

Community Development Committee

Meeting date: November 2, 2020

For the Metropolitan Council meeting of November 4, 2020

Subject: 2020 Livable Communities Demonstration Account 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 seven Livable Communities Demonstration Account grants as shown Table 1, totaling \$8,500,000; and
2. Authorize its Community Development Director to execute the grant agreements on behalf of the Council.

Table 1. Recommended Grant Projects and Funding Amounts

| Recommended Projects | Applicant | Points | LCDA Amount Requested | Proposed LCDA Funding |
|---|----------------------|--------|-----------------------|-----------------------|
| Juxtaposition Arts Campus Redevelopment | City of Minneapolis | 90.07 | \$1,105,000 | \$1,105,000 |
| Cornerstone Village | Brooklyn Park EDA | 76.68 | \$2,000,000 | \$2,000,000 |
| Stryker Senior Housing | City of Saint Paul | 76.09 | \$500,000 | \$500,000 |
| The Gardens at Bryn Mawr | City of Minneapolis | 75.05 | \$1,500,000 | \$1,500,000 |
| Vista 44 | City of Hopkins | 74.90 | \$1,500,000 | \$1,500,000 |
| Texa Tonka | Saint Louis Park EDA | 71.48 | \$465,000 | \$465,000 |
| Rise on 7 | Saint Louis Park EDA | 70.43 | \$1,604,600 | \$1,430,000 |

Total Recommended **\$8,500,000**

Total Available \$8,500,000

Total Remaining \$0

Background

The Livable Communities Act (LCA) awards grants to projects through the Livable Communities Demonstration Account (LCDA) that support Metropolitan Council priorities of creating livable communities by connecting jobs, transit, services, and housing.

The LCA requires that the Council adopt an annual Fund Distribution Plan that outlines the review process schedule, evaluation criteria, and total funding

allocation. LCDA applications undergo a rigorous two-step review process conducted by an internal staff panel as well as the Livable Communities Advisory Committee (LCAC), an external panel of professionals and content experts.

The Metropolitan Council approved the Livable Communities Act Fund Distribution Plan on February 26, 2020 ([Business Item 2020-70](#)). The approved Fund Distribution Plan allocates a total of \$9 million for 2020 LCDA projects, \$500,000 of which is available to fund Pre-Development projects. Four Spring Pre-Development projects were funded at \$300,000 with \$50,000 transferred from the LCDA-TOD account to fully fund two and partially fund two projects. \$250,000 remains for the Fall Pre-Development grants.

As outlined in the Fund Distribution Plan, no more than 40% of the funds may go to projects located in Minneapolis and Saint Paul. The remaining 60% of the funds are reserved for projects in suburban communities.

On July 31, 2020, the Council received 15 LCDA applications from ten communities. All applications were evaluated on the criteria outlined in the [2020 Fund Distribution Plan](#). All but one of the applications met the minimum score required in the Step One review process and advanced to the Step Two LCAC review. The application that did not meet the minimum scoring criteria to advance to the Step Two review is described in the Projects Not Recommended for Funding section later in this report. After the Step Two review, LCAC funding recommendations are presented to the Community Development Committee for consideration.

The LCAC is recommending full funding for six projects and partial funding for one of the 15 submitted applications. Staff were informed on October 30 that the Luther Seminary Project from the City of Saint Paul was experiencing delays. The team requested their project be removed from the funding recommendation.

Two applications that advanced to Step Two did not meet the required minimum combined score to be eligible for funding.

Rationale

This recommendation will fund the highest scoring eligible projects up to \$8,500,000, the full funding amount made available to the LCDA Development program in the 2020 Fund Distribution Plan. Funding guidelines state that no more than 40% of available funds be awarded to projects located in Minneapolis and Saint Paul, leaving the remaining 60% of available funds to be awarded to eligible projects located outside of the two core cities. This guideline makes \$3,400,000 available to projects located in the core cities and \$5,100,000 available to all other eligible projects.

The funding recommendation made by the LCAC was consistent with the distribution guidance. The Luther Seminary Redevelopment project being removed from consideration made available an additional \$295,000. Based on the LCAC discussion and scoring, staff is recommending that this additional funding be allocated to the next highest scoring project, Rise on 7 from Saint Louis Park.

Thrive Lens Analysis

LCDA-funded projects are scored on and respond to several Thrive outcomes.

