

Community Development Committee

Meeting date: October 21, 2019

For the Metropolitan Council meeting of November 13, 2019

Subject: Livable Communities Demonstration Account Transit Oriented Development Funding Recommendations

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 two Livable Communities Demonstration Account Transit Oriented Development grants as shown in Table 1 below, totaling \$1,431,800.
2. Table action on the Saint Paul Lexington Project until the City can demonstrate neighborhood concerns have been resolved, but no later than November 23, 2019.
3. 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
Bimosedaa	Minneapolis	97.64	\$1,000,000
L&H Phase III	Minneapolis	92.27	\$431,800
<i>Lexington Project</i>	<i>Saint Paul</i>	<i>94.20</i>	<i>\$1,250,000</i>
Total Recommended			\$1,431,800
Total Available			\$4,500,000
Total Remaining			\$3,068,200

Background

The Metropolitan Council has identified advancing Transit Oriented Development (TOD) along existing and planned transitways as a priority. The Livable Communities Act's (LCA) TOD grant category supports development activities in identified TOD areas. The Council adopted Livable Communities Demonstration Account (LCDA)-TOD program guidelines, criteria, schedule, and the evaluation process in the 2019 Fund Distribution Plan ([Business Item 2019-33](#)). The Fund Distribution Plan outlines a two-step evaluation process for LCDA-TOD Development grants. After a technical review by an interdivisional Council staff team (Step One), the Livable Communities Advisory Committee (LCAC) evaluates projects (Step Two) that meet the minimum Step One scoring threshold. The LCAC funding recommendations are then presented to the Community Development Committee for consideration.

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 LCAC.

The four applications reviewed by the LCAC requested over \$3.5 million. The LCAC is recommending fully funding two of the four LCDA-TOD grant requests. The grant request not recommended for funding did not meet the minimum combined score of 75 points to be recommended for funding. The Lexington Project recommendation is tabled as the City of Saint Paul resolves concerns with the neighborhood organizations.

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 \$1,431,800 being recommended by the LCAC leaves a remaining balance of \$3,068,200 in the LCDA-TOD funding for 2019. This amount can be available for the 2019 regular LCDA awards, currently scheduled to be considered by the Committee on November 18, the Fall pre-development funding round, or carried forward to next year.

Known Support / Opposition

Resolutions of support were received from each applicant community. There is no known opposition to the Bimosedaa project. There has been minimal opposition to the amount of parking and pedestrian access to the LRT station around the L&H Phase III project. The project team has indicated that they are working with the neighborhood organizations to address these concerns. Staff has been contacted by a representative of a neighborhood organization impacted by the Lexington Project with some concerns about the public engagement process. Their concerns do not appear to have been resolved.

Review Process

The Council issued a Notice of Funding Availability in March 2019 following adoption of the 2019 Annual Livable Communities Fund Distribution Plan. Staff subsequently scheduled meetings with potential applicants to provide information on the LCDA-TOD process, criteria, and to discuss project ideas.

Project Concept Plans (PCP), a shorter version of the full Development applications, were due on June 1, 2019. A total of five PCPs were submitted by the cities of Minneapolis and Saint Paul. Livable Communities staff reviewed the submissions and provided comments on eligibility, grant funded activities, and alignment with principles of TOD and Council objectives. Applicants were required this year to attend a brief meeting with LCA staff to discuss their PCP applications.

Staff convened an LCA design team again for the sixth year. The design team, a volunteer group of architects, landscape architects, and urban designers, reviewed projects in February and April, and provided suggestions for project improvements so that applicants could consider this feedback in their PCP submittal and ultimately their full application.

Four full applications were submitted on July 11, 2019. An interdivisional team of Council staff evaluated the applications using Council-approved Step One criteria in nine categories, including: housing; transit accessibility and walkability; ridership; jobs and economic competitiveness; TOD design; environmental design; and partnerships. All four applications met the minimum Step One score threshold of 45 points to move to the Step Two review (see the Fund Distribution Plan for more detail on the scoring criteria).

The Livable Communities Advisory Committee (LCAC) reviewed all four projects on the Step Two categories of TOD model/demonstration value, catalytic potential, and readiness. The Committee's scores, combined with scores from the Step One process, yielded a preliminary score. Three of the four projects met the minimum required combined scoring threshold of 75 points. The final ranking for each project included the Housing Performance Scores for each city. Two of the three projects meeting the minimum score are being recommended for full funding.

Table 2. 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	5	4	4	4	2

Table 3. Applicant Scoring Summary

Project	Applicant	Points	LCDA-TOD Amount Requested	LCDA-TOD Recommendation
Bimosedaa	Minneapolis	97.64	\$1,000,000	\$1,000,000
L&H Phase III	Minneapolis	92.27	\$431,800	\$431,800
Total			\$2,681,800	\$1,431,800
Available			\$4,500,000	\$4,500,000
Difference			\$1,818,200	\$3,068,200

Outcomes Summary

The table below shows the expected outcomes from the 2019 LCDA-TOD investment in the region.

