Community Development Committee
Meeting date: January 18, 2022
For the Metropolitan Council meeting of January 26, 2022

Subject: 2021 Livable Communities Demonstration Account Transit Oriented Development 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 grants totaling $4,435,600, 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 Minneapolis</td>
<td>Seward Commons</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>City of Minneapolis</td>
<td>3030 Nicollet</td>
<td>$500,000</td>
</tr>
<tr>
<td>City of Hopkins</td>
<td>325 Blake Road</td>
<td>$1,250,000</td>
</tr>
<tr>
<td>City of Brooklyn Park</td>
<td>Tessman Ridge</td>
<td>$1,185,600</td>
</tr>
</tbody>
</table>

Background
The Livable Communities Act (LCA) awards grants to projects through the Livable Communities Demonstration Account (LCDA) that support Metropolitan Council priorities of creating livable communities by connecting jobs, transit, services, and housing. Additionally, the Metropolitan Council has identified advancing Transit Oriented Development (TOD) along existing and emerging transitways as a priority. The LCDA-TOD grant category advances both LCA and TOD priorities by supporting development activities in identified transit station areas.

The LCA requires that the Council adopt an annual Fund Distribution Plan that outlines the review process, evaluation criteria, funding limits, and total funding allocation. The Metropolitan Council approved the 2021 Livable Communities Act Fund Distribution Plan on February 24, 2021 (Business Item 2021-47). The approved Fund Distribution Plan allocates a total of $5 million for 2021 LCDA-TOD projects, $1 million of which was available to fund Pre-Development projects.

The Fund Distribution Plan provides for a two-step evaluation process for LCDA-TOD Development grant applications which is described further in the Review Process section. An interdivisional team of Council staff conduct a Step One technical review. Applications that meet the minimum Step One scoring thresholds and the minimum equity-specific scoring threshold advance to the Step Two review conducted by the Livable Communities Advisory Committee (LCAC), an external panel of professionals and content experts. The LCAC
determines the funding recommendation presented to the Community Development Committee for consideration.

The LCAC is recommending full funding for three and partial funding for one of the ten submitted applications.

Rationale
On September 27, 2021, the Council received ten applications for LCDA-TOD Development grant funding from seven cities. This recommendation will fund the highest scoring eligible projects up to the full funding amount made available to the LCDA-TOD Development grant program.

As outlined in the Fund Distribution Plan, $4 million dollars are available for LCDA-TOD Development grants. In 2021, two LCDA-TOD Pre-Development projects were awarded a total of $202,500 in Round One and four LCDA-TOD Pre-Development projects were awarded in Round Two for a total of $356,500. The remaining $441,000 of funding allocated to LCDA-TOD Pre-Development is available for LCDA-TOD Development grant awards, for an available funding total of $4,441,000.

The ten applications submitted requested over $13.6 million. As stipulated in the Fund Distribution Plan, the maximum combined award limit per city is $2 million. Fully funding the recommended applications will result in $4,435,600 in grant awards and $5,400 of the total available funding unallocated. Unallocated funds will be available for future programming.

Thrive Lens Analysis
LCDA-TOD funded projects respond to several Thrive outcomes:

- 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]ligning resources to support transit-oriented development and walkable, urban places.”

Funding
Funds are available in the Livable Communities authorized 2022 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 for the LCDA-TOD program in March 2021 after adopting the 2021 Annual Livable Communities Fund Distribution Plan. Staff held informational webinars, distributed information about funding availability and met with prospective applicants to discuss the LCA processes, criteria and best program fit for their projects.

LCA communities interested in submitting applications had the opportunity to participate in a series of technical assistance sessions before submitting an initial project proposal. The technical assistance
sessions consisted of four webinar panel discussions and project review workshops, all facilitated by technical experts in the following topic areas: project process, equity, environment, and design.

The Council received ten applications for LCDA-TOD funding on September 27, 2021, as shown in Table 1. The City of Brooklyn Park, City of Eden Prairie, City of Hopkins, City of Minneapolis, City of Minnetonka, City of St Louis Park, and City of Saint Paul all submitted applications. LCA staff evaluation concluded that all submitted applications met the minimum eligibility threshold required for evaluation.

Council staff conducted a preliminary review of each application and requested revisions for completeness and eligibility. The interdivisional team of Council staff then used Council-approved criteria to evaluate each application in the following Step One categories: Housing, Jobs, Compact Connected Development, Environment and Livability, Process, and Capacity.

Seven of the ten applications met both the overall minimum score and the minimum equity score in the Step One review process and advanced to the Step Two review conducted by the LCAC. The applications that did not meet the minimum score to advance to the Step Two review are described in the Projects Not Recommended for Funding section.

