

Community Development Committee

Meeting date: June 7, 2021

For the Metropolitan Council meeting of June 23, 2021

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 three Livable Communities Demonstration Account Pre-Development grants totaling \$275,000 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
City of Saint Paul	The Rondo Restorative Development Overlay District	\$150,000
Brooklyn Park EDA	Innovation Hub	\$50,000
City of Minneapolis	Chicago-Lake Rebuild	\$75,000

Background

The Livable Communities Act (LCA) supports Metropolitan Council priorities through the Livable Communities Demonstration Account (LCDA) by funding projects that connect jobs, transit, services, and housing in efficient and effective ways. The Council adopted the 2021 LCDA guidelines, criteria, schedule, and evaluation process as part of the 2021 Annual Livable Communities Fund Distribution Plan ([Business Item 2021-47](#)) on February 24, 2021. 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 April 21, 2021, the Council received five applications for Round One of LCDA Pre-Development funding. Brooklyn Park Economic Development Authority, the City of Minneapolis, the City of Saint Paul, and the City of South Saint Paul all submitted applications. The staff evaluation concluded that three of the five submitted applications met the minimum scoring threshold required for funding. Project details for the recommended projects are included in the attached project summaries. An analysis of projects not recommended for funding is included at the end of this report.

As outlined in the Fund Distribution Plan, the Council has two rounds of LCDA Pre-Development funding in 2021, with up to \$500,000 available in each round. Three of the five submitted projects received scores above the minimum threshold of 30 of 45 total available points to be eligible for funding. These three

projects total \$275,000. Funds not authorized for projects in 2021 will be available for future programming.

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 2021 budget and Livable Communities reserve accounts. Reserve funds may need to be amended into the authorized budget in 2021, if grantee draws are forecasted to exceed the authorized 2021 budget.

Known Support / Opposition

All applicants have submitted a statement of support from their City Council or other authorizing body. There is no known opposition to the proposals submitted.

Review Process

The Council issued a notice of funding availability in March 2021 after adopting the 2021 Annual Livable Communities Fund Distribution Plan. Staff held an informational webinar, distributed information about funding availability and met with applicants to discuss the LCA processes, criteria, and best program fit for their projects.

Five 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: LCA and Thrive Goals, Pre-Development Activities, Process, and Who Is Involved.

Table 1. LCDA Pre-Development Application Scoring Summary

Applicant	Project	Points (45 pts. possible; minimum 30)	Amount Requested	Amount Recommended
City of Saint Paul	The Rondo Restorative Development Overlay District	44	\$150,000	\$150,000
Brooklyn Park EDA	Innovation Hub	34.9	\$50,000	\$50,000
City of Minneapolis	Chicago-Lake Rebuild	31.25	\$75,000	\$75,000
City of South Saint Paul	2021 LCDA Pre-Development – Round One	28	\$45,000	\$0
City of Minneapolis	The Phoenix	25.5	\$75,000	\$0

Total Requested: \$395,000

Total Recommended: \$275,000

Total Available: \$500,000

Total Remaining: \$225,000

Projects Not Recommended for Funding

2021 LCDA Pre-Development – Round One

Applicant: City of South Saint Paul

Determination: Ineligible; did not meet minimum score required to be eligible for funding

Rationale:

- Project intends to create housing, but the housing does not include an affordability component
- Project does not include a strong public engagement process or analysis of who benefits from the project
- Staff are recommending the project re-apply in Round Two with more emphasis on project partnerships and community engagement

The Phoenix

Applicant: City of Minneapolis

Determination: Ineligible; did not meet minimum score required to be eligible for funding

Rationale:

- Project outcomes are not yet determined and interest in affordable housing is not yet known

- Project does not describe goals for public engagement or analysis of who benefits from the project
- Staff are recommending that the project team gather more details or priorities for the development consultant and re-apply in Round Two

Projects Recommended for Funding

A project summary of each of the recommended projects is on the following pages, including the following projects:

- The Rondo Restorative Development Overlay District, City of Saint Paul
- Innovation Hub, Brooklyn Park Economic Development Authority
- Chicago-Lake Rebuild, City of Minneapolis

Project Summary

Grant #

Type: LCDA Pre-Development

Applicant City of Saint Paul

Project Name The Rondo Restorative Development Overlay District

Project Location New developable land above the I -94 ROW, from Chatsworth to Grotto

