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.

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Recommended Project</th>
<th>Award Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Bloomington</td>
<td>98th St Station</td>
<td>$150,000</td>
</tr>
<tr>
<td>City of Minneapolis</td>
<td>The Phoenix</td>
<td>$75,000</td>
</tr>
<tr>
<td>City of Saint Paul</td>
<td>892 East 7th Street</td>
<td>$75,000</td>
</tr>
<tr>
<td>City of Saint Paul</td>
<td>652-58 Sherburne Ave West</td>
<td>$56,500</td>
</tr>
</tbody>
</table>

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

<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 Bloomington</td>
<td>98th St Station</td>
<td>36</td>
<td>$150,000</td>
<td>$150,000</td>
</tr>
<tr>
<td>City of Minneapolis</td>
<td>The Phoenix</td>
<td>40</td>
<td>$75,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>City of Saint Paul</td>
<td>892 East 7th Street</td>
<td>40.5</td>
<td>$75,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>City of Saint Paul</td>
<td>652-58 Sherburne Ave West</td>
<td>43</td>
<td>$56,500</td>
<td>$56,500</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Project Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

**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>
| $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 | 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 |

### Total Award: $75,000

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

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

<table>
<thead>
<tr>
<th>Amount</th>
<th>Uses and Deliverables to be completed by the end of the grant term</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,000.00</td>
<td>Development of site plans\</td>
</tr>
<tr>
<td></td>
<td>Deliverable: Concept design plans</td>
</tr>
<tr>
<td>$3,500.00</td>
<td>Development of site plans\</td>
</tr>
<tr>
<td></td>
<td>Deliverable: Site Survey\</td>
</tr>
<tr>
<td>$7,500.00</td>
<td>Project Study\</td>
</tr>
<tr>
<td></td>
<td>Deliverable: Report of historic review on the development project\</td>
</tr>
<tr>
<td>$7,500.00</td>
<td>Physical or capital needs assessments, energy audits for affordable housing rehab\</td>
</tr>
<tr>
<td></td>
<td>Deliverable: Report of building testing results on the development project\</td>
</tr>
<tr>
<td>$3,000.00</td>
<td>Soil testing on project site to determine feasible land uses\</td>
</tr>
<tr>
<td></td>
<td>Deliverable: Report of soil boring results on the development project\</td>
</tr>
<tr>
<td>$5,000.00</td>
<td>Design Workshops/Community Engagement\</td>
</tr>
<tr>
<td></td>
<td>Deliverable: Report documenting community engagement activities and resulting impact on the development project</td>
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