

Community Development Committee

Meeting date: October 5, 2020

For the Metropolitan Council meeting of October 14, 2020

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: Stephen Klimek, Senior Planner (651) 602-1541

Division/Department: Community Development / Regional Planning

Proposed Action

That the Metropolitan Council:

1. Award four Livable Communities Demonstration Account Transit Oriented Development grants as shown in Table 1 below, totaling \$4,500,000.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council.

Table 1. Recommended Projects

Project Name	Applicant	LCDA-TOD Funding
Minneapolis American Indian Center Expansion	Minneapolis	\$750,000
Agra	Minneapolis	\$1,250,000
Union Park Flats	Saint Louis Park	\$1,900,000
1619 Dayton Avenue	St. Paul	\$600,000
Total Recommended		\$4,500,000
Total Available		\$4,500,000
Total Remaining		\$0

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 the 2020 Livable Communities Act TOD 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 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.

The 2020 Fund Distribution Plan made \$4.5 million dollars available for the LCDA-TOD development program. The eight applications reviewed by the LCAC requested over \$10.3 million. The LCAC is recommending fully funding three of the LCDA-TOD grant requests; the Minneapolis American Indian Center Expansion, Union Park Flats, and 1619 Dayton Ave; and partially funding one of the LCDA-TOD grant requests, Agra.

Rationale

Applications for LCDA-TOD Development grants were due July 1, 2020. Eight applications from five cities were submitted to the LCDA-TOD Development program. Metropolitan Council staff evaluated the applications using criteria outlined in the 2020 Fund Distribution Plan. All eight applications met the minimum Step One scoring threshold and moved on to the Step Two review conducted by the LCAC. After LCAC review, seven of the eight projects met the total minimum required score to be considered for funding.

The four LCDA-TOD grant requests recommended for funding scored the highest of the eight applications considered by the LCAC. Agra's partial funding was determined by the maximum award limit per city set in the 2020 Annual Livable Communities Fund Distribution Plan. One of the four grant requests not recommended for funding did not meet the minimum combined score of 75 points to be recommended for funding. No funding was available for the remaining three grant requests not recommended for funding.

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

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.

Known Support / Opposition

Resolutions of support were received from each applicant community. There is no known opposition to the projects recommended for funding.

Review Process

The Council issued a Notice of Funding Availability in March 2020 following adoption of the 2020 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.

Staff convened the Design Excellence Workshops again for the seventh year. The design team assembled a volunteer group of architects, landscape architects, and urban designers to review projects in February and March, and provided suggestions for project improvements so that applicants could consider this feedback in their full applications.

Eight full applications were submitted on July 1, 2020. An interdivisional team of Council staff evaluated the applications using Council-approved Step One criteria in nine categories, including: TOD design; transit accessibility, walkability and ridership; environmental design; housing; jobs; and process and partnerships. All eight applications met the minimum Step One score threshold of 45 points to move to the Step Two review (see the 2020 Fund Distribution Plan for more detail on the scoring criteria). An application summary is shown in Table 2 below.

Table 2. Application Summary

Grant Category	Full applications received	Eligible applications	Applications moved forward to Step Two	Applications recommended for award
LCDA-TOD	8	8	8	4

The Livable Communities Advisory Committee (LCAC) reviewed all eight projects on the Step Two categories of TOD innovation and demonstration value, catalyst, and readiness. The Committee's scores, combined with scores from the Step One process, yielded a preliminary score. Seven projects met the minimum required combined scoring threshold of 75 points (Table 3). Four of the seven projects meeting the minimum score are being recommended for funding. The location of the recommend projects is illustrated Figure 1 below.

Table 3. LCDA-TOD Application Scoring Summary

Project	Applicant	Points	LCDA-TOD Amount Requested	Funding Recommendation
Minneapolis American Indian Center Expansion	Minneapolis	100.8	\$750,000	\$750,000
Agra	Minneapolis	96.3	\$2,000,000	\$1,250,000
Malcolm Yards Affordable Housing	Minneapolis	94.8	\$814,422	\$0
Union Park Flats	St. Louis Park	93.4	\$1,900,000	\$1,900,000
1619 Dayton Avenue	St. Paul	89.2	\$600,000	\$600,000
1825 University Ave W	St. Paul	85.4	\$950,000	\$0
Rosa Development	Bloomington	83.3	\$1,993,998	\$0
Core Crossing Apartments	Shakopee	71.3	\$1,347,500	\$0
	Total		\$10,355,920	\$4,500,000
	Available		\$4,550,000	\$4,500,000
	Difference		-\$5,805,920	\$0