Table 4. Aggregate Outcomes from 2019 TOD Development Grants

Total Housing Units	162
Affordable Housing Units (≤80% AMI)	162
Market Rate Housing Units	0
Total Jobs (FTEs)	13
Permanent FT Jobs	12
Temporary (or construction) Jobs	162
Net Tax Capacity Increase	\$144,480
Total Development Cost	\$44,162,756
Private Investment Leveraged	\$30,736,005
Other Public Investment Leveraged	\$11,994,951

Project Not Recommended for Funding

Did not meet Combined Minimum Score

Snelling Yards

Applicant: City of Minneapolis

Determination: Project did not meet the combined minimum score of 75 to be eligible for funding

Rationale:

- Single use project
- Questions about both the demonstration and catalytic value of the project
- The LCAC had concerns about how the two buildings would function as a cohesive, multi-generational development, as was presented in the application

Recommendation Tabled

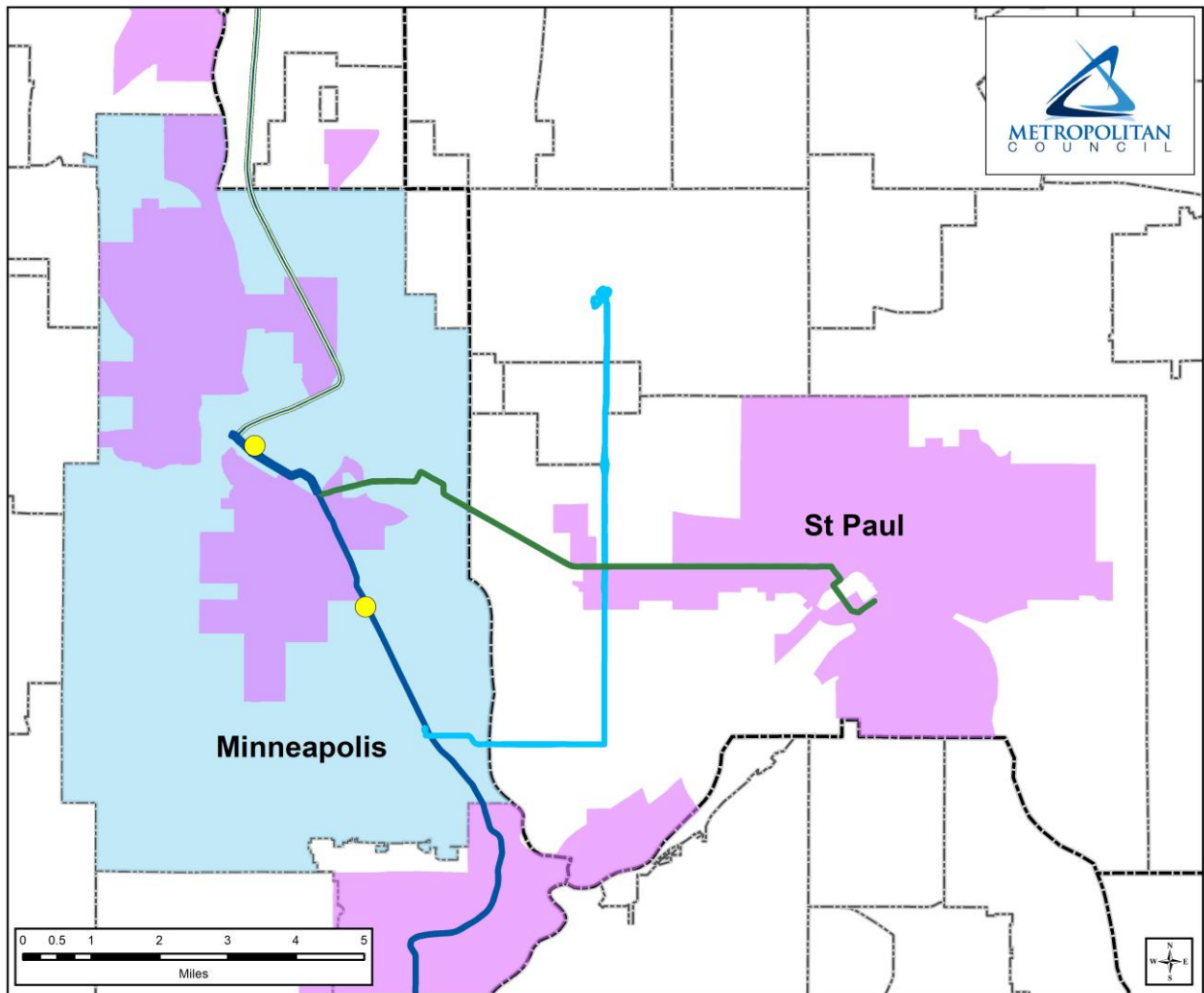
Lexington Project

Applicant: City of Saint Paul

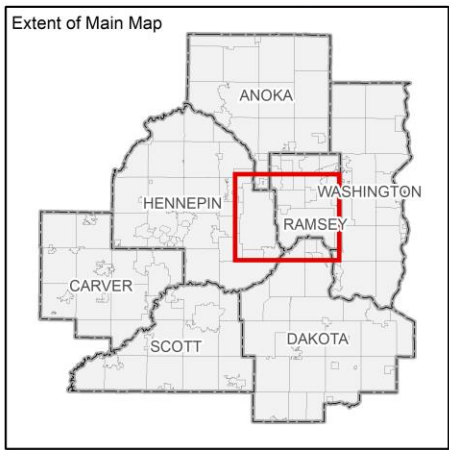
Rationale: There were concerns from the neighborhood organizations about the community engagement process conducted by the City. The funding recommendation for this project is tabled as the City works to resolve the concerns with the neighborhood organizations.

Projects Recommended for Funding

Livable Communities 2019 Transit-Oriented Development Grants Communities Recommended for Award



10/16/2019



- TOD Sites Recommended
- Transitways**
- A Line
- Blue / Green Line
- Blue Line
- Green Line
- Northstar Line
- Red Line
- Areas of Concentrated Poverty
- City Recommended for Award

Livable Communities Project Summary
Grant # SG
Type: LCDA-TOD Development
Applicant: City of Minneapolis
Project Name: Bimosedaa
Project Location: 16 4th Street N
Council District: 7 – Robert Lilligren

Project Detail	
Project Overview	This is an adaptive reuse of the former Film Exchange building in the Warehouse District of Minneapolis. The project will provide 48 units of permanent supportive housing for people experiencing homelessness, mental illness, and/or chemical dependency. Priority will be given to individuals with Native American tribal affiliation. The City and the developer are partnering with the Red Lake Nation to provide supportive services to residents.
Jobs (FTEs)	9 FTE, 9 total permanent living wage
Net tax capacity increase	\$1,770 decrease
Total housing units	48
