

Business Item

Community Development Committee



Committee Meeting Date: June 6, 2022

For the Metropolitan Council: June 22, 2022

Business Item: 2022-157

Funding Recommendations for 2022 Round One Livable Communities Act Predevelopment Grants

District(s), Member(s): All
Policy/Legal Reference: Livable Communities Act (Minn. Stat. § 473.25)
Staff Prepared/Presented: Stephen Klimek, Senior Planner, Livable Communities (651) 602-1541
Division/Department: Community Development / Regional Planning

Proposed Action

That the Metropolitan Council award four Livable Communities Act Predevelopment Grants totaling \$475,000 as shown Table 1 below.

Table 1. Recommended Grant Projects and Funding Amounts

Applicant	Recommended Project	Award Amount
City of Brooklyn Center	International Food Village	\$100,000
City of Minneapolis	Jema River	\$150,000
City of Minneapolis	Re+4RM Project	\$150,000
City of Saint Paul	African American Community Development Center	\$75,000

Background

Livable Communities Act (LCA) supports Metropolitan Council priorities through the Livable Communities Demonstration Account (LCDA) by funding projects that connect jobs, transit, services, and housing in efficient and effective ways. The Council adopted the 2022 LCA Pre-Development guidelines, criteria, schedule, and evaluation process as part of the Annual Livable Communities Act Fund Distribution Plan ([Business Item 2022-50](#)) on March 9, 2022. Historically, Pre-Development awards have been offered separately through the LCDA and Transit Oriented Development accounts. The two funding opportunities were combined into a single Pre-Development opportunity this year to simplify the process for applicants and staff. This administrative change is outlined in the Fund Distribution Plan. The Fund Distribution Plan establishes a one-step evaluation process for Pre-Development applications that is conducted by a team of staff from the Community Development Division.

On April 18, 2022, the Council received seven applications for Round One of LCA Pre-Development funding. The City of Brooklyn Center, the City of Minneapolis, and the City of Saint Paul all submitted applications. A staff evaluation concluded that all submitted applications met eligibility requirements. Project details are included in the attached project summaries.

Rationale

As detailed in the Review Process section of this report, the recommended projects and award

amounts meet the funding award criteria for the program. As outlined in the 2022 Fund Distribution Plan, the Council has two rounds of LCA Pre-Development funding in 2022, with up to \$1,000,000 available in each round. There is an award limit of \$300,000 per city per round. Unallocated funds will be available for future programming.

Thrive Lens Analysis

Projects that demonstrate efficient and effective use of public financial resources further the Thrive Stewardship Outcome.

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

Projects that provide a mix of housing affordability levels further the Thrive Equity outcome of “[c]reating real choices in where we live, how we travel, and where we recreate for all residents, across race, ethnicity, economic means, and ability.”

Projects that introduce more housing types and affordability levels in existing neighborhoods further the Thrive Livability outcome of “[p]roviding housing and transportation choices for a range of demographic characteristics and economic means.”

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 in March 2022 after adopting the 2022 Annual Livable Communities Fund Distribution Plan. Staff held informational webinars, distributed information about funding availability and met with applicants to discuss the LCA processes, criteria, and best program fit for their projects.

Seven applications were submitted, as shown in Table 2. Council staff conducted a preliminary review for completeness and eligibility, then used Council-approved criteria to evaluate each application in the following areas: Pre-Development Project Outcomes, Proposed Project Process, and Proposed Project Team. Of the seven applications submitted, six met the minimum score to be eligible for funding. The results of the staff evaluation are shown in Table 3.

Table 2. Application Summary

Grant Category	Submitted Applications	Eligible Applications	Applications that met the minimum score	Applications recommended for funding
LCA Pre-Development Round One	7	7	6	4

Table 3. Scoring Summary

Applicant	Project	Points	Amount Requested	Amount Recommended
City of Brooklyn Center	International Food Village	28.0	\$100,000	\$100,000
City of Minneapolis	2843 26th Ave S Project	23.5	\$75,000	\$0
City of Minneapolis	Jema River	26.5	\$150,000	\$150,000
City of Minneapolis	Lake Street Cultural Center	23	\$17,000	\$0
City of Minneapolis	Re+4RM Project	25.5	\$150,000	\$150,000
City of Saint Paul	652-654 Oakdale Avenue	13.0	\$63,000	\$0
City of Saint Paul	African American Community Development Center	22.5	\$75,000	\$75,000

Total Recommended \$475,000

Total Available \$1,000,000

Total Remaining \$525,000

Projects Not Recommended for Funding

A summary of the applications not recommended for funding awards, including rationale, is below:

2843 26th Ave

Applicant: City of Minneapolis

Determination: Limited funding availability

Rationale:

- The project is expected to intensify land uses and create new community-serving jobs.
- The city's maximum award limit of \$300,000 in Round One was allocated to projects that scored more points



Lake Street Cultural Center

Applicant: City of Minneapolis

Determination: Limited funding availability

Rationale:

- The project is expected to intensify land uses and create new community-serving jobs.
- The city's maximum award limit of \$300,000 in Round One was allocated to projects that scored more points.