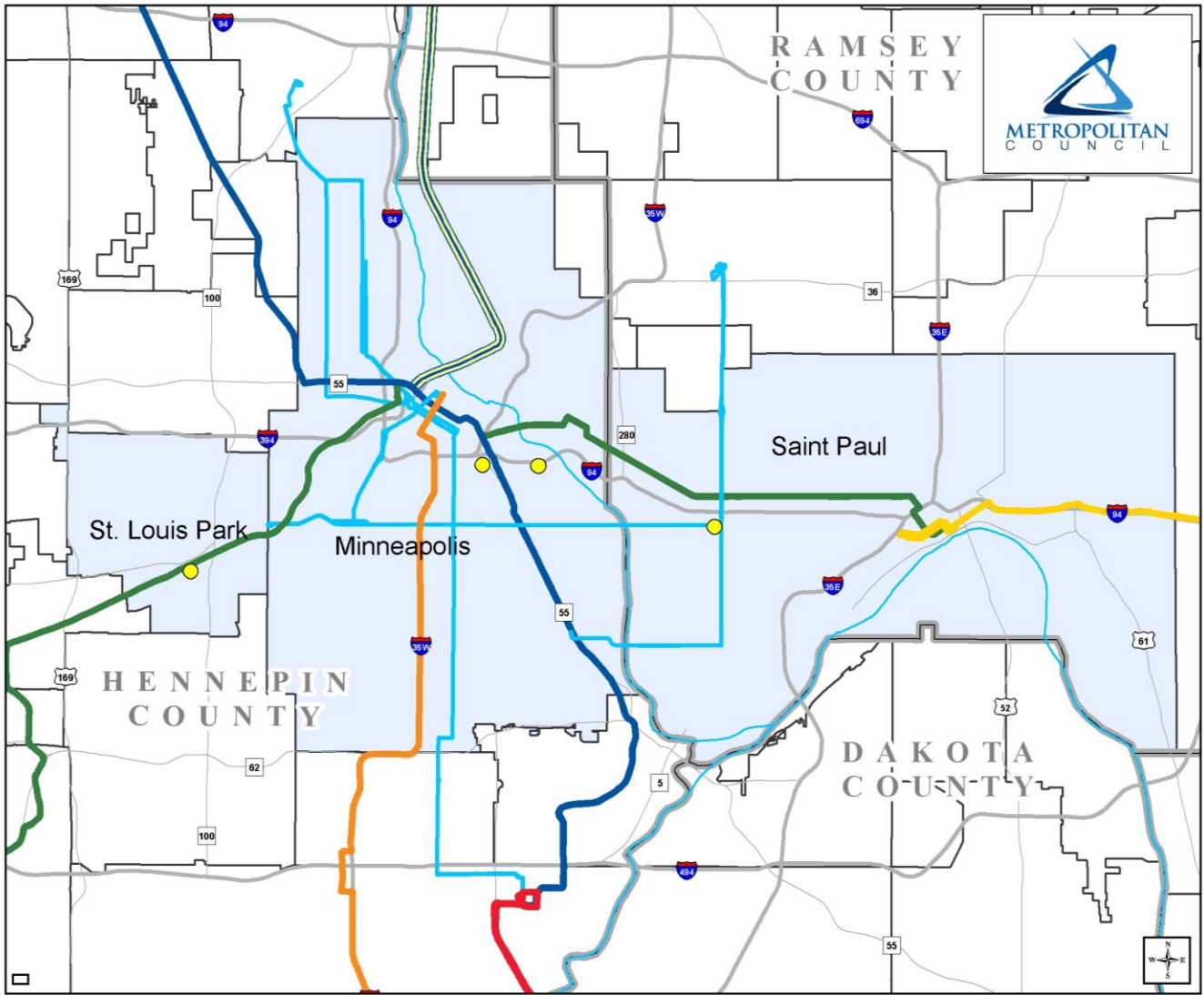
Outcomes Summary

The table below shows the expected outcomes, aggregating the outcomes from the expected projects, from the 2020 LCDA-TOD investment in the region, including housing units, jobs, and net tax capacity.

