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.

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Recommended Project</th>
<th>Award Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Saint Paul</td>
<td>The Rondo Restorative Development Overlay District</td>
<td>$150,000</td>
</tr>
<tr>
<td>Brooklyn Park EDA</td>
<td>Innovation Hub</td>
<td>$50,000</td>
</tr>
<tr>
<td>City of Minneapolis</td>
<td>Chicago-Lake Rebuild</td>
<td>$75,000</td>
</tr>
</tbody>
</table>

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

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

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

<table>
<thead>
<tr>
<th>Amount</th>
<th>Uses and Deliverables to be completed by the end of the grant term</th>
</tr>
</thead>
</table>
| $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

<table>
<thead>
<tr>
<th>Future Development</th>
<th>Project Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Overview</strong></td>
<td>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.</td>
</tr>
</tbody>
</table>

| 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

<table>
<thead>
<tr>
<th>Requested amount</th>
<th>$50,000</th>
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<tbody>
<tr>
<td>Previous LCA funding</td>
<td>None</td>
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</tbody>
</table>

### Use of funds

**Total Award: $50,000**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Uses to be completed by the end of the grant term</th>
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</thead>
</table>
| $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

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<tr>
<th>Project Detail</th>
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<tbody>
<tr>
<td><strong>Future Development Project Overview</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Reviewer Comments</strong></td>
<td>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.</td>
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**Funding**

| Requested amount | $75,000 |
| Previous LCA funding | None |

**Use of funds**

<table>
<thead>
<tr>
<th>Total Award: $75,000</th>
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</thead>
<tbody>
<tr>
<td><strong>Amount</strong></td>
</tr>
</tbody>
</table>
| $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 |