

Community Development Committee

Meeting date: September 7, 2021

For the Metropolitan Council meeting of September 22, 2021

Subject: Livable Communities Demonstration Account Transit-Oriented Development Pre-Development Round Two Funding Recommendations

District(s), Member(s): All

Policy/Legal Reference: Minn. Stat. § 473.253

Staff Prepared/Presented: Stephen Klimek, Senior Planner, Livable Communities (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 Pre-Development grants for \$356,500 as shown in the table below.

Applicant	Recommended Project	Award Amount
City of Bloomington	98th St Station	\$150,000
City of Minneapolis	The Phoenix	\$75,000
City of Saint Paul	892 East 7th Street	\$75,000
City of Saint Paul	652-58 Sherburne Ave West	\$56,500

Background

The Metropolitan Council has identified advancing Transit Oriented Development (TOD) along existing and emerging transitways as a priority. The Livable Communities Demonstration Account (LCDA) TOD grant category supports development activities in identified TOD areas. The Council adopted the 2021 Livable Communities Act TOD 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-TOD Pre-Development grant funding. A team of staff from the Community Development Division reviews Pre-Development applications.

Rationale

On July 21, 2021, the Council received four applications for Round Two of LCDA-TOD Pre-Development funding. The City of Bloomington, City of Minneapolis, and City of Saint Paul all submitted applications. The staff evaluation concluded that all submitted applications met the minimum scoring threshold required for funding. Project details are included in the attached project summaries.

As outlined in the 2021 Fund Distribution Plan, the Council has two rounds of LCDA-TOD Pre-Development funding in 2021, with up to \$500,000 available in each round. All four of the submitted projects received scores above the minimum point threshold to be eligible for funding. Fully funding the recommended applications will result in \$356,500 in grant awards and \$143,500 of the total available funding unallocated. Unallocated funds will be available for future programming.

Thrive Lens Analysis

Projects that leverage regional infrastructure investments by helping increase densities and provide a mix of uses further the Thrive Stewardship Outcome.

Projects that redevelop and increase density, especially near transit stations, further the Thrive Prosperity outcome of “[e]ncouraging redevelopment and infill development across the region.”

Projects that help produce jobs near transit further the Thrive Equity outcome of “using our influence and investments to build a more equitable region.”

Projects located near transit and that include a mix of housing and jobs further the Thrive Livability outcome of “[a]igning resources to support transit-oriented development and walkable, urban places.”

Funding

Funds are available in the Livable Communities authorized 2021 budget and Livable Communities reserve accounts to award these grants. Reserves may need to be amended into a future annual budget to meet cashflow needs on Livable Communities multi-year grants.

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.

Four 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-TOD Pre-Development Round Two Application Scoring Summary

Applicant	Project	Points (45 pts. possible; minimum 30)	Amount Requested	Amount Recommended
City of Bloomington	98 th St Station	36	\$150,000	\$150,000
City of Minneapolis	The Phoenix	40	\$75,000	\$75,000
City of Saint Paul	892 East 7th Street	40.5	\$75,000	\$75,000
City of Saint Paul	652-58 Sherburne Ave West	43	\$56,500	\$56,500

Total Requested:	\$356,500
Total Recommended:	\$356,500
Total Available:	\$500,000
Total Remaining:	\$143,500

Projects Recommended for Funding

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

- 98th Street Station, City of Bloomington
- The Phoenix, City of Minneapolis
- 893 East 7th Street, City of Saint Paul
- 652-58 Sherburne Ave West, City of Saint Paul

Project Summary

Grant #

Type: LCDA-TOD Pre-Development

Applicant: City of Bloomington

Project Name: 98th St Station

Project Location: 9830 Aldrich Ave S, Bloomington, MN, 55420

Council District: 5 – Molly Cummings

Project Detail	
Future Development Project Overview	A project study to determine the development potential of several parcels adjacent to the 98th St Station on the METRO Orange Line that are currently land banked for a potential I-35W/98th Street roadway interchange. The study will explore alternative interchange concepts using current mobility and transportation design practices in order to determine if the sites have potential to support new mixed-use development. Potential future developments would include affordable housing, commercial space, shared parking, and public realm improvements adjacent to a transit station.
Reviewer Comments	The site may be able to support high-density, mixed-use development that expands housing choice and provides job opportunities. Redevelopment of the site would expand transit access, increase connections, and improve access to jobs 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
\$150,000.00	Project Study Deliverable: Report documenting alternate interchange concepts and development potential of the site