Table 1. LCDA-TOD 2021 Application Summary

<table>
<thead>
<tr>
<th>Grant Category</th>
<th>Full applications received</th>
<th>Applications reviewed in Step One</th>
<th>Applications advanced to Step Two</th>
<th>Applications recommended for award</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCDA-TOD</td>
<td>10</td>
<td>10</td>
<td>7</td>
<td>4</td>
</tr>
</tbody>
</table>

In Step Two, the LCAC reviewed each application and evaluated the proposals based on additional criteria within the same Step One categories, generally considering more of the proposals’ detailed design and programmatic decisions. After the LCAC review, the Step Two scores were combined with scores from Step One and five of the seven projects met the 75-point total minimum score required to be considered for funding, as shown in Table 2.

The LCAC is recommending fully funding three of the LCDA-TOD grant requests; Seward Commons, 325 Blake Road, and Tessman Ridge; and partially funding one of the LCDA-TOD grant requests, 3030 Nicollet. The location of the recommend projects is illustrated Figure 1 below.
Table 2. LCDA-TOD 2021 Application Scoring Summary

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Project</th>
<th>Points</th>
<th>Amount Requested</th>
<th>Amount Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Minneapolis</td>
<td>Seward Commons</td>
<td>98.6</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>City of Minneapolis</td>
<td>3030 Nicollet</td>
<td>95.1</td>
<td>$2,000,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>City of Minneapolis</td>
<td>Calvary Apartments</td>
<td>91.0</td>
<td>$1,500,000</td>
<td>$0</td>
</tr>
<tr>
<td>City of Hopkins</td>
<td>325 Blake Road</td>
<td>85.8</td>
<td>$1,250,000</td>
<td>$1,250,000</td>
</tr>
<tr>
<td>City of Brooklyn Park EDA</td>
<td>Tessman Ridge</td>
<td>81.0</td>
<td>$1,185,600</td>
<td>$1,185,600</td>
</tr>
<tr>
<td>City of Saint Paul</td>
<td>Keystone Food Site</td>
<td>73.1</td>
<td>$511,000</td>
<td>$0</td>
</tr>
<tr>
<td>City of Saint Paul</td>
<td>Wilder Square Cooperative</td>
<td>67.9</td>
<td>$1,489,000</td>
<td>$0</td>
</tr>
<tr>
<td>City of St Louis Park EDA</td>
<td>Beltline Station</td>
<td>51.5</td>
<td>$1,500,000</td>
<td>$0</td>
</tr>
<tr>
<td>City of Eden Prairie</td>
<td>GTS Multifamily</td>
<td>36.9</td>
<td>$1,655,000</td>
<td>$0</td>
</tr>
<tr>
<td>City of Minnetonka</td>
<td>Minnetonka Station</td>
<td>33.7</td>
<td>$1,010,000</td>
<td>$0</td>
</tr>
<tr>
<td>Total Requested:</td>
<td></td>
<td></td>
<td>$13,600,600</td>
<td></td>
</tr>
<tr>
<td>Total Recommended:</td>
<td></td>
<td></td>
<td>$4,435,600</td>
<td></td>
</tr>
<tr>
<td>Total Available:</td>
<td></td>
<td></td>
<td>$4,441,000</td>
<td></td>
</tr>
<tr>
<td>Total Remaining:</td>
<td></td>
<td></td>
<td>$5,400</td>
<td></td>
</tr>
</tbody>
</table>

*Projects Not Recommended for Funding*

The following projects are not recommended for funding and are grouped by the primary reason for non-selection, including not meeting the minimum score threshold and the limit on available funding.

*The following projects did not meet the minimum score:*

- **Keystone Community Food Site, City of Saint Paul**
  - Determination: The application scored 73.1 points in Step One and Step Two and did not meet the minimum overall score required for consideration
  - Rationale: The LCAC identified the project as a community asset and awarded more points than average in Capacity and Process but did not award as many points in Housing, Jobs, or Compact Connected Development including its orientation to transit

- **Wilder Square Housing Cooperative City of Saint Paul**
  - Determination: The application scored 67.9 points in Step One and Step Two and did not meet the minimum overall score required for consideration
  - Rationale: The LCAC did not award as many points than average in Jobs, Compact Connected Development, Environment, and Process, noting the lack of transit supportive site changes with the proposed rehabilitation
• **Beltline Station, City of St Louis Park**
  o Determination: Project scored 51.5 points in Step One and did not meet the minimum equity score required for consideration
  o Rationale: The Step One review identified the project as a strong application but did not award enough points for equity outcomes in Housing, Jobs, and Compact Connected Development in order to meet the minimum equity score

