

Community Development Committee

Meeting date: November 15, 2021

The Community Development Committee makes the final decision on this item.

Subject: Extend Sabathani Senior Housing Livable Communities Demonstration Account Grant Beyond Five Year Term Limit

District(s), Member(s): District 7 – Robert Lilligren

Policy/Legal Reference: Minn. Stat. 473.25

Staff Prepared/Presented: Sam Johnson, Senior Grants Administrator (651-602-1757)

Division/Department: Community Development/Regional Planning

Proposed Action

That the Metropolitan Council:

1. Approve a one-year extension beyond the five-year maximum grant term to Livable Communities Demonstration Account grant SG-05058 for the Sabathani Senior Housing project;
2. Authorize the Community Development Executive Director to execute the amendment.

Background

At the December 14, 2016 [Metropolitan Council meeting](#), the Council awarded \$516,109 in Livable Communities Demonstration Account (LCDA) funds to the City of Minneapolis for the construction of a 48-unit senior housing and senior programming space on land adjacent to the Sabathani Community Center. The funds granted were for the site's stormwater management system and placemaking features related to courtyard/plaza space.

LCDA Development grant agreement terms are for three years with the possibility of an administrative extension of another two years upon demonstration of progress of the project. After the initial three-year grant agreement through December 31, 2019, Council staff administratively extended the project to a full five-year term expiring on December 31, 2021.

The need for an additional extension is due to project delays resulting in higher-than-anticipated construction costs, capacity issues related to a first-time developer, and the need to change General Contractors mid-project. Despite these issues, construction of the building is now complete. However, the City is requesting a one-year extension to complete placemaking and public art activities that are a part of the award and will likely not occur without LCA funding. When considering the project for award, these elements were viewed positively by the Livable Communities Advisory Committee because they contributed to the sense of place within the site. Attachment A is a letter in support of the extension from the City of Minneapolis. Attachment B is a letter in support of the extension from the developer, Sabathani Community Center.

Rationale

The Council established the three-year term, with the possibility of a two-year extension, as a reasonable amount of time to allow grantees to assemble their full funding package and get underway without unreasonably tying up grant funding that might otherwise be used by other projects. Over the last 10 years, the Council has approved six other

extensions beyond the maximum five-year term, with the most recent occurring in 2018. Two of those were for just a few months, two were for one year, and two were for two years.

Thrive Lens Analysis

The stormwater improvements further the Thrive Stewardship and Sustainability outcomes by improving both the water quantity management and water quality. By redeveloping a site and improving infrastructure this project helps advance the Thrive Prosperity outcome. By providing housing choices and transit availability for a range of demographic characteristics, this project helps advance the Thrive Livability and Equity outcomes. Extending this grant agreement ensures that the complete package of proposed project features will be completed on this site. The remaining features are placemaking and public art which will serve to further the Livability outcome in this neighborhood.

Funding

Funds are available in the Council budget to extend this project. The grant award is \$516,109. To date, \$451,225.34 has been approved for payment, leaving a balance of \$64,883.66 to reimburse final eligible construction costs occurring this year and reimburse placemaking and public art activities to occur early next Summer.

Known Support / Opposition

No known opposition.

Attachments

Attachment A: City of Minneapolis Letter of Support

Attachment B: Sabathani Community Center Letter of Support

Attachment A: City of Minneapolis Letter of Support

August 10, 2021

Josiah Waderich
Livable Communities Program
Metropolitan Council
390 Robert Street
St. Paul, MN 55101-1805

RE: Request to Extend Grant Term for SG-05058 Sabathani Senior Housing (Amendment #2)

Dear Josiah,

The Sabathani Senior Housing project is well underway, as evidenced by the two recent grant draws submitted for reimbursement. The grant, which has already been afforded a two-year extension and budget modification, expires on December 31, 2021. The final and substantial costs to be incurred and reimbursed relate to the courtyard, plaza and public art. It is possible that not all of the work will be complete by December 31, 2021; early winter weather is unpredictable. The project cannot afford to lose any of these funds, so to be safe, we are requesting a further 12-month extension of the grant term, to December 31, 2022.

We realize that this request is extraordinary. However, Sabathani has overcome many hurdles to get to this point of construction, and we appreciate the previous term extension, budget amendment, and ongoing support for this important affordable senior housing project. Many of the landscaping elements (ineligible for LCDA) have been value-engineered from the project, and it would be a shame to also lose the elements that create a special place for apartment residents, Sabathani clients and visitors, and the surrounding neighborhood.

If you have questions about the project or this request, please contact me at (763) 438-5635 and I will make sure you get the information you need.

Sincerely,


Paula Mazzacano
Development Grants Coordinator

Cc: Tiffany Glasper, CPED
Andrew McGlory, McGlory Studio

Attachment B: Sabathani Community Center Letter of Support



Sabathani Community Center

The Heart of South Minneapolis

October 29, 2021

Tiffany Glasper
Sr. Project Coordinator, Residential Finance
Housing Policy and Development
Community Planning and Economic Development
City of Minneapolis
505 4th Avenue South, #320
Minneapolis, MN 55415

Hello Ms. Glasper:

As a follow up to our recent conversation, I would like to formally request an extension of the Livable Communities Demonstration Account (LCDA) grant awarded to Sabathani Community Center for our Sabathani Senior Housing project opening later this year.

Sabathani, considered "The Heart of South Minneapolis," is a community campus located steps away from George Floyd Square along the historic 38th Street Corridor. Founded in 1966, we are a non-profit, social enterprise that seeks to partner, provide programming, and a physical safe space for the community while also transforming and creating positive outcomes in the lives of all people that we engage. For more than 50 years, Sabathani has functioned as a small-business incubator, community convener, senior program provider, a green building pilot location, and so much more. As we prepare to open the doors of our new Senior Housing project, we have a unique opportunity to use our physical space to help our community dream bigger and provide a larger platform for their voices to be heard.

Since the death of George Floyd sparked a global movement last year, our local community has been extensively impacted by the direct effects of being in close proximity to this traumatic and historic event. It is with this in mind, we seek an extension on the LCDA grant to afford the local community an opportunity to truly inform how the public art that will be displayed at the Sabathani Senior housing project may best reflect their sentiments. The public art that will be permanently displayed in this high-traffic area is too important to our neighbors, our larger community, and to the world to be rushed.

Thank you again for your consideration. Please let me know if you have any additional questions or how I may be helpful in this process.

In power,

Erin Home McKinney
Interim Chief Executive Officer
Sabathani Community Center