- LCDA funding will “advance the Council’s mission of fostering orderly and economical development” and “promotes residential development patterns that protect natural resources, the quality and quantity of our water resources, and our water supply.” (Stewardship and Prosperity)

- This investment “encourages redevelopment and infill development” (Prosperity), adding a diversity of land uses, housing types, and jobs supporting economic competitiveness over the other regions.
- Funded projects “help close the gap between the region’s affordable housing need and the supply, especially in areas underserved by affordable housing.” (Equity)
- LCDA projects “provide housing and transportation choices for a range of demographic characteristics and economic means.” (Livability)

Funding

Funds are available in the Livable Communities authorized 2020 budget and Livable Communities reserve accounts. Additional reserve funds may need to be amended into the authorized budget in 2021, if grantee draws exceed forecasted cashflow needs. If this is the case, the Council will review and act on a separate business item.

Known Support / Opposition

All applicants present a resolution of support for each project. We have not heard opposition to any of the submitted projects.

Review Process

After adopting the 2020 Fund Distribution Plan in February, the Council issued a Notice of Funding Availability for LCDA Development projects. Staff talked with potential applicants to provide additional information about the LCDA program and to discuss potential projects.

Cities interested in submitting applications had the opportunity to participate in an optional design review before submitting an initial project proposal. The design review was completed by a volunteer team of design experts who provide feedback on proposed designs. The design review has been conducted as an in-person workshop in previous years. As a result of the pandemic, the design review this year was conducted remotely.

The Council received fifteen applications on July 31, 2020. A review panel of Council staff conducted an initial evaluation of the applications based on several categories: land use and site design, environmental design, connections, economic competitiveness, housing, and partnerships. Fourteen of the fifteen applications met the minimum score threshold in Step One to advance to the Step Two LCAC review.

During the Step Two process, the LCAC reviewed each application and evaluated the proposals based on three categories: innovation/demonstration, catalytic potential, and readiness. Council staff then combined application scores from Step One and Step Two to determine a project’s preliminary score. Twelve of the fourteen projects that advanced from Step One met the minimum score requirement of 60 points to be considered for funding.

Table 2. Application Summary

| Grant Category | Submitted Applications | Eligible Applications | Applications advanced to Step Two | Applications recommended for funding |
|------------------|------------------------|-----------------------|-----------------------------------|--------------------------------------|
| LCDA Development | 15 | 15 | 14 | 7 |

Outcomes Summary

The summary below in Table 3 shows the expected outcomes for the 2020 LCDA investment in the region funding all recommended projects.

Table 3. Expected outcomes of projects recommended for funding

| | |
|--|--------------------|
| Total Housing Units | 571 |
| Affordable Housing Units ($\leq 60\%$ Area Median Income) | 414 |
| Market Rate Housing Units | 157 |
| Total Permanent Jobs (FTEs) | 96 |
| Permanent Living Wage Jobs | 94 |
| Temporary (or construction) Jobs | 830 |
| Net Tax Capacity Increase | \$840,148 |
| Total Development Cost | 165,106,724 |
| Private Investment Leveraged | \$91,864,656 |
| Other Public Investment Leveraged | \$64,387,668 |
| Average Residential Parking Ratio | 0.87 |
| Average Commercial Parking Ratio | 2.57 |
| Average Net Dwelling Units per Acre (DUPA) | 55.02 |
| Average Net Floor-Area Ratio (FAR) | 1.26 |

In Table 3 above, the Average Residential Parking Ratio is the average number of parking stalls per dwelling unit, and the Average Commercial Parking Ratio is the average number of stalls per 1,000 sq./ft of commercial or office space.

Projects not Recommended for Funding

The following projects did not meet the minimum score, in either Step One or Step Two review, to be considered for funding.

Concord Flats

Applicant: City of South Saint Paul

Determination: Ineligible; did not meet required minimum Step One score to advance to Step Two

Rationale:

- Project did not have a strong public engagement process
- Project included exclusively market rate housing and did not create many living wage jobs
- Project did not take steps to include environmental sustainability measures or to enhance the public realm through an improved pedestrian environment

The Emi

Applicant: City of Richfield

Determination: Ineligible; did not meet required minimum combined Step One and Step Two score to be eligible for funding.