• **GTS Multifamily, City of Eden Prairie**
  o Determination: The application scored 36.9 points in Step One and did not meet the minimum overall score or the minimum equity score required for consideration
  o Rationale: The Step One review did not award as many points than average in Housing, Jobs, Compact Connected Development, or Process, and the application did not earn enough equity points in order to meet the minimum equity score

• **Minnetonka Station, City of Minnetonka**
  o Determination: The application scored 33.7 points in Step One and did not meet the minimum overall score or the minimum equity score required for consideration
  o Rationale: The Step One review did not award as many points than average in Housing, Jobs, Compact Connected Development, Environment and Livability, or Process, and the application did not earn enough equity points in order to meet the minimum equity score

*The following project was not selected due to the limited funding availability:*

• **Calvary Apartments, City of Minneapolis**
  o Determination: The application scored 91 points in Step One and Step Two
  o Rationale: The LCAC identified the project as a strong application however the city’s maximum award limit of $2,000,000 was allocated to projects that scored more points

**Projects Recommended for Funding**
A project summary of each of the recommended projects is on the following pages, including the following projects:

- Seward Commons, City of Minneapolis
- 3030 Nicollet, City of Minneapolis
- 325 Blake Road, City of Hopkins
- Tessman Ridge, City of Brooklyn Park

**Affordable Housing Need**
To be able to compete for LCA funding, each community negotiates long-term affordable and life-cycle housing goals with the Council. The Council uses the community’s Need for Affordable Housing (Housing Need) as the basis for negotiating the Goal, and the community and Council also consider availability of resources to develop affordable housing as a factor in determining Affordable Housing Goal ranges.

The units proposed in this grant cycle are projected to be available for occupancy in the year 2023 - 2025. Table 3 shows the projected affordable housing need for the decade between 2021 and 2030 and the number of proposed affordable units that are expected to be built within each city for projects recommended for funding. If completed as planned, the proposed affordable units supported by LCDA-TOD grant funding will address part of the affordable housing need in the next decade.
Table 3. Affordable Housing Need 2021-2030 and Total Proposed Affordable Units for LCDA-TOD Projects Recommended for Funding by City

<table>
<thead>
<tr>
<th>City</th>
<th>Total</th>
<th>Need for units affordable to households with income at or below 30% of AMI</th>
<th>Need for units affordable to households with income 31% to 50% of AMI</th>
<th>Need for units affordable to households with income 51% to 80% of AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minneapolis Units</td>
<td>141</td>
<td>21</td>
<td>120</td>
<td>0</td>
</tr>
<tr>
<td>Minneapolis Need</td>
<td>3,499</td>
<td>1,551</td>
<td>494</td>
<td>1,454</td>
</tr>
<tr>
<td>Hopkins Units</td>
<td>162</td>
<td>0</td>
<td>112</td>
<td>50*</td>
</tr>
<tr>
<td>Hopkins Need</td>
<td>197</td>
<td>90</td>
<td>51</td>
<td>56</td>
</tr>
<tr>
<td>Brooklyn Park Units</td>
<td>63</td>
<td>21</td>
<td>42</td>
<td>0</td>
</tr>
<tr>
<td>Brooklyn Park Need</td>
<td>710</td>
<td>365</td>
<td>93</td>
<td>252</td>
</tr>
<tr>
<td><strong>TOTAL Units</strong></td>
<td>366</td>
<td>42</td>
<td>274</td>
<td>50</td>
</tr>
<tr>
<td><strong>TOTAL Need for Selected Cities</strong></td>
<td>4,406</td>
<td>2,006</td>
<td>638</td>
<td>1,762</td>
</tr>
</tbody>
</table>

* Only units affordable to households with income 51% to 60% of AMI included for proposed units per grant distribution criteria.

**Outcomes Summary**

The summary below in Table 4 shows the expected outcomes from the 2021 LCDA-TOD awards in the region, aggregating outcomes from the recommended projects including housing units, jobs, and investment.

