

## Minutes of the

### REGULAR MEETING OF THE COMMUNITY DEVELOPMENT COMMITTEE

Monday, November 20, 2017

**Committee Members Present: Cunningham, Barber, Commers, Dorfman, Elkins, Kramer, Munt, Wulff**

**Committee Members Absent: Chávez**

**Committee Members Excused:**

### CALL TO ORDER

A quorum being present, Committee Chair Cunningham called the regular meeting of the Council's Community Development Committee to order at 4:00 p.m. on November 20, 2017.

### APPROVAL OF AGENDA AND MINUTES

It was moved by Elkins, seconded by Munt to approve the agenda. Motion carried.

It was moved by Munt, seconded by Commers to approve the minutes of the Monday, November 6, 2017 regular meeting of the Community Development Committee. Motion carried.

### BUSINESS - Consent

**2017-256** Parks Acquisition Opportunity Fund Grant for Baker to Carver Regional Trail (Kucher), Environment and Natural Resources Trust Fund, Three Rivers Park District

It was moved by Wulff, seconded by Elkins, that the Metropolitan Council:

1. Approve a grant of up to \$250,274 to Three Rivers Park District to acquire the Kucher parcels at 3910 and 3940 Farmhill Circle in Minnetrista for Baker to Carver Regional Trail;
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council;
3. Consider reimbursing Three Rivers Park District for up to \$83,425 from its share of a future Regional Parks Capital Improvement Program for costs associated with this acquisition; and
4. Inform Three Rivers Park District that the Council does not under any circumstances represent or guarantee that the Council will grant reimbursement in the future and a Regional Parks Implementing Agency is not entitled to reimbursement because of the expenditure of local funds.

**Motion carried.**

The Community Development Committee recommended approval of the proposed action without questions or discussion as part of its consent agenda.

**2017-257** Park Acquisition Opportunity Fund Grant for Lake Rebecca Park Reserve (Kunkel), Parks and Trails Legacy Fund, Three Rivers Park District

It was moved by Wulff, seconded by Elkins, that the Metropolitan Council:

1. Approve a grant of up to \$302,944 to Three Rivers Park District to acquire the Kunkel parcel at 8580 Rebecca Park Trail for Lake Rebecca Park Reserve;
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council;
3. Consider reimbursing Three Rivers Park District for up to \$100,981 from its share of a future Regional Parks Capital Improvement Program for costs associated with this acquisition; and
4. Inform Three Rivers Park District that the Council does not under any circumstances represent or guarantee that the Council will grant reimbursement in the future and a Regional Parks Implementing Agency is not entitled to reimbursement because of the expenditure of local funds.

**Motion carried.**

The Community Development Committee recommended approval of the proposed action without questions or discussion as part of its consent agenda.

**2017-264** City of Blaine Lexington Meadows Senior Housing Comprehensive Plan Amendment, Review File No. 20501-8

It was moved by Wulff, seconded by Elkins, that the Metropolitan Council:

1. Adopt the attached Review Record and allow the City of Blaine to place the Lexington Meadows Senior Housing Comprehensive Plan Amendment (CPA) into effect.
2. Find that the proposed amendment does not change the City’s forecasts.
3. Advise the City to implement the advisory comments in the Review Record for Land Use.

**Motion carried.**

The Community Development Committee recommended approval of the proposed action without questions or discussion as part of its consent agenda.

**BUSINESS – Non-Consent**

**2017-263** Project Based Voucher Award Recommendations – Metro HRA Director Terri Smith presented the business item to the Community Development Committee.

