

## Community Development Committee

Meeting date: December 16, 2019

For the Metropolitan Council meeting of January 8, 2020

**Subject:** 2019 Livable Communities Demonstration Account Transit Oriented Development Funding Recommendation for Tabled Lexington Avenue Project

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

**Policy/Legal Reference:** Minn. Stat. § 473.253

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

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

### Proposed Action

That the Metropolitan Council:

1. Award one Livable Communities Demonstration Account Transit Oriented Development grant as shown in Table 1 below, totaling \$1,250,000.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council

Table 1. Recommended Projects

Project Name	Applicant	Points	LCDA-TOD Funding
Lexington Project	Saint Paul	94.20	\$1,250,000
<b>Total Recommended</b>			<b>\$1,250,000</b>
Total Available			\$3,068,200
Total Remaining			\$1,818,200

### Background

Recommendations for the 2019 Livable Communities Demonstration Account Transit Oriented Development grants were presented to the Community Development Committee on October 21, 2019 ([Business Item 2019-298](#)). Council staff received communication from neighborhood organizations near the Lexington Avenue project in the City of Saint Paul with concerns about the community engagement process associated with the project. The Council tabled the initial funding recommendation as a result of this communication to allow the City of Saint Paul to resolve community concerns before moving forward. Since that time, the City has submitted additional materials documenting their efforts to address those concerns.

### Rationale

Applications for LCDA-TOD Development grants were due July 11, 2019. Four applications from two cities were submitted to the LCDA-TOD Development program. Metropolitan Council staff evaluated the applications using criteria outlined in the 2019 Fund Distribution Plan. All four applications met the minimum Step One scoring threshold and moved on to the Step Two review conducted by the Livable Communities Advisory Committee, an external review body.

Three of the four applications were recommended for full funding, including the Lexington Avenue project from the City of Saint Paul. In light of neighborhood

concerns around the project, however, the recommendation was tabled as the City worked to address those concerns.

The City of Saint Paul provided staff with the following information outlining outreach efforts conducted after the decision to table the recommendation. The City has included plans to continue conversations with elected officials and neighborhood organizations in the project area.

- 11/18 – meeting with Mayor’s Office staff
- 11/18 – meeting with Deputy Mayor
- 11/20 – meeting with Ward 3 office
- 11/20 – meeting with Ward 6 office
- 11/20 – meeting with Ward 1 office
- 11/21 – meeting with Ward 5 office
- 11/21 – meeting with Ward 2 office
- 11/21 – meeting with Ward 4 office
- 11/21 – meeting with Ward 7 office
- 12/2 – meeting with developer
- 12/4 – meeting with Ward 1 office
- 12/9 – meeting with Ward 2 office
- Week of 12/9 – meeting with Ward 3 office
- 12/16 meeting with Ward 7 office
- Conversations with Met Council representatives, Wilder leadership

A primary concern of the neighborhood groups was the level of affordability included in the residential portion of the proposed development. City commitment to both the number of affordable units and levels of affordability is dependent on securing additional funding. The City is working with local elected officials to address this. The project team is working to secure several units at or below 30% of Area Median Income as well as units in the 50%-60% Area Median Income range.

In addition to including deeper levels of affordability the City is talking with the developer about accepting Section 8 vouchers and submitting an application for Project Based Vouchers through the Saint Paul Public Housing Agency Super RFP process in the summer of 2020.

### **Thrive Lens Analysis**

The Council’s investment in TOD projects responds directly to several Thrive outcomes.

- TOD funding will “leverage transit investments with higher expectations of land use” (Stewardship), providing a diversity of land uses in station areas while supporting increased ridership.
- This investment “encourages redevelopment and infill development” (Prosperity), adding a diversity of land uses, housing types and jobs supporting economic competitiveness over other regions.
- These projects provide a “mix of housing affordability along the region’s transit corridors” (Equity) and also “provide housing and transportation choices for a range of demographic characteristics and economic means” (Livability).
- TOD projects use land more efficiently and introduce a diversity of land uses in a smaller area, which in conjunction with transit access, allows more people to access more of their daily needs via walking, biking or transit, thereby reducing vehicular travel and associated auto infrastructure (Sustainability).

## **Funding**

The Council approved the Livable Communities Fund Distribution Plan on February 13, 2019 ([Business Item 2019-33](#)), making \$5 million dollars available for the LCDA-TOD program.

Of the \$5 million, up to \$500,000 was made available for pre-development grants, awarded in a spring and fall funding round, and \$4.5 million was made available for development grants awarded in one funding round. The Committee approved awards totaling \$1,431,800 on October 21, 2019. The remaining available balance available for LCDA-TOD projects is \$3,068,200. Any remaining funds may be made available for future awards.

## **Known Support / Opposition**

Staff was contacted by a representative of a neighborhood organization impacted by the Lexington Project with concerns about the public engagement process. The City of Saint Paul is working with the developer, elected officials, and neighborhood organizations to resolve these concerns.

## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCDA-TOD Development  
**Applicant:** City of Saint Paul  
**Project Name:** Lexington Project  
**Project Location:** 411-417 Lexington Parkway North  
**Council District:** 14 – Kris Fredson

Project Detail	
Project Overview	The project is proposing a mixed-use development with 226 residential units, a grocery store, street-level commercial space, a shared parking structure, and a community incubator space for small businesses and entrepreneurs. The project team will implement new management systems to reduce the overall cost of housing for residents.
Jobs (FTEs)	29 FTE, 18 total permanent living wage
Net tax capacity increase	\$448,606.54
Total housing units	226
Affordable units	12 @ 51-60% AMI
Anticipated # bedrooms	179 studio/1BR; 23 2BR; 24 3+BR
Est. total development cost	\$59,008,385
Est. private funds leveraged	\$57,758,385
Est. other public funds	\$0
TOD metrics	Floor-area ratio: 2.45 Dwelling units per acre: 109.71 Distance to station/stop: 560 feet Residential parking ratio: 0.75
Comments/ Demonstration value	<ul style="list-style-type: none"> <li>• Increasing density and intensity of land use on the project site</li> <li>• Improving the pedestrian experiencing by adding active ground floor uses and improving connections to nearby transit</li> </ul>
Funding Request	
\$1,250,000	TOTAL
\$450,000	Public Infrastructure: New Public Sidewalks/Trails; New Streets
\$600,000	Renewable Energy: Geothermal Systems
\$200,000	Stormwater Management: Infiltration/Storage Swales or Tanks