Table 4. LCDA-TOD 2021 Development Awards Aggregate Outcomes

<table>
<thead>
<tr>
<th>Outcome Area</th>
<th>Expected Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Housing Units</strong></td>
<td>1,017</td>
</tr>
<tr>
<td>Affordable Housing Units (≤60% AMI)</td>
<td>382</td>
</tr>
<tr>
<td>Market Rate Housing Units</td>
<td>635</td>
</tr>
<tr>
<td><strong>Total Jobs (FTEs)</strong></td>
<td>74.4</td>
</tr>
<tr>
<td>Permanent FT Jobs</td>
<td>70</td>
</tr>
</tbody>
</table>
Figure 1. Project Sites and Communities Recommended for Funding

1. Minneapolis, Seward Commons - 2115 Snelling Avenue, Minneapolis, MN 55404
2. Minneapolis, 3030 Nicollet - 3030 Nicollet Avenue S, Minneapolis MN 55408
3. Hopkins, 325 Blake Road - 325 Blake Rd N, Hopkins, MN, 55343
4. Brooklyn Park, Tessman Ridge - 6900 85th Ave N, Brooklyn Park, MN 55445
Project Summary

Grant #
Type: LCDA-TOD
Applicant: City of Minneapolis
Project Name: Seward Commons
Project Location: 2115 & 2213 Snelling Avenue, Minneapolis, MN 55404
Council District: 8 – Abdirahman Muse

Project Detail

Future Development

Project Overview
A dense small-site redevelopment including affordable housing and the permanent relocation of a community garden CSA within the area. The project is the last in a coordinated multi-phase redevelopment of land around the Franklin Avenue Station Area.

| Total FTE jobs | 6 |
| Total housing units | 32 |
| Affordable units | 32 Total – 9 @ <30% | 23 @ 31-50% |
| Anticipated # bedrooms | 72 Total – 8 One Br | 8 Two BR | 16 Three or more BR |

TOD metrics

| Floor-area ratio: 3.57 |
| Dwelling units per acre: 84 |
| Distance to station/stop: 1,051 feet |
| Parking stalls/unit: 1.0 |
| Parking stalls/1,000 sqft commercial: 0 |

Support for Award

- The project provides increased housing choice including larger units for families and targeted affordable housing for underserved populations
- Unique partnerships and a neighborhood-scale redevelopment strategy create complementary uses, re-establishes an existing business, and integrates affordable family housing and urban food production
- The project is well connected to surrounding uses through multi-modal networks and includes intentionally designed green space

Funding

Requested amount $1,500,000
Previous LCA funding None

Use of Funds

Total Award: $1,500,000

<table>
<thead>
<tr>
<th>Amount</th>
<th>Uses and Deliverables to be completed by the end of the grant term</th>
</tr>
</thead>
</table>
| $162,000 | Site Preparation  
Deliverable: Grading and/or Soil Correction |
| $60,000 | Public Infrastructure  
Deliverable: Public Utilities Extensions |
| $870,000 | Stormwater  
Deliverable: Green Roof and Infiltration/Storage Swales or Tanks |
| $200,000 | Placemaking Spaces  
Deliverable: Community Garden and Playground for Affordable Housing |
| $190,000 | Placemaking Spaces  
Deliverable: Public Art and Public Plaza |
| $18,000 | Placemaking Spaces  
Deliverable: Bike Parking |
# Project Summary

## Grant #

**Type:** LCDA-TOD  
**Applicant:** City of Minneapolis  
**Project Name:** 3030 Nicollet  
**Project Location:** 3030 Nicollet Avenue S, Minneapolis MN 55408  
**Council District:** 7 – Robert Lilligren

## Project Detail

<table>
<thead>
<tr>
<th>Future Development</th>
<th>A mixed-use community-focused redevelopment of the former Wells Fargo bank on Nicollet Ave in proximity to the I-35W &amp; Lake Street Station Area. The redevelopment includes affordable housing units and ground floor commercial with a rebuilt bank, affordable commercial condos, and business incubator. The project is a result of intensive community engagement and is the first of two phases.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total FTE Jobs</td>
<td>35.25</td>
</tr>
<tr>
<td>Total housing units</td>
<td>110</td>
</tr>
<tr>
<td>Affordable units</td>
<td>109 Total – 12 @ &lt;30%</td>
</tr>
<tr>
<td>Anticipated # bedrooms</td>
<td>225 Total – 25 One BR</td>
</tr>
</tbody>
</table>
| TOD metrics       | Floor-area ratio: 1.98  
Dwelling units per acre: 76  
Distance to station/stop: 1,127 feet  
Parking stalls/unit: 0.63  
Parking stalls/1,000 sqft commercial: 0.29 |
| Support for Award | • The project is a result of strong partnerships and responsiveness to community need that re-incorporates a displaced asset as an anchor tenant and includes affordable commercial incubator space to support entrepreneurship and local wealth building  
• The project provides increased housing choice including larger units for families and targeted affordable housing for underserved populations  
• Transformation of auto-centric site with pedestrian oriented public spaces while incorporating displaced uses in advance of future phases and key redevelopment adjacent to the site |