Affordable units	10 @ <30% AMI; 38 @ 31-50% AMI
Anticipated # bedrooms	48 studio/efficiency
Est. total development	\$16,311,666
Est. private funds leveraged	\$11,306,715
Est. other public funds	\$4,004,951
TOD metrics	Floor-area ratio: 8.0 Dwelling units per acre: 436.36 Distance to station/stop: 733 feet Residential parking ratio: 0 stalls/unit
Comments/ Demonstration value	<ul style="list-style-type: none"> • This is a high-density project in a transit-rich location that does not include parking • There is environmental sustainability value in the adaptive reuse of a historic building • Demonstration value in the partnerships and service provider model incorporated into the project as well as including affordable housing in an area with rapidly rising housing costs
Funding Request	
\$1,000,000	TOTAL
\$1,000,000	Site Acquisition prior to award for affordable housing

Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD Development
Applicant: City of Minneapolis
Project Name: L&H Station Phase III
Project Location: 2225 E Lake Street
Council District: 8 – Abdirahman Muse

Project Detail	
Project Overview	This is the third phase of a four-phase project at the Lake Street Light Rail Station. Phase III will add 114 units of age-restricted affordable senior housing. The project also includes green roofs and a stormwater management system.
Jobs (FTEs)	4 FTE, 4 total permanent living wage
Net tax capacity increase	\$146,250
Total housing units	114
Affordable units	114
Anticipated # bedrooms	80 studio/1br; 34 2br
Est. total development	\$27,851,090
Est. private funds	\$19,429,290
Est. other public funds	\$7,990,000
TOD metrics	Floor-area ratio: 2.49 Dwelling units per acre: 129.55 Distance to platform: 282 feet Residential parking ratio: 0.45
Comments/ Demonstration value	<ul style="list-style-type: none"> • There is demonstration value in having age-restricted affordable housing near a major transit stop • This phase is catalytic to the final phase of the project. All phases of the project together create a dense urban area with a variety of housing options • The ongoing partnership between the developer and government entities is something that can be replicated
Previous LCA Funding: 2016 LCDA-TOD: \$1,361,500	
Funding Request	
\$431,800	TOTAL
\$200,100	Stormwater Management: Infiltration/Storage Swales or Tanks
\$192,500	Stormwater Management: Green Roof
\$39,200	Architectural/Engineering Fees: Stormwater Management