Council District 14 - Fredson

Project Detail	
Future Development Project Overview	Determine an anti-displacement overlay district to support equitable development on the new Rondo land bridge over I-94
Reviewer Comments	Requested activities will significantly further the described project outcomes which are consistent with LCA goals of providing housing, living wage jobs, increasing density, and furthering racial equity outcomes in the region.
Funding	
Requested amount	\$150,000
Previous LCA funding	None
Use of funds	
Total Award: \$150,000	
Amount	Uses and Deliverables to be completed by the end of the grant term
\$37,500	Research and Recommend Right to Return Framework for People or the Descendants of People who were Displaced Deliverable: Policy or policies establishing and protecting the people impacted by displacement
\$37,500	Research and Recommend Community Investment Trust Deliverable: Programs and/or initiatives that help provide funding to achieve increased economic equity
\$37,500	Research and Recommend Community Reinvestment Fund Deliverable: Programs and/or initiatives that help provide funding to achieve increased economic equity
\$37,500	Research and Recommend Anti-Displacement Tools including Residential and Commercial Opportunities and Support Deliverable: Policies and/or programs that work to prevent displacement or support residents and businesses staying in place

Project Summary

Grant #

Type:

LCDA Pre-Development

Applicant

Brooklyn Park Economic Development Authority

Project Name

Innovation Hub

Project Location

7479-7495 Brooklyn Boulevard

Council District

2 – Chamblis

Project Detail	
Future Development Project Overview	Mixed-use space with an aquaponics facility and a small business incubator space as a gathering spot for businesses as well as for other functions. This project aims to create up to 150 jobs and will have the potential to include other opportunities such as: providing fresh food, educating the community about sustainable energy and green technologies, and providing opportunities for 'real community ownership' through credit counseling.
Reviewer Comments	Project includes many environmental sustainability components and will create living wage jobs. The project is community-driven with partnerships and applicant support.
Funding	
Requested amount	\$50,000
Previous LCA funding	None
Use of funds	
Total Award: \$50,000	
Amount	Uses to be completed by the end of the grant term
\$10,000	Design Workshops/Community Engagement Deliverable: Designing and implementing engagement workshops; summary of feedback
\$10,000	Development of site plans, staging plans, public realm plans, plans for other Universal Design features, or site selection Deliverable: Site plans; staging/phasing plans
\$10,000	Market or Feasibility Study to develop and evaluate development scenario(s) Deliverable: Development of operating proforma, identification of additional funding sources
\$10,000	Passive building design concept planning or landscape planning to conserve natural resources and prioritize native plantings Deliverable: Project-specific plans that conserve natural resources and mitigate impacts on climate change; design concept drawings and renderings
\$10,000	Soil testing on project site to determine feasible land uses Deliverable: Soil testing and reporting

Project Summary

Grant #
Type: LCDA Pre-Development
Applicant City of Minneapolis
Project Name Chicago-Lake Rebuild
Project Location 810 East Lake Street
Council District 7 - Lilligren

Project Detail	
Future Development Project Overview	Mixed-use development with affordable housing and commercial space with Neighborhood Development Center (NDC) small business incubator for restaurant, retail, and office space offering NDC's core programming of training, lending, and technical assistance to neighborhood entrepreneurs.
Reviewer Comments	Housing component will be affordable; project includes stormwater management planning and job creation. Project team has a connection to the surrounding community and impacted businesses owners approached NDC about the project. Requested grant activities will help move the project forward and meet LCA goals.
Funding	
Requested amount	\$75,000
Previous LCA funding	None
Use of funds	
Total Award: \$75,000	
Amount	Uses to be completed by the end of the grant term
\$25,000	Development of site plans, staging plans, public realm plans, plans for other Universal Design features, or site selection Deliverable: Multiple development scenarios
\$25,000	Design Workshops/Community Engagement Deliverable: Managing multiple community input sessions. Documentation of sessions which could include input given, number of attendees, presentations, and summary of how input will shape project.
\$7,500	Development of project-specific or district-wide Stormwater Management Plan Deliverable: Multiple stormwater management alternatives
\$17,500	Market or Feasibility Study to develop and evaluate development scenario(s) Deliverable: Develop alternative proformas to evaluate development scenarios