Project Summary

Grant #

Type: LCDA-TOD Pre-Development

Applicant: City of Minneapolis

Project Name: The Phoenix

Project Location: 2941 Chicago Ave, Minneapolis, MN, 55407

Council District: 7 – Robert Lilligren

Project Detail	
Future Development Project Overview	Commercial redevelopment of a site which was destroyed in the civil unrest of 2020 that will provide space for new and displaced community serving businesses. The project is adjacent to the Chicago-Lake Transit Center BRT Station and aims to preserve 10 jobs and create 40-50 new jobs in a business incubator environment in order to draw entrepreneurs from and offer jobs to the surrounding community.
Reviewer Comments	The project plans to partner and engage with local organizations to include local small businesses in the design and planning for the business incubator space. Redevelopment would generate higher levels of activity in the transit area by providing convenient access to community goods and services and entrepreneurship opportunities.
Funding	
Requested amount	\$75,000
Previous LCA funding	None
Use of funds	
Total Award: \$75,000	
Amount	Uses and Deliverables to be completed by the end of the grant term
\$60,000.00	Market or Feasibility Study to develop and evaluate development scenario(s) Deliverable: Financial feasibility study for 2 - 3 development scenarios
\$15,000.00	Design Workshops/Community Engagement Deliverable: Report documenting community engagement activities and resulting impact on the development project

Project Summary

Grant #

Type: LCDA-TOD Pre-Development

Applicant: City of Saint Paul

Project Name: 892 East 7th Street

Project Location: 892 7th St E, Saint Paul, MN, 55106

Council District: 13 – Chai Lee

Project Detail	
Future Development Project Overview	Mixed-use and sustainable development project in the Rush Line Arcade Street Station Area with 100 units of affordable housing designed for grandfamilies and extended family living arrangements. The project will also provide ground floor retail and entrepreneurial business incubator space as well as key connections and services for residents and the wider community including a Health and Wellness clinic, Early Childhood Day Care center, Youth Learning center, and an Adult Day Care Center, and a potential Autism Center.
Reviewer Comments	The project is designed to address a specific community housing need and includes complementary uses that would provide up to 75 jobs in proximity to two transit routes. The team will engage the community to better determine the needs of future residents and ensure the redevelopment will connect the site and transit with pedestrian and bike mobility options. The project will include Passive House design features.
Funding	
Requested amount	\$75,000
Previous LCA funding	None
Use of funds	
Total Award: \$75,000	
Amount	Uses and Deliverables to be completed by the end of the grant term
\$15,000.00	Design Workshops/Community Engagement Deliverable: Report documenting community engagement activities and resulting impact on the development project
\$18,750.00	Development of site plans Deliverable: 2-3 site plan alternatives
\$7,500.00	Market or Feasibility Study to develop and evaluate development scenario(s) Deliverable: Financial feasibility study for 2 - 3 development scenarios
\$11,250.00	Development of Stormwater Management Plan Deliverable: Project-specific stormwater management plan
\$15,000.00	Passive building design concept planning Deliverable: Green building design plan alternatives
\$7,500.00	Soil testing on project site to determine feasible land uses Deliverable: Soil testing report

Project Summary

Grant #

Type: LCDA-TOD Pre-Development

Applicant: City of Saint Paul

Project Name: 652-58 Sherburne Ave West

Project Location: 652 Sherburne Avenue W, St Paul, MN 55104

Council District: 14 – Kris Fredson

Project Detail	
Future Development Project Overview	Affordable housing rehab of a historically significant building utilizing innovative anti-displacement and social responsibility strategies. The project will create six units of various sizes for families near the Green Line Dale Street Station and identify potential ownership models for the residents. An adjacent vacant parcel will also be developed into a community garden and park.
Reviewer Comments	The redevelopment project will preserve affordable housing units and potentially provide new permanent affordable home ownership options for the current low-income residents. A diverse, community-centered coalition of partners are involved in the project with a vision for development without displacement and prioritizing cultural preservation.
Funding	
Requested amount	\$56,500
Previous LCA funding	None
Use of funds	
Total Award: \$56,500	
Amount	Uses and Deliverables to be completed by the end of the grant term
\$30,000.00	Development of site plans Deliverable: Concept design plans
\$3,500.00	Development of site plans Deliverable: Site Survey
\$7,500.00	Project Study Deliverable: Report of historic review on the development project
\$7,500.00	Physical or capital needs assessments, energy audits for affordable housing rehab Deliverable: Report of building testing results on the development project
\$3,000.00	Soil testing on project site to determine feasible land uses Deliverable: Report of soil boring results on the development project
\$5,000.00	Design Workshops/Community Engagement Deliverable: Report documenting community engagement activities and resulting impact on the development project