It was moved by Munt, seconded by Dorfman, that the Metropolitan Council approve the award of Project Based Voucher (PBV) assistance and authorize staff to execute the necessary documents with the project owners for the following four (4) projects:

Project	City	Total Units in Project	PBV Award
Edison	Roseville	58	4
The Mariner	Minnetonka	55	4
Waconia Townhomes	Waconia	2	2
Wayzata Portfolio	Wayzata	14	6

The Council’s Housing and Redevelopment Authority (Metro HRA) administers 6,502 Housing Choice Vouchers. The majority of these vouchers are tenant-based and move from place to place with the tenant. HUD allows housing authorities the discretion to Project Base up to twenty percent (20%) of

their vouchers. PBV ties the rental assistance to a specific unit instead of to a tenant. PBVs may be tied to new construction, rehabilitated or existing housing units.

The Metro HRA has awarded 681 PBV units in 39 separate projects to date located in 30 cities throughout Anoka, Carver, Hennepin, Ramsey and Washington Counties. Units awarded PBVs must:

- be occupied by households at or below 50% of area median income;
- have rents that are reasonable and within the rent limits established by the housing authority;
- meet health and safety inspection standards set by HUD.

The PBV program is marketed to interested owners/developers as part of Minnesota Housing Finance Agency's (MHFA) Consolidated Request for Proposal (RFP) process. The process provides a centralized means for developers to access a variety of funds to assist in affordable housing development, acquisition or rehabilitation.

Proposals ranked high enough to receive other requested funding to ensure financial feasibility are then ranked by the Metro HRA based on the PBV selection criteria outlined in the HRA's Administrative Plan including:

- Owner experience;
- Extent to which the project furthers the goal of deconcentrating poverty;
- To promote projects that are located outside of Areas of Concentrated Poverty;
- To increase the supply of affordable housing;
- To contribute to the long-term viability of the metro area housing stock;
- To integrate housing and tenant services such as education, job training and self-sufficiency;
- To promote the provision of services for special needs tenants;
- To encourage economic integration;
- To encourage housing for larger families;
- Extent to which the project promotes linkages among housing, jobs and transportation;
- Extent of community support.

There were 8 applications that requested a total of 46 PBVs during this funding round. Four projects (34 units) were determined not to be financially feasible by MHFA and are not being recommended for PBVs. Staff found the remaining four projects (16 units) meet the necessary criteria and recommend PBV awards

**Motion carried.**

A Committee member asked Ms. Smith for a definition of long term homelessness and the need for housing for single people. Ms. Smith responded three episodes of homelessness in one year and there are some partnerships with coordinated entry, such as school districts.

**2017-265** 2017 Livable Communities Act Local Housing Incentives Account Funding Recommendations Senior Planner Ryan Kelley presented the business item to the Community Development Committee. It was moved by Munt, seconded by Commers, That the Metropolitan Council (1) award six multifamily rental and four single family ownership Local Housing Incentives Account (LHIA) grants as follows, totaling \$2.4 million, and (2) authorize its Community Development Division Director to execute the grant agreements on behalf of the Council:

**Multifamily Rental and Single-Family Ownership Proposals (units directly assisted by LHIA)**

Project	City/Applicant	New Affordable Units	Units to be Preserved	LHIA Funding Recommendation
Aeon Prospect Park	Minneapolis	70		\$382,000
Dundry-Hope Block Stabilization Phase II	Minneapolis		30	\$400,000
Minnehaha Commons	Minneapolis	43		\$250,000
Park 7	Minneapolis	61		\$400,000
The Mariner	Minnetonka	55		\$210,500
Boulevard	Mounds View	60		\$500,000
<b>Sub-total Rental:</b>		<b>289</b>	<b>30</b>	<b>\$2,142,500</b>
Project for Pride in Living	Minneapolis	10		\$120,000
Neighborhood Development Alliance	St. Paul	3		\$60,000
Carver County Community Development Authority Land Trust	Waconia	1		\$10,000
West Hennepin Affordable Housing Land Trust	Western Hennepin Co	4		\$67,500
<b>Sub-total Ownership:</b>		<b>18</b>	<b>0</b>	<b>\$257,500</b>
<b>TOTAL</b>		<b>307</b>	<b>30</b>	<b>\$2,400,000</b>

