstration value	<ul style="list-style-type: none"> • The project will be the first of its kind within St. Paul; utilizing a financing model that combines non-competitive 4% low-income housing tax credits and the Medicaid Elderly Waiver program to provide on-site senior services, meals, and programming. • The project brings 61 new jobs to the station area • Green design features will include on-site stormwater management and ample green space to a nearly impervious site • The project will bookend the station area, potentially catalyzing additional investments between this site and the station
Funding	
Requested amount	LCDA-TOD: \$1,400,000, TBRA-TOD: \$615,000
Award amount	LCDA-TOD: \$716,500, TBRA-TOD: \$615,000
Previous LCA funding	None
Use of funds	
Amount	Uses to be completed by 12/31/2019
\$716,500	LCDA-TOD: Site acquisition
\$615,000	TBRA-TOD: Soil remediation, tank removal, asbestos abatement, final reporting
\$1,331,500	TOTAL

Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD Development and TBRA-TOD Cleanup
Applicant: City of St. Paul
Project Name: Union Flats (aka 2300 Territorial)
Project Location: Green Line – Raymond Avenue Station
Council District: District 14 - Jon Commers

Project Detail	
Project Overview	The City of St. Paul is partnering with Dominion Development to redevelop an underutilized industrial site into a high density new construction affordable housing development which includes common areas and one story of underground parking. The project includes 216 affordable units. The proposal also includes creating a public linkage up to Territorial Road from Charles Avenue, bicycle amenities, two small pocket parks, and an enhanced pedestrian environment.
Jobs (FTEs)	Regular: 4 Temporary Construction: 250
Net tax capacity increase	\$202,500
Total housing units	216
Affordable units	216 affordable @ 60 % AMI or below
Anticipated # bedrooms	85 – 1BR, 84 – 2BR, 47 3BR
Est. total development cost	\$64,905,974
Est. private funds leveraged	\$63,583,872
Est. other public funds	\$660,203
TOD metrics	Floor-area ratio: 1.84 Dwelling units per acre: 64 Distance to station: 902 feet Residential parking ratio: 1.37 Jobs/acre: 1.2
Comments/ Demonstration value	<ul style="list-style-type: none"> • The project increases housing diversity into the station area by adding 47 three- bedroom units, a high demand product throughout the region • Conversion of an existing rail spur into a public pedestrian amenity and walkway • The project is located two blocks off of University Avenue, potential to catalyze additional development in the station area beyond University Avenue
Funding	
Requested amount	LCDA-TOD: \$1,175,000, TBRA-TOD: \$413,365
Award amount	LCDA-TOD: \$248,500, TBRA-TOD: \$413,365
Previous LCA funding	None
Use of funds	
Amount	Uses to be completed by 12/31/2019
\$248,500	LCDA-TOD: Site acquisition (Land value associated with rail spur for pedestrian access/walkway)
\$413,365	TBRA-TOD: Soil remediation, abatement, monitoring/testing, RAP implementation
\$679,865	TOTAL