

## Community Development Committee

Meeting date: December 3, 2018

For the Metropolitan Council meeting of December 12, 2018

**Subject:** Livable Communities Demonstration Account Pre-Development Grant Recommendation

**District(s), Member(s):** All

**Policy/Legal Reference:** Minnesota Statutes § 473.253

**Staff Prepared/Presented:** Hannah Gary, Senior Planner, Livable Communities (651) 602-1633

**Division/Department:** Community Development / Regional Planning

### Proposed Action

That the Metropolitan Council:

1. Authorize the transfer of \$174,600 from the Livable Communities Demonstration Account Development program to the Livable Communities Demonstration Account Pre-Development program;
2. Award three Livable Communities Demonstration Account Pre-Development grants for \$299,600 as listed below; and
3. Authorize its Community Development Division Director to execute the grant agreement on behalf of the Council

Recommended Project	Applicant	Award Amount
Upper Rice Street Site	City of Saint Paul	\$99,600
Ford Site Redevelopment	City of Saint Paul	\$100,000
Grain Belt Redevelopment	City of Minneapolis	\$100,000
Total Requested		\$299,600
Total Available		\$299,600
Total Remaining		\$0

### Background

The Livable Communities Act (LCA) supports Metropolitan Council priorities through the Livable Communities Demonstration Account (LCDA) by funding projects that create livable communities by connecting jobs, transit, services, and housing. The Council adopted the 2018 LCDA guidelines, criteria, schedule, and evaluation process as part of the 2018 Annual Livable Communities Fund Distribution Plan ([Business Item 2018-94](#)) on April 11, 2018. The Fund Distribution Plan re-established the Pre-Development grant funding category, with spring and fall grant cycles, within the regular LCDA. A team from the Community Development Division conducted a one-step review of the Pre-Development applications.

### Rationale

On November 1, 2018, the Council received three applications for the fall round of LCDA Pre-Development funding. Two applications, the Ford Site Redevelopment and the Upper Rice Street Site, came from the City of Saint Paul. The City of Minneapolis submitted one application for the Grain Belt Redevelopment. Council staff evaluated the

applications and determined that each met the minimum score requirement for funding.

### **Thrive Lens Analysis**

Projects that demonstrate efficient and effective use of public financial resources further the Thrive Stewardship Outcome.

Projects that redevelop and increase density further the Thrive Prosperity outcome of “[e]ncouraging redevelopment and infill development across the region.” All three projects would increase density and intensify land use on their respective development sites. Each project is an example of urban infill development.

Projects that provide a mix of housing affordability levels further the Thrive Equity outcome of “[c]reating real choices in where we live, how we travel, and where we recreate for all residents, across race, ethnicity, economic means, and ability.”

Projects that introduce more housing types and affordability levels in existing neighborhoods further the Thrive Livability outcome of “Providing housing and transportation choices for a range of demographic characteristics and economic means.” Each of the three projects recommended for funding adds to the diversity of housing options in both housing type and affordability.

### **Funding**

As outlined in the [Fund Distribution Plan](#), the Council has two rounds of LCDA Pre-Development funding in 2018, with \$125,000 available in each round. An additional \$1,962,996 remains in the LCDA account for 2018 funding in addition to the \$125,000 allocated for fall Pre-Development applications. Staff recommends that \$174,600 in available funds from the LCDA Development program be allocated to the LCDA Pre-Development program to fund all submitted requests. Each project has demonstration value, will be catalyzed by the Pre-Development funds, and furthers Thrive goals.

### **Known Support / Opposition**

Each applicant submitted a resolution of support from the City. There is some opposition to the Ford Site Redevelopment project broadly as well as wide support for the project. Both the developer and City staff have indicated they will continue to engage the community to develop a favorable plan. The requested LCDA Pre-Development funding, which will assist with an Alternative Urban Area Review, should help inform that engagement and decision-making process.

## Review Process

The Council issued a notice of funding availability in April 2018 following adoption of the 2018 Annual Livable Communities Fund Distribution Plan. Staff communicated the availability of funding and met with applicants to discuss the Livable Communities Act (LCA) processes, criteria, and best program fit for their projects.

Three applications were submitted, as shown in Table 1. Staff conducted a preliminary review for completeness and eligibility, then used Council-approved criteria to evaluate each application in the following areas: land use, local planning and implementation processes, demonstration value and catalyst, partnerships and readiness, and housing performance. Each application exceeded the minimum threshold of 30 points to be eligible for funding. Staff is recommending that all three projects receive full funding.