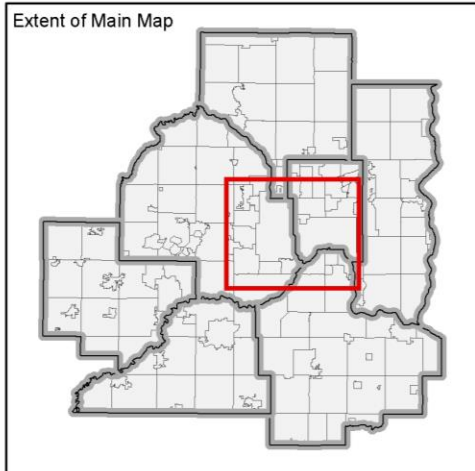
Table 4. Aggregate Outcomes from 2020 LCDA-TOD Development Awards

Outcome Area	Expected Amount
<i>Total Housing Units</i>	332
Affordable Housing Units (≤60% AMI)	269
Market Rate Housing Units	63
<i>Total Jobs (FTEs)</i>	57
Permanent FT Jobs	52
Temporary (or construction) Jobs	673
<i>Net Tax Capacity Increase</i>	\$474,725
<i>Total Development Cost</i>	\$112,238,774
Private Investment Leveraged	\$88,602,697
Other Public Investment Leveraged	\$18,356,077

Figure 1. Project Sites and Communities Recommended for Funding



9/22/2020



● LCA TOD Project Site:

- Northstar Line
- Red Line
- Blue Line / Blue Line Extension
- Green Line / Green Line Extension
- Gold Line
- Orange Line
- Arterial BRT
- Community Recommended for Funding

Projects Not Recommended for Funding

The following projects are not recommended for funding and are grouped by the primary reason for non-selection, including not meeting the minimum score threshold and the limit on available funding.

Did not meet minimum score

Core Crossing Apartments

Applicant: City of Shakopee

Determination: Project scored 71.3 points

Rationale:

- The LCAC had concerns about how the buildings would function in and integrate with the surrounding community
- Questions about the lack of development and public realm framework or masterplan for the station area
- A pre-development grant application was encouraged to address LCAC concerns and questions

Funding availability limited

Rosa Development

Applicant: City of Bloomington

Determination: Project scored 83.3 points

Rationale:

- The LCAC identified the project as a catalyst for its neighborhood and found value in the projects Project strengths included
- Questions about the degree of public access to and usability of the development's open green space

Malcolm Yards Affordable Housing

Applicant: City of Minneapolis

Determination: Project scored 94.8 points and the city's maximum award limit reached

Rationale:

- The LCAC identified the project's partnerships on stormwater, open space, and renewable energy as a strength.
- Questions about the new private street connection and associated traffic utilities

1825 University Ave W

Applicant: City of St. Paul

Determination: Project scored 85.4 points

Rationale:

- Mixed-use and mixed-income project
- Concerns were expressed about the project's community engagement process

Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD Development
Applicant: City of Minneapolis
Project Name: Minneapolis American Indian Center
Project Location: 1530 E Franklin Avenue, Minneapolis, MN 55404
Council District: 7 – Robert Lilligren

Project Detail	
Project Overview	This is an expansion and renovation of the Minneapolis American Indian Center on Franklin Avenue in the Ventura Village neighborhood of south Minneapolis so as to accommodate their growing programs. The project will provide 45 FTE jobs and strengthen the facility as a core gathering place for cultural, social, arts, and fitness activities for the Native community.
Jobs (FTEs)	45 FTE, 38 total permanent living wage * 7 FTE's are under the living wage threshold or are part-time
Total housing units	0
Affordable units	0
Anticipated # bedrooms	0
Other LCA Funding	None
TOD metrics	Floor-area ratio: 0.2 Dwelling units per acre: 0 Distance to station/stop: 1,485 feet Commercial Parking ratio: 2.67 stalls/1,000sqft
Project Highlights	This project is a community destination that will support increased transit use and walkability Provides employment opportunities and a range of cultural programs to an underserved population There is value in the retrofit of a community destination expanding and creating enhanced public space
Funding Request	
\$750,000	TOTAL
\$150,000	Stormwater: infiltration / storage
\$155,000	Public Space: sidewalks, furnishings, lighting, and landscaping
\$345,000	Site Prep: demolition, grading and/or soil correction
\$100,000	Placemaking: public art

Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD Development
Applicant: City of Minneapolis
Project Name: Agra
Project Location: 901 27th Avenue South, Minneapolis, MN 55406
Council District: 8 – Abdirahman Muse