## Funding

| Requested amount | $2,000,000 |
| Previous LCA funding | 2021 TOD Pre-Development $150,000 |

## Use of funds

**Total Award: $500,000**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Uses and Deliverables to be completed by the end of the grant term</th>
</tr>
</thead>
</table>
| $400,000 | **Renewable Energy**  
Deliverable: Geothermal System |
| $100,000 | **Site Preparation**  
Deliverable: Grading and/or Soil Correction |
Project Summary

Grant #
Type: LCDA-TOD
Applicant: City of Hopkins
Project Name: 325 Blake Road
Project Location: 325 Blake Rd N, Hopkins, MN, 55343
Council District: 5 – Molly Cummings

Project Detail

Future Development

Project Overview
A high-density mixed-use redevelopment of a vacant underutilized site in proximity to the Blake Road LRT Station and Cedar Lake LRT Regional Trail. The project includes market-rate, mixed-income, and affordable rental units, for-sale townhouses, and senior co-op as well as commercial spaces and ample public realm enhancements between the transit station, regional trail, and Minnehaha Creek.

Total FTE jobs: 25
Total housing units: 833
Affordable units: 162 Total – 112 @ 31-50% | 50 @ 51-60%
Anticipated # bedrooms: 1203 Total – 508 One BR | 285 Two BR | 40 Three or more BR

TOD metrics
Floor-area ratio: 2.3
Dwelling units per acre: 89.3
Distance to station/stop: 856 feet
Parking stalls/unit: 1.4
Parking stalls/1,000 sqft commercial: 4.2

Reviewer Comments
- High-density project with a mix of uses including affordable and market rate housing, retail, and outdoor recreation which will create a community destination that will support increased transit use, bikeability, and walkability in the station area
- The project provides increased housing choice including cooperative ownership opportunities
- The project is a result of unique public-private partnerships and the prioritization of environmental sustainability through stormwater management and intentional public realm enhancements

Funding
Requested amount: $1,250,000
Previous LCA funding: 2018 TBRA $805,706

Use of funds
Total Award: $1,250,000

<table>
<thead>
<tr>
<th>Amount</th>
<th>Uses and Deliverables to be completed by the end of the grant term</th>
</tr>
</thead>
</table>
| $605,000 | Placemaking Spaces  
Deliverable: Landscaping |
| $395,000 | Placemaking Spaces  
Deliverable: Sidewalks/Paths |
| $200,000 | Placemaking Spaces  
Deliverable: Seating, Furnishings and Wayfinding |
| $50,000 | Placemaking Spaces  
Deliverable: Public Art |
# Project Summary

**Grant #**  
Type: LCDA-TOD  
Applicant: City of Brooklyn Park  
Project Name: Tessman Ridge  
Project Location: 6900 85th Avenue N, Brooklyn Park  
Council District: 2 – Reva 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>The first in a two-phase redevelopment of a green field site with mixed-income housing and affordable commercial space for a community-serving use. The project includes supportive housing units and a commercial multiplex facility for up to four childcare businesses.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total FTE jobs</th>
<th>8.15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total housing units</td>
<td>75</td>
</tr>
<tr>
<td>Affordable units</td>
<td>63 Total – 21 @&lt;30%</td>
</tr>
<tr>
<td>Anticipated # bedrooms</td>
<td>151 Total – 20 One BR</td>
</tr>
</tbody>
</table>

| TOD metrics | Floor-area ratio: 1.3  
Dwelling units per acre: 33.3  
Distance to station/stop: 1,882 feet  
Parking stalls/unit: 2.07  
Parking stalls/1,000 sqft commercial: 1.75 |

| Reviewer Comments | The project provides increased housing choice including larger units for families, targeted affordable housing for underserved populations and supportive services for residents  
The project includes affordable commercial spaces intended to support local businesses and small childcare operators |

## Funding

| Requested amount | $1,185,600 |
| Previous LCA funding | None |

### Use of funds

<table>
<thead>
<tr>
<th>Total Award: $1,185,600</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Amount</th>
<th>Uses and Deliverables to be completed by the end of the grant term</th>
</tr>
</thead>
</table>
| $800,000 | **Stormwater Management**  
Deliverable: District System Infiltration/Storage Swales or Tanks |
| $80,000 | **Architectural/Engineering Fees: Stormwater Management**  
Deliverable: Documentation of hours |
| $185,600 | **Placemaking Spaces**  
Deliverable: Playground for Affordable Housing |
| $120,000 | **Renewable Energy**  
Deliverable: Geothermal System |