

Community Development Committee

Meeting date: June 15, 2020

For the Metropolitan Council meeting of June 24, 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

Option One: That the Metropolitan Council:

1. Award four Livable Communities Demonstration Account Pre-Development grants for \$300,000 as shown in the table below.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council.

Applicant	Recommended Project	Award Amount
Brooklyn Park EDA	Brooklyn Park Business Incubator	\$100,000
City of Saint Paul	375 Selby Ave – YWCA	\$100,000
City of Richfield	Penn Avenue Redevelopment	\$50,000
City of Brooklyn Center	61 st and Brooklyn Blvd	\$50,000
Total Recommended:		\$300,000
Total Available:		\$300,000
Total Remaining:		\$0

Option Two: That the Metropolitan Council:

1. Award three Livable Communities Demonstration Account Pre-Development grants for \$300,000 as shown in the table below.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council.

Applicant	Recommended Project	Award Amount
Brooklyn Park EDA	Brooklyn Park Business Incubator	\$100,000
City of Saint Paul	375 Selby Ave – YWCA Redevelopment	\$100,000
City of Richfield	Penn Avenue Redevelopment	\$100,000
Total Recommended		\$300,000

Total Available	\$300,000
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 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 May 1, 2020, the Council received four applications for the spring round of LCDA Pre-Development funding. The City of Brooklyn Center, Brooklyn Park Economic Development Authority, the City of Richfield, and the City of Saint Paul all submitted applications. The staff evaluation concluded that all four applications met the minimum scoring threshold required for funding. Project details are included in the attached project summaries.

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. Staff recommends that \$50,000 in available funds from the spring round LCDA Transit Oriented Development Pre-Development grant funding category be allocated to the LCDA Pre-Development grant funding category. Of the two funding options presented, staff is recommending Funding Option One. All four applications presented projects that will further Livable Communities Act goals and offer demonstration value to the region. Due to the oversubscription of funds, staff is recommending that the lowest two scoring projects receive partial funding as it is not possible to fully fund each. Staff found merit in each project and believe that partial funding will support each project moving forward.

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 “Providing 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.

Known Support / Opposition

All applicants have submitted a statement of support from their City Council or other authorizing body. City Council resolution requirements will be accepted at a later date in light of the current pandemic.

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.

Four applications were submitted, as shown in Table 1. 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 all four projects receive full or partial funding.

Table 1. LCDA Pre-Development Application Scoring Summary

Applicant	Project	Points (60 pts. possible; minimum 30)	Amount Requested	Option One Amount Recommended	Option Two Amount Recommended
Brooklyn Park EDA	Brooklyn Park Business Incubator	49.5	\$100,000	\$100,000	\$100,000
City of Saint Paul	375 Selby - YWCA	47.5	\$100,000	\$100,000	\$100,000
City of Richfield	Penn Ave Redevelopment	40	\$100,000	\$50,000	\$100,000
City of Brooklyn Center	61 st and Brooklyn Blvd	39.5	\$100,000	\$50,000	\$0

Total Requested:	\$400,000	\$400,000
Total Recommended:	\$300,000	\$300,000
Total Available:	\$300,000	\$300,000
Total Remaining:	\$0	\$0

Project Recommended for Funding

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

Grant #
Type: LCDA Pre-Development
Applicant Brooklyn Park EDA
Project Name Brooklyn Park Business Incubator
Project Location Brooklyn Boulevard Corridor, near Intersection of West Broadway Ave and Brooklyn Boulevard
Council District 2 – Reva Chamblis

Project Detail	
Future Development Project Overview	The proposed project is to develop a small business center providing affordable commercial and retail space for entrepreneurs in Brooklyn Park including access to technical assistance for new and expanding businesses. The project would repurpose a currently vacant space into a business incubator.
Comments/ Demonstration value	Demonstration value in providing affordable commercial space for local businesses and viewing the business incubator as a strategy for displacement mitigation. Project was determined through community engagement and outreach. The proposal would bring a new use to the area and repurpose a currently vacant lot.
Funding	
Requested amount	\$100,000
Previous LCA funding	None
Use of funds	
Total Award: \$100,000	
Amount	Uses and Deliverables to be completed by the end of the grant term
\$25,000	Project Planning: Define needs, leasing structure; conduct community engagement Deliverables: Location options; community engagement plan and/or other documentation; scope of space needs
\$25,000	Financial Analysis: Feasibility studies; market study to determine demand; initial proforma Deliverables: Market study; operating proformas for different space scenarios
\$50,000	Space Analysis: Identify spaces; space design; engagement with potential tenants; lease negotiations Deliverables: Lease negotiations; preliminary design drawings; identification of additional funding sources