652 Oakdale Ave

Applicant: City of Saint Paul

Determination: Ineligible; did not meet minimum score required to be eligible for funding

Rationale:

- The project includes a greater density of housing and affordable units however they would not meet the affordability need of the project area.
- No community partnerships have been established and there is no clear connection as to how any engagement would inform the future development.

Projects Recommended for Funding

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

- International Food Village, City of Brooklyn Center
- Jema River, City of Minneapolis
- Re+4RM Project, City of Minneapolis
- African American Community Development Center, City of Saint Paul



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Brooklyn Center
Project Name: International Food Village
Project Location: 6100 Shingle Creek Pkwy, Brooklyn Center, MN 55430
Council District: 2 – Chamblis

Project Detail	
Project Overview	A proposed multi-phase development of a nine-acre site. The project would be anchored by an approximately 110,000 sq. ft. ethnic supermarket that is expected to create 100-120 living wage job opportunities and also includes an African Brewery and a bulk purchasing establishment. The concept plan includes approximately 175 units of housing with 20% of the units affordable to households at or below 60% of the area median income.
Support for Award	<ul style="list-style-type: none"> • Mixed use project that follows equitable development and transit oriented development principles. • Proposed commercial uses will offer a unique destination that is reflective of the racial and ethnic diversity in the community.
Funding	
Requested Amount	\$100,000
Previous LCA funding	None
Use of Funds	
\$100,000	TOTAL
\$50,000	Financial Feasibility Deliverable: Market study & financial feasibility of 2-4 development scenarios
\$15,000	Stormwater Management Plans Deliverable: Preliminary civil engineering of stormwater system
\$35,000	Site Plan & Architectural Design Deliverable: Schematic design of site plan and buildings



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Minneapolis
Project Name: Jema River
Project Location: 713 E Lake Street, Minneapolis, MN 55407
Council District: 7 – Lilligren

Project Detail	
Project Overview	The reconstruction of a damaged property on the Lake Street corridor to replace 7 affordable ground floor commercial/retail spaces for local entrepreneurs and add additional density with at least 6 units of affordable housing. The project provides an opportunity for displaced businesses to return to the area and intensify the site with additional housing.
Support for Award	<ul style="list-style-type: none"> The project uses equitable development principles and is focused on the restoration of majority BIPOC small affordable commercial spaces that were displaced. The project will bring back local jobs to a now underutilized space that was once a vibrant commercial hub in the racially diverse Lake Street corridor.
Funding	
Requested Amount	\$150,000
Previous LCA funding	None
Use of Funds	
\$150,000	TOTAL
\$100,000	Developer Mentoring Deliverable: Development feasibility and implementation plans
\$25,000	Site Plans & Public Realm Plans Deliverable: Site plan and public realm plan
\$25,000	Financial Feasibility Deliverable: Financial feasibility for commercial and affordable housing



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Minneapolis
Project Name: Re+4RM Project
Project Location: 2800 E Lake St, Minneapolis, MN 55406
Council District: 8 – Muse

Project Detail	
Project Overview	A proposed master plan redevelopment of the damaged US Bank site on Lake Street. The project intends to result in BIPOC and community ownership of up to four separate vertical development projects including affordable commercial and mixed-use developments, each connected to an aquifer thermal energy storage district energy system and linked by a public realm plan including a healing garden.
Support for Award	<ul style="list-style-type: none"> • Project is driven by minority developers and businesses and includes a deep community engagement strategy involving art-based strategies, local businesses, and place-based partners. • The project has an innovative Aquifer Thermal Energy Storage energy system that will be shared between the multiple new developments.
Funding	
Requested Amount	\$150,000
Previous LCA funding	None
Use of Funds	
\$150,000	TOTAL
\$50,000	District Energy Deliverable: Financial modeling, design, and testing of energy system
\$50,000	Community Engagement Deliverable: Summary of 6-month engagement process
\$25,000	Site Plans Deliverable: 1-2 Site plans
\$25,000	Stormwater Management Plans Deliverable: Project specific stormwater management plans



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Saint Paul
Project Name: African American Community Development Center
Project Location: Wards 5, 6, and 7 in the City of Saint Paul
Council District: 13 – Lee / 14 – Fredson

Project Detail	
Project Overview	This development aims to create non-traditional pathways to home ownership for mid-large sized families with incomes at or below 60% AMI. The project includes a site selection search in the City of Saint Paul and intends to create a model for sustainable co-op affordable multifamily housing.
Support for Award	<ul style="list-style-type: none"> The project is in partnership with two LISC developers of color and is geared to serving the affordable housing needs of BIPOC families. The co-op model may increase opportunity for home ownership in the BIPOC community.
Funding	
Requested Amount	\$75,000
Previous LCA funding	None
Use of Funds	
\$75,000	TOTAL
\$10,000	Financial Feasibility & Capital Needs Assessment Deliverable: Market study & financial feasibility of 2-3 development scenarios
\$20,000	Site Plan & Architectural Design Deliverable: 1-2 Concept designs of site plan and building
\$9,500	Community Engagement Deliverable: Summary of engagement activities and reports
\$10,500	Soil Testing Deliverable: Report of soil testing results on the development
\$5,000	Site Selection Deliverable: Report of 2-3 site option scenarios
\$10,000	Developer Mentoring Deliverable: Development feasibility and implementation plans
\$10,000	Project Study Deliverable: Report on wealth building strategies of the development model