Rationale:

- Project did not have a strong public engagement process
- The project did not include environmental sustainability measures or greenspace
- There was not clear demonstration value in the project

Settlers Ridge

Applicant: City of Woodbury

Determination: Ineligible; did not meet required minimum combined Step One and Step Two score to be eligible for funding.

Rationale:

- The project did not have strong connections to the surrounding area
- The project did not maximize siting within the development context
- There was not clear demonstration value in the project

The following projects were eligible for funding but did not score high enough to receive funding based on limited funds.

Golden Gardens

Applicant: City of Golden Valley

Determination: Not recommended for funding

Rationale:

- Review committee found significant value in the project concept but was concerned about project readiness.
- The committee has recommended that the project team pursue LCDA Pre-Development funds to support the project moving forward.

Snelling Yards

Applicant: City of Minneapolis

Determination: Not recommended for funding

Rationale:

- Project did not maximize the potential connections to the light rail station and surrounding neighborhood
- Review committee had questions about how intergenerational interaction would truly be fostered through programming or design

Exchange Place

Applicant: City of South Saint Paul

Determination: Not recommended for funding

Rationale:

- Project did not have a strong public engagement process
- Project included exclusively market rate housing and did not create many living wage jobs

2020 LCDA Development

Applicant: City of Victoria

Determination: Not recommended for funding

Rationale:

- Project did not have a strong public engagement process
- Project included all market rate housing in the first phase. Review committee had questions about certainty of second phase given funding commitments at time of application.

Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: City of Minneapolis
Project Name: Juxtaposition Arts (JXTA) Campus Redevelopment
Project Location: Emerson Avenue and West Broadway Avenue
Council District: 7 – Lilligren

| Project Detail | |
|------------------------|---|
| Project Overview | New 16,000 square foot Art Center which will become the centerpiece of the JXTA campus. The building will include new teaching labs and administration functions. The outdoor public spaces will be reconceived to be an active part of JXTA's social enterprise and accessible to the community. |
| Permanent FTE Jobs | 56 |
| Total housing units | 0 |
| Affordable units | N/A |
| Anticipated # bedrooms | N/A |
| Support for Award | <ul style="list-style-type: none"> • Strong community engagement process representing a community-led project • Project has funding commitments and is ready to proceed • Design was responsive to community desires and changed plans to keep the skate-able plaza after learning of the community significance |
| Other LCA Funds | None |
| Funding Request | |
| \$1,105,000 | TOTAL |
| \$250,000 | Site Acquisition AFTER the date of award Deliverable: Site purchase documentation |
| \$179,200 | Site Preparation: Demolition and Grading and/or Soil Correction Deliverable: Demolish two existing structures on the site; regrading after the removal of the existing structures |
| \$240,000 | Placemaking Spaces: Public Art Deliverable: Custom artist designed metal facade, art panels, fencing, and artful |
| \$200,800 | Placemaking Spaces: Landscaping Deliverable: Expansion of skate-able plaza, ground murals, interactive art |
| \$145,000 | Stormwater Management: Infiltration/Storage Swales or Tanks Deliverables: Underground storage tank, rain gardens, and pervious pavers on the site |
| \$50,000 | Architectural/Engineering Fees: Placemaking Space or Public Art Deliverables: Documentation of design work for stormwater design and plaza features |
| \$40,000 | Renewable Energy: Photovoltaic Cells Deliverables: Installation of solar panels |

Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: Brooklyn Park Economic Development Authority
Project Name: Cornerstone Village
Project Location: 9450 Decatur Drive N
Council District: 2 – Chamblis

| Project Detail | |
|------------------------|--|
| Project Overview | Mixed-income, inclusive, multifamily community with 130 apartments. The development is a single building that will be split into two legally distinct and separately financed portions: a 70-unit affordable component and a 60-unit market rate component. Cornerstone Village will be structured as a Common Interest Community, or condominium association. |
| Permanent FTE Jobs | 3.2 |
| Total housing units | 130 |
| Affordable units | 82 total units <30% AMI: 4 31-50% AMI: 78 |
| Anticipated # bedrooms | Studio & 1 BR: 67 2 BR: 63 |
| Support for Award | <ul style="list-style-type: none"> Diversity of affordability of units and addresses a specific housing need for individuals living with Intellectual and Developmental Disabilities (I/DD) Equitable access to amenities within the building and project site for all building residents Service structure and design based on input and feedback from population served |
| Other LCA Funds | None |
| Funding Request | |
| \$2,000,000 | TOTAL |
| \$75,000 | Placemaking Spaces: Public Art Deliverables: Public art welcome sign at the gateway to Brooklyn Park |
| \$25,000 | Placemaking Spaces: Landscaping Deliverables: Healing garden |
| \$756,900 | Site Acquisition PRIOR to award for affordable housing Deliverables: Site purchase documentation |
| \$32,000 | Holding costs Deliverables: Documentation of holding costs |
| \$141,200 | Public Infrastructure: New Streets Deliverables: New public access road and traffic signals per purchase agreement |
| \$337,500 | Public Infrastructure: Utilities Deliverables: Storm, sewer, and water utility extensions |
| \$632,400 | Site Preparation: Grading and/or Soil Correction (no soil remediation) Deliverables: Grading and soil correction |

Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: City of Saint Paul
Project Name: Stryker Senior Housing
Project Location: 617/605 Stryker Avenue
Council District: 13 – Lee

| Project Detail | |
|------------------------|---|
| Project Overview | New 3-story apartment building for low-income seniors. It will be comprised of 57 apartments: 33 efficiencies & 24 1-bedroom units. 43 of the units will be for seniors with incomes at or below 30% AMI, with 5 units dedicated to veterans coming out of homelessness. The remaining 24 are for seniors with incomes at or below 60% AMI. |
| Permanent FTE Jobs | 0.75 |
| Total housing units | 57 |
| Affordable units | 57 total units <30% AMI: 43 51-60% AMI: 14 |
| Anticipated # bedrooms | Studio & 1 BR: 57 |
| Support for Award | <ul style="list-style-type: none"> • Introducing an active use to a previously active commercial node • Strong community engagement process with community-led visioning • Partnerships for programming are unique and will support future residents of the development |
| Other LCA Funds | TBRA Cleanup 2019, TBRA Site Investigation 2019, TBRA Pilot 2018 |
| Funding Request | |
| \$500,000 | TOTAL |
| \$50,000 | Stormwater Management: Infiltration/Storage Swales or Tanks Deliverables: Infiltration tanks |
| \$420,000 | Site Preparation: Grading and/or Soil Correction Deliverables: Grading and removal of soil |
| \$30,000 | Stormwater Management Deliverables: Pervious pavers for parking lot, public space, and internal sidewalks/paths |

Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: City of Minneapolis
Project Name: The Gardens at Bryn Mawr
Project Location: 2800 Wayzata Boulevard
Council District: 6 – Atlas-Ingebretson

| Project Detail | |
|------------------------|---|
| Project Overview | 100 units of affordable housing with improved connections to regional trails and enhanced public space through placemaking efforts. Project is a phase of a larger PUD to be developed on the site that will include mixed-income housing and commercial uses. |
| Permanent FTE Jobs | 3 |
| Total housing units | 100 |
| Affordable units | 100 total units 10: <30% AMI 90: 31-50% AMI |
| Anticipated # bedrooms | 80 1BR 20 2BR |
| Support for Award | <ul style="list-style-type: none"> • Partnership with the public school system around the stormwater management • Increased connections to nearby trails • Increases intensity and adds diversity of housing options in the area |
| Other LCA Funds | None |
| Funding Request | |
| \$1,500,000 | TOTAL |
| \$250,000 | Stormwater Management: Infiltration/Storage Swales or Tanks Deliverables: Area wide pre-treatment system & wet pond, stormwater controls, quality control device, and piping |
| \$200,000 | Public Infrastructure: New public sidewalks/trails (Enhanced Trail Landscaping, Pedestrian Lighting) Deliverables: Enhanced public sidewalk/trail system; pavement and grade work; enhanced trail landscaping, pedestrian lighting |
| \$350,000 | Public Infrastructure: Utilities - extensions/modifications of local public sewer, water, or telecommunication lines Deliverables: Water service, sanitary sewer, storm sewer, telecommunications line |
| \$700,000 | Site Preparation: Grading and/or Soil Correction Deliverables: soil correction, grading, hardscape removal |

Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: City of Hopkins
Project Name: Vista 44
Project Location: 1st Street South between 12th and 13th Avenues
Council District: 5 – Cummings

| Project Detail | |
|------------------------|--|
| Project Overview | 4-story, 100% income-restricted property with 50 units (primarily 2 & 3 BR units) of permanent supportive housing. The project will prioritize families who are experiencing homelessness and have one or more individuals with a Serious and Persistent Mental Illness (SMPI). |
| Permanent FTE Jobs | 9.1 |
| Total housing units | 50 |
| Affordable units | 50 total units 33: <30% AMI 17: 31-50% AMI |
| Anticipated # bedrooms | 3 1BR 32 2BR 15 3BR |
| Support for Award | <ul style="list-style-type: none"> • Addressing a specific need for housing in serving a population that is underserved • Inclusion of greenspace on a small, infill site while maximizing the potential of the location and proximity to transit • Strategic partnerships to support residents living in the development |
| Other LCA Funds | None |
| Funding Request | |
| \$1,500,000 | TOTAL |
| \$1,300,000 | Site Acquisition AFTER the date of award Deliverables: Site purchase documentation |
| \$100,000 | Stormwater Management: Infiltration/Storage Swales or Tanks Deliverables: Stormwater infiltration tank and associated infrastructure |
| \$100,000 | Site Preparation: Grading and/or Soil Correction Deliverables: Soil preparation for the foundation, soil removal for subgrade parking & infiltration tank |

Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: Saint Louis Park Economic Development Authority
Project Name: Texa Tonka
Project Location: 7916 Minnetonka Boulevard
Council District: 6 – Atlas-Ingebretson

| Project Detail | |
|------------------------|--|
| Project Overview | The development includes a 4 to 5 story 100-unit multi-family apartment building on the south side of the site and townhome-style apartments on the north side of the site located in two 2-story buildings. 20% of the units will be affordable to households making 50% area median income (AMI). The units will be affordable at these levels for a period of not less than 25 years. |
| Permanent FTE Jobs | 4.5 |
| Total housing units | 112 |
| Affordable units | 22 total units 22: 51-60% AMI |
| Anticipated # bedrooms | 85 1BR 27 2BR |
| Support for Award | <ul style="list-style-type: none"> • Adds diversity of housing, particularly inclusion of affordable townhome units, to currently underutilized site • Good community engagement process and inclusion of community vision • Strategic use of site to maximize connections and density |
| Other LCA Funds | |
| Funding Request | |
| \$465,000 | TOTAL |
| \$125,000 | Public Infrastructure: Utilities - extensions/modifications of local public sewer, water or telecommunication lines Deliverables: Overhead powerline to underground |
| \$200,000 | Stormwater Management: Infiltration/Storage Swales or Tanks Deliverables: 5,000 SF Stormwater Storage |
| \$40,000 | Placemaking Spaces: Sidewalks/Paths Deliverables: Connection to Rainbow Park |
| \$50,000 | Stormwater Management: Rain Gardens Deliverables: Landscaping enhancements (rain gardens) |
| \$50,000 | Renewable Energy: Photovoltaic Cells Deliverables: 26 KWH DC Photovoltaic Cells |

Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: Saint Louis Park Economic Development Authority
Project Name: Rise on 7
Project Location: 8115 State Hwy 7
Council District: 6 – Atlas-Ingebretson

| Project Detail | |
|------------------------|---|
| Project Overview | This project will demolish the existing vacant church building and parking lot, in order to change the site use to multifamily housing, commercial space, and new parking lot/structure. The plan is to create 120 income restricted, general occupancy, multi-family housing at varying income levels between 30% and 80% AMI. Six of the building units will be designated for High Priority Homeless, and an additional six units will also be designated as being for Persons with Disabilities (PWD). The project also features an on-site early childhood center. |
| Permanent FTE Jobs | 19.5 |
| Total housing units | 120 |
| Affordable units | 101 total 19: <30% AMI 82: 51-60% AMI |
| Anticipated # bedrooms | 57 1BR 39 2BR 24 3BR |
| Support for Award | <ul style="list-style-type: none"> The project adds a needed service of affordable childcare in the same building as affordable housing Brings a diversity of housing options to the area |
| Other LCA Funds | |
| Funding Request | |
| \$1,430,000 | TOTAL |
| \$15,000 | Stormwater Management: Rain garden Deliverable: Creation of rain garden |
| \$150,000 | Stormwater Management: Infiltration/Storage Swales or Tanks Deliverable: Stormwater cistern/treatment |
| \$56,600 | Holding Costs Deliverable: Documentation of associated holding costs |
| \$1,208,400 | Site Acquisition Prior to Date of Award Deliverable: Documentation of site purchase |