Grant #
Type: LCDA Pre-Development
Applicant City of Saint Paul
Project Name 375 Selby – YWCA St. Paul Redevelopment
Project Location 375 Selby Avenue
Council District 14 – Kris Fredson

Project Detail	
Future Development Project Overview	The YWCA is seeking to build a new health & fitness center and administrative & program space on its current site. The project includes providing access to affordable and market rate housing on the site.
Comments/ Demonstration value	The development concept is likely to include many public benefits and additional investments. There is demonstration value in the learning potential of the project from including environmentally sustainable building practices to integrating housing with other community services and amenities.
Funding	
Requested amount	\$100,000
Previous LCA funding	None
Use of funds	
Total Award: \$100,000	
Amount	Uses to be completed by the end of the grant term
\$22,500	Community Engagement: Including community on future project design; host design workshops Deliverables: Community engagement plan and/or other documentation
\$7,500	Historic Building Evaluation: Determine historic assets and re-use options Deliverables: Final historic building evaluation
\$5,000	Soil Testing: Soil testing to inform feasibility and site planning. Limited to geotechnical work only. Deliverables: Reports of final soil testing analysis
\$65,000	Development of Site Plans: Develop site plans to include housing, fitness center, and program areas to best intensify the space. Deliverables: 2-3 concepts for the site plan

Grant #
Type: LCDA Pre-Development
Applicant City of Richfield
Project Name Penn Avenue Redevelopment
Project Location Penn Ave S and 65th Street W
Council District 5 – Molly Cummings

Project Detail	
Future Development Project Overview	The project is a multiphase development that consists of approximately 80-120 apartment units. The developer is committed to making 20% of the units affordable. Affordability levels have not yet been determined.
Comments/ Demonstration value	The proposed project would intensify the site and add affordable housing options to the community. The project is specifically looking at creating more accessible housing options for residents with disabilities.
Funding	
Requested amount	\$100,000
Previous LCA funding	None
Use of funds	
Total Award: \$50,000	
Amount	Uses to be completed by the end of the grant term
\$6,000	Site Plan Development: Affordability levels, unit mix, public connections, public infrastructure Deliverables: 3 site plan alternatives
\$4,000	Phasing Plan: Assess property acquisition timing and create phasing plan for the project Deliverables: Plan detailing how and when the potential additional 3 parcels can be integrated into the development
\$2,500	Community Engagement: Alternative activities to allow for virtual and/or small group involvement Deliverables: Community engagement plan and/or other documentation
\$5,500	Feasibility Study: Financial review to determine affordability, community space, and public infrastructure Deliverables: Final feasibility study
\$4,000	Market Study: Determine project program, housing affordability, stormwater management, transit Deliverable: Final market study
\$4,500	Stormwater Management Plan: Determine stormwater processing, retention, and outflow plans for the site Deliverables: Final stormwater management plan
\$16,000	Soil Testing: Determine structure design and feasibility. Limited to geotechnical work only. Deliverables: Final site study report

\$5,000	Travel Demand Management Plan: Determine parking ratio and assess impact of public transit connections Deliverables: Final study report
\$2,500	Uniform Relocation Act Analysis: Determine URA status and process for remaining two parcels Deliverables: Acquisition cost analysis and calendar

Grant #
Type: LCDA Pre-Development
Applicant City of Brooklyn Center
Project Name 61st and Brooklyn Blvd
Project Location 61st and Brooklyn Boulevard
Council District 2 – Reva Chamblis

Project Detail	
Future Development Project Overview	The proposed project is a 4 story, 88-unit (83-88 unit mix range) workforce housing development with an affordability mix of 50-60% AMI. 51% of the units in the proposed development are 3-bedrooms.
Comments/ Demonstration value	The proposed project will add to the diversity of housing options in the area and provide more affordable housing. There is demonstration value in the connection to the park and intention to have multi-generational community connections.
Funding	
Requested amount	\$100,000
Previous LCA funding	None
Use of funds	
Total Award: \$50,000	
Amount	Uses to be completed by the end of the grant term
\$25,000	Project Planning: Site plan development, design workshops, community engagement Deliverables: Multiple site plans; community engagement plan and/or other documentation
\$25,000	Financial Analysis: Market feasibility, pro forma creation Deliverables: Final market study, final pro forma, TIF analysis