

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.

Applicant	Recommended Project	Award Amount
City of Minneapolis	Seward Commons	\$1,500,000
City of Minneapolis	3030 Nicollet	\$500,000
City of Hopkins	325 Blake Road	\$1,250,000
City of Brooklyn Park	Tessman Ridge	\$1,185,600

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

Grant Category	Full applications received	Applications reviewed in Step One	Applications advanced to Step Two	Applications recommended for award
LCDA-TOD	10	10	7	4

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

Applicant	Project	Points (110 points possible; minimum 75)	Amount Requested	Amount Recommended
City of Minneapolis	Seward Commons	98.6	\$1,500,000	\$1,500,000
City of Minneapolis	3030 Nicollet	95.1	\$2,000,000	\$500,000
City of Minneapolis	Calvary Apartments	91.0	\$1,500,000	\$0
City of Hopkins	325 Blake Road	85.8	\$1,250,000	\$1,250,000
City of Brooklyn Park EDA	Tessman Ridge	81.0	\$1,185,600	\$1,185,600
City of Saint Paul	Keystone Food Site	73.1	\$511,000	\$0
City of Saint Paul	Wilder Square Cooperative	67.9	\$1,489,000	\$0
City of St Louis Park EDA	Beltline Station	51.5	\$1,500,000	\$0
City of Eden Prairie	GTS Multifamily	36.9	\$1,655,000	\$0
City of Minnetonka	Minnetonka Station	33.7	\$1,010,000	\$0

Total Requested: \$13,600,600

Total Recommended: \$4,435,600

Total Available: \$4,441,000

Total Remaining: \$5,400

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
 - Determination: Project scored 51.5 points in Step One and did not meet the minimum equity score required for consideration
 - 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
 - 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
 - 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
 - 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
 - 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
 - Determination: The application scored 91 points in Step One and Step Two
 - 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

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

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

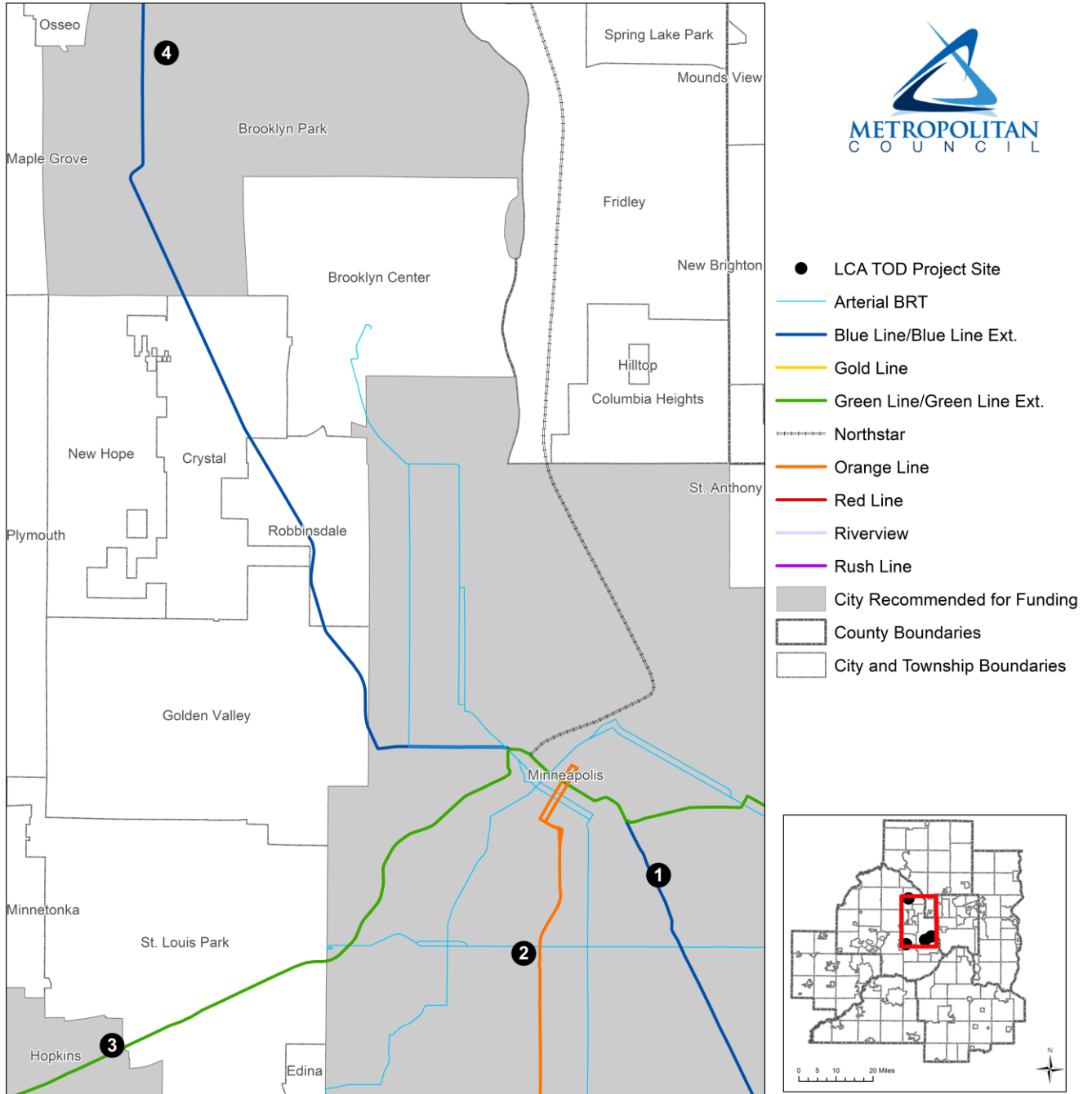
Outcomes Summary

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

Outcome Area	Expected Amount
Total Housing Units	1,017
Affordable Housing Units (≤60% AMI)	382
Market Rate Housing Units	635
Total Jobs (FTEs)	74.4
Permanent FT Jobs	70

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	<ul style="list-style-type: none"> • 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	
Amount	Uses and Deliverables to be completed by the end of the grant term
\$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	
Future Development Project Overview	A mixed-use community-focused redevelopment of the former Wells Fargo bank on Nicollet Ave in proximity to the I-35W & 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.
Total FTE Jobs	35.25
Total housing units	110
Affordable units	109 Total – 12 @ <30% 97 @31-50%
Anticipated # bedrooms	225 Total – 25 One BR 55 Two Br 30 Three or more BR
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	<ul style="list-style-type: none"> • 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 redevelopments 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	
Amount	Uses and Deliverables to be completed by the end of the grant term
\$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	<ul style="list-style-type: none"> • 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	
Amount	Uses and Deliverables to be completed by the end of the grant term
\$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	
Future Development Project Overview	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.
Total FTE jobs	8.15
Total housing units	75
Affordable units	63 Total – 21 @<30% 42 @31-50%
Anticipated # bedrooms	151 Total – 20 One BR 34 Two BR 21 Three or more BR
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	<ul style="list-style-type: none"> 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	
Total Award: \$1,185,600	
Amount	Uses and Deliverables to be completed by the end of the grant term
\$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