The Metropolitan Council collaborated with the Minnesota Housing Finance Agency, as well as the Greater Minnesota Housing Fund and the Department of Employment and Economic Development, to solicit and evaluate requests for funding in support of new and/or rehabilitated affordable housing through the Local Housing Incentives Account (LHIA) of the Livable Communities Act (LCA). Minnesota Housing issues the Consolidated Request for Proposals (RFP) and conducts a preliminary completeness and eligibility review based on criteria approved by the governing bodies of each of the funding partners, including the Metropolitan Council through its 2017 LCA Fund Distribution Plan. All eligible applications are reviewed by a selection committee consisting of representatives of the funding partners, including staff from Minnesota Housing, Hennepin County, the Federal Home Loan Bank and the Metropolitan Council. The selection committee rates the applications on the proposer’s organizational capacity to deliver the project, the financial feasibility of the proposal and the overall match with funding partner priorities. The selection committee allocates funds to each proposal based on its composite rank and by making the best use of each of the partners’ funding sources. Not all applications received through the consolidated RFP process request LHIA funding. Additionally, not all available sources of funding are as flexible as the LHIA funds. In some cases, projects that fit well with the goals of the Livable Communities Act are not awarded LHIA funds because other funds offered by one of the other funding partners fit the project better.

**Motion carried.**

Committee members asked how many of the home ownership projects will be permanently affordable and what effect the pending federal tax proposal would have on projects like the ones recommended for funding. Staff will prepare responses to those questions.

**2017-266** City of Maple Plain Additional Extension Request and Project Change to Livable Communities Demonstration Account Grant SG012-118, Maple Plain Downtown Redevelopment – Livable Communities Manager Paul Burns presented the business item to the Community Development Committee.

It was moved by Commers, seconded by Wulff, that the Metropolitan Council: (1) approve a two-year extension and project change to Livable Communities Demonstration Account grant SG012-118 for the Maple Plain Downtown Redevelopment project; and (2) authorize its Community Development Director to execute an amendment on behalf of the Council.

The Council granted \$895,766 in Livable Communities Demonstration Account funds to the City of Maple Plain for their Downtown Redevelopment project in 2012. In its original application, the City of Maple Plain indicated that it planned to acquire and demolish an outdated convenience store and reconstruct an existing street grid and utilities to catalyze two commercial buildings with retail and a possible health care facility.

Livable Communities Act grant agreement terms are for three years with the possibility of an administrative extension of another two years upon demonstration of progress of the project. After the initial three-year grant agreement through December 2015, Council staff administratively extended the project to a full five-year term expiring on December 31, 2017.

The City of Maple Plain has indicated it worked diligently to implement the original development. It drew down grant funds to acquire the property and demolish an existing building. However, the City decided not to renew the development agreement it had with the original developer, due to the lack of progress by that developer.

The City has now entered into a development agreement with a new developer. The original project was to include two commercial buildings of one or two stories. The new project will be two buildings, with a City Hall and a possible county library on the first floors of the buildings, with two to three additional stories for at least 30 market-rate apartment units. There is a possibility of a small commercial redevelopment on a small adjacent property.

In addition to these changes in project scope, the City is now requesting another two-year extension to December 31, 2019 (for a total of seven years).

**Motion carried.**

Committee members commented on their support for extensions to grant applicants and to continue applying.

## **INFORMATION**

### 1. Livable Communities Funded Projects' Accomplishments (Paul Burns 651 602-1106)

When Livable Communities Act grant recommendations are presented, the focus is on the projects recommended for funding at that time. This presentation looks at the cumulative awards during this Council's tenure to date and will cover some of the outcomes envisioned and realized. And highlight a few of the projects funded.

## **ADJOURNMENT**

Business completed, the meeting adjourned at 5:05 p.m.

Michele Wenner  
Recording Secretary