Table 1. LCDA Pre-Development Application Scoring Summary

Projects	Applicant	Points (70 pts. possible; minimum 30)	Amount Requested	Amount Recommended
Upper Rice Street Site	City of Saint Paul	59.5	\$99,600	\$99,600
Grain Belt Redevelopment	City of Minneapolis	57.5	\$100,000	\$100,000
Ford Site Redevelopment	City of Saint Paul	55	\$100,000	\$100,000
			Total Requested	\$299,600
			Total Available	\$299,600
			Total Remaining	\$0

## Project Recommended for Funding

A project summary for each of the recommended projects is on the following three pages.

## Project Summary

**Grant #**  
**Type:** LCDA Pre-Development  
**Applicant** City of Saint Paul  
**Project Name** Upper Rice Street Site  
**Project Location** 1459 Rice Street  
**Council District** District 14 – Jon Commers

<b>Project Detail</b>	
Future Development Project Overview	This is a mixed-use, mixed-income development on a currently underutilized site. The proposed project will add 60 housing units with a mix of market rate and affordable (to households earning 61%-80% of area median income) units, as well as a community space, public outdoor space, and office space. The project team has been engaging a wide variety of stakeholders, including current tenants, to determine visions and set priorities for the development.
Jobs (FTEs)	229
Total housing units	60
Comments/ Demonstration value	While this project is in very early stages, the initial community engagement process offers demonstration value. The development team is including residents, current employees, and other potential users of the space to create a design that will best suit the needs of future users. Placing a priority on culturally-relevant gathering space can also be a model for future development practices.
<b>Funding</b>	
Requested amount	\$99,600
Previous LCA funding	None
<b>Use of funds</b>	
Amount	Uses to be completed by the end of the grant term
\$9,600	Market Study
\$25,600	Design Workshops
\$34,400	Feasibility Analysis
\$26,000	Develop Site Plan
\$4,000	Stormwater Management Plan
\$99,600	Total

**Grant #**  
**Type:** LCDA Pre-Development  
**Applicant** City of Saint Paul  
**Project Name** Ford Site Redevelopment  
**Project Location** Ford Parkway and Mississippi River Boulevard  
**Council District** District 14 – Jon Commers

<b>Project Detail</b>	
Future Development Project Overview	This is a redevelopment of the 122-acre site previously home to the Ford plant. The project proposes a mix of affordable, market rate, rental, and ownership housing options. In addition to housing, the project will add an estimated 12 new businesses. Initial concept designs show wide pedestrian boulevards, connections to the river trails, and a stormwater management system that serves as a central amenity water feature.
Jobs (FTEs)	1,366
Total housing units	3,800
Comments/ Demonstration value	The project is a demonstration of integrating a larger development into an existing urban neighborhood. While the project is adding more density to the area, it will be well integrated into the existing pattern of development. Additionally, the stormwater management system seeks to re-create features of Hidden Falls and provide a large, central water amenity feature.
<b>Funding</b>	
Requested amount	\$100,000
Previous LCA funding	None
<b>Use of funds</b>	
Amount	Uses to be completed by the end of the grant term
\$100,000	Alternative Urban Area Review (AUAR)

**Grant #**  
**Type:** LCDA Pre-Development  
**Applicant** City of Minneapolis  
**Project Name** Grain Belt Redevelopment  
**Project Location** 13<sup>th</sup> Avenue NE and Marshall Street NE  
**Council District** District 8 – Cara Letofsky

<b>Project Detail</b>	
Future Development Project Overview	The City of Minneapolis released an RFP in 2017 to redevelop a 3.37-acre site in Northeast Minneapolis. The project includes a mix of housing, offering market rate, affordable rental, and affordable ownership options. Commercial space will include smaller spaces and flexible lease terms to provide affordable commercial rental opportunities as well. The project includes a pedestrian boulevard through the center of the site. The boulevard will connect to the river, housing and retail, and include pedestrian amenities like benches and lighting.
Jobs (FTEs)	Not yet determined
Total housing units	275
Comments/ Demonstration value	The project team is conducting early community engagement to guide the process. With rising rents for both housing and commercial space in the area, the affordable ownership options and affordable commercial spaces offer a demonstration of strategies to maintain affordability. The pedestrian mall is an example of integrating human-scaled design practices to create a welcoming environment.
<b>Funding</b>	
Requested amount	\$100,000
Previous LCA funding	None
<b>Use of funds</b>	
Amount	Uses to be completed by the end of the grant term
\$100,000	Solidify Conceptual Design