

Community Development Committee

Meeting date: December 7, 2020

For the Metropolitan Council meeting of December 23, 2020

Subject: Livable Communities Demonstration Account Pre-Development Funding Recommendations
District(s), Member(s): All
Policy/Legal Reference: Minnesota Statute § 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. Award two Livable Communities Demonstration Account Pre-Development grants for \$197,500 as shown in Table 1 below.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council.

Table 1. Livable Communities Demonstration Account Pre-Development Recommended Awards

Applicant	Recommended Project	Award Amount
City of Minneapolis	Downtown Longfellow	\$97,500
City of Saint Paul	The Hollows	\$100,000
Total Recommended:		\$197,500
Total Available:		\$250,000
Total Remaining:		\$52,500

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 2020 LCDA guidelines, criteria, schedule, and evaluation process as part of the 2020 Annual Livable Communities Fund Distribution Plan ([Business Item 2020-70](#)) on February 26, 2020. The Fund Distribution Plan provides for a one-step staff evaluation process for the LCDA Pre-Development grant funding. A team of staff from the Community Development Division reviews pre-development applications.

Rationale

On November 2, 2020, the Council received two applications for the fall round of LCDA Pre-Development funding. The City of Minneapolis and the City of Saint Paul submitted applications. The staff evaluation concluded that both applications met the minimum scoring threshold required for funding. Project details are included in the attached project summaries.

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.”

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 “[p]roviding housing and transportation choices for a range of demographic characteristics and economic means.”

Funding

Funds are available in the Livable Communities authorized 2020 budget and Livable Communities reserve accounts. Reserve funds may need to be amended into the authorized budget in Q3 or Q4 2020, if grantee draws are forecasted to exceed the authorized 2020 budget.

As outlined in the [Fund Distribution Plan](#), the Council has two rounds of LCDA Pre-Development funding in 2020, with up to \$250,000 available in each round. \$50,000 of remaining LCDA-TOD Pre-Development funding was allocated in the spring round to fund all four projects that were submitted. \$250,000 remained in the LCDA Pre-Development account for the fall cycle. Remaining funds from this Pre-Development cycle will be available for future programming.

Known Support / Opposition

Both applicants have submitted a resolution of support from their City Council. There is no known opposition to either project.

Review Process

The Council issued a notice of funding availability in March 2020 after adopting the 2020 Annual Livable Communities Fund Distribution Plan. Staff distributed information about funding availability and met with applicants to discuss the LCA processes, criteria, and best program fit for their projects.

Two applications were submitted, as shown in Table 2. Council staff conducted a preliminary review for completeness and eligibility, then used Council-approved criteria to evaluate each application in the following areas: Livable Communities Act goals, Readiness, Demonstration Value, Catalytic Value, and Partnerships and Process. Each application exceeded the minimum threshold of 30 points to be eligible for funding. Staff is recommending that both projects receive full funding.

Table 2. LCDA Pre-Development Application Scoring Summary

Applicant	Project	Points (60 pts. possible; minimum 30)	Amount Requested	Amount Recommended
City of Minneapolis	Downtown Longfellow	51	\$97,500	\$97,500
City of Saint Paul	The Hollows	38.5	\$100,000	\$100,000

Total Requested: \$197,500
Total Recommended: \$197,500
Total Available: \$250,000
Total Remaining: \$52,500

Projects Recommended for Funding

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

Grant #
Type: LCDA Pre-Development
Applicant City of Minneapolis
Project Name Downtown Longfellow
Project Location East Lake St and 27th Avenue S
Council District 8 - Muse

Project Detail	
Future Development Project Overview	The project is exploring adding mixed-income housing on a group of parcels that were previously lower density commercial, providing a new destination public plaza, and hopefully closing alley and driveway curb cuts that empty onto Lake Street. The project also seeks to partially address the dead end bikeway of 29th Avenue South on an uncontrolled intersection with East Lake Street, 1.5 blocks to the east of the site.
Project Comments	The City is working closely with property owners and community organizations to develop a plan to include those most impacted in the development process. The current scope would increase housing choice, increase density, improve connections, and enhance the public realm.
Funding	
Requested amount	\$97,500
Previous LCA funding	None
Use of funds	
Total Award: \$97,500	
Amount	Uses and Deliverables to be completed by the end of the grant term
\$7,500	Market Study Deliverables: Building finishing cost estimates; ownership structure and draft RFP for partner selection; proposed sources and uses
\$18,750	Site Plan Development Deliverables: Final site plan(s) agreed upon by involved partners
\$22,500	Feasibility Study Deliverables: Building Feasibility and Partnership/Wealth Building Models
\$37,500	Sustainability Consulting Deliverables: A detailed stormwater approach that considers the rooftop garden, a workable multifunctional plaza design, and other sustainability goals
\$11,250	Community Engagement and Impact Analysis Deliverables: Documentation of workshops, results of international design collaboration, and community benefits agreement draft and approach if determined necessary. Documentation of how community input and equity analysis was incorporated into project.

Grant #
Type: LCDA Pre-Development
Applicant City of Saint Paul
Project Name The Hollows
Project Location 520 Payne Ave
Council District 13 – Lee

Project Detail	
Future Development Project Overview	The proposed development is a 4 story, 54-unit multi-family, 60% AMI building that will consist of one and two bedrooms. The workforce housing development will have underground parking, a community room, fitness room, and a tot lot.
Comments/ Demonstration value	The proposed project will bring additional affordable housing to the area and provide additional housing choices.
Funding	
Requested amount	\$100,000
Previous LCA funding	TBRA Pilot - \$13,200
Use of funds	
Total Award: \$100,000	
Amount	Uses to be completed by the end of the grant term
\$35,000	Financial Planning Deliverables: Financial model that reflects the total development cost
\$10,000	Travel Demand Management Plan Deliverables: Final Travel Demand Management plan
\$40,000	Development of Site Plans Deliverables: Fully designed plan for relocation of two easements that power Cell Tower east of the site. and stop lights on Payne
\$15,000	Market Study Deliverables: Final market study