Project Detail	
Project Overview	The Agra project is the new construction of affordable housing along Franklin Avenue in the Seward neighborhood of south Minneapolis by Newport Midwest. The project includes a 117 units of 2- and 3-bedroom units intended for families. The project also includes a greenhouse and growing facility to provide space for hydroponic food production, as well as a stormwater management system for reuse in the hydroponic growing system.
Jobs (FTEs)	9.26 FTE, 9.73 total permanent living wage
Total housing units	175
Affordable units	18 @ <30% AMI, 70 @ 31-50% AMI, 87 @ 51-60% AMI
Anticipated # bedrooms	336
Other LCA Funding	None
TOD metrics	Floor-area ratio: 5.85 Dwelling units per acre: 176.77 Distance to station/stop: 756 feet Residential parking ratio: 0.6 stalls/unit Commercial Parking ratio: 6.2 stalls/1,000sqft
Project Highlights	This is a high-density project that provides housing choice for low-income families in an amenity and transit rich neighborhood There is value in the integration of affordable family housing and urban food production
Funding Request	
\$1,250,000	TOTAL
\$1,250,000	Site acquisition

Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD Development
Applicant: St. Louis Park EDA
Project Name: Union Park Flats
Project Location: 3700 Alabama Ave S, St Louis Park, MN 55416
Council District: 6 – Lynnea Atlas-Ingebretson

Project Detail	
Project Overview	Union Park Flats is the new construction of affordable housing in the Wooddale LRT Station Area of St. Louis Park by Project for Pride in Living in collaboration with Union Congregational Church. The project includes the demolition of a wing of the existing building and parking lot, and the construction of a new three-story building with housing for families and supportive housing for single adults. The project will include solar PV, a stormwater management system, and enhanced public realm.
Jobs (FTEs)	1.5 FTE, 1.5 total permanent living wage
Total housing units	60
Affordable units	13 @ <30% AMI, 30 @ 31-50% AMI, 0 @ 51-60% AMI * 17 units @ 80% AMI use income averaging for all units to be under 60% AMI
Anticipated # bedrooms	120
Other LCA Funding	None
TOD metrics	Floor-area ratio: 2.13 Dwelling units per acre: 55.56 Distance to station/stop: 1,159 feet Residential parking ratio: 1.32 stalls/unit
Project Highlights	There is value in integrating affordable supportive housing into an existing neighborhood near a major transit stop There is environmental sustainability value in an affordable housing project meeting SB2030 standards The partnership between the developer and church is something that can be replicated in other communities
Funding Request	
\$1,900,000	TOTAL
\$138,000	Stormwater: infiltration / storage, rain garden, and pervious pavement
\$140,000	Renewable Energy: solar PV
\$193,000	Site Prep: demolition, grading and/or soil correction
\$70,000	Placemaking: public art
\$159,000	Public Infrastructure: sewer, water, and other utilities, curb and gutter, sidewalks, and bike amenities
\$1,200,000	Site acquisition

Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD Development
Applicant: City of St. Paul
Project Name: 1619 Dayton Ave
Project Location: 1619 Dayton Avenue, St. Paul, MN 55113
Council District: 14 – Kris Fredson

Project Detail	
Project Overview	1619 Dayton Ave is the new construction of workforce housing on an underutilized parking lot by PAK Properties in proximity to the A-Line Snelling Ave & Dayton Ave Station Area. The project will include site preparation, utility connections, and a stormwater management system.
Jobs (FTEs)	1.25 FTE, 1.25 total permanent living wage
Total housing units	97
Affordable units	5 @ <30% AMI, 47 @ 31-50% AMI, 0 @ 51-60% AMI
Anticipated # bedrooms	152
Other LCA Funding	None
TOD metrics	Floor-area ratio: 2.42 Dwelling units per acre: 50.79 Distance to station/stop: 584 feet Residential parking ratio: 0.46 stalls/unit Commercial Parking ratio: 0.19 stalls/1,000sqft
Project Highlights	There is value in constructing higher-density housing as a result of reduced parking and shared parking agreements There is environmental sustainability value in a workforce housing project meeting SB2030 standards The project's infill development strategy can be replicated in other communities
Funding Request	
\$600,000	TOTAL
\$200,000	Stormwater: infiltration / storage
\$100,000	Public Infrastructure: sewer, water, and other utilities
\$300,000	Site Prep: grading and/or soil correction