

Business Item

Community Development Committee



Committee Meeting Date: August 21, 2023

For the Metropolitan Council: NA*

*Per Livable Communities Act Grant Amendment Process (Business Item [2012-296](#) and [2014-182](#)), the Community Development Committee is the final authority on this item.

Business Item: 2023-187

Amend Summary, Budget, Title, and Location of Seward Commons TOD Grant (SG-16616)

District(s), Member(s):	District 6, John Pacheco Jr.
Policy/Legal Reference:	Minn. Stat. § 473.253
Staff Prepared/Presented:	Samuel Johnson, Principal Grants Administrator, 651-602-1757 Nicole Clapp, Acting Grants Manager (651-602-1723)
Division/Department:	Community Development / MTS Finance and Admin/Livable Communities

Proposed Action

That the Community Development Committee approve revising the Seward Commons (SG-16616) TOD Development grant project summary (attachment B) to, 1) shift funds from a rooftop CSA to raised-bed gardens, site and infrastructure costs, and public art; 2) update the name of the grant to Wadaag Commons; 3) reflect the project's increase in affordable housing units, increase in the affordability of housing, and decrease in jobs, and 4) correct the aerial map showing the location of the project.

Background

The Metropolitan Council awarded the City of Minneapolis a \$1,500,000 Livable Communities Demonstration Account Transit Oriented Development (TOD) grant in January of 2022 (Business Item [2022-16](#)) for the Seward Commons project. The project is the last part of a multi-phase redevelopment of land around the Franklin Avenue Station. The project redevelops a dense small-site parcel for affordable housing. The grant funds site preparation, public infrastructure, stormwater management, and placemaking spaces, including: a community garden and playground for affordable housing, public art and plaza, and bike parking. The original grant scope also funded the relocation of a community garden CSA onto the roof of an adjacent building, to preserve it as an asset for the community.

On June 15, 2023, the City of Minneapolis requested to amend multiple components of the grant (Attachment A). They explained that the rooftop CSA was a commercial food production enterprise which is ineligible for grant funding but was initially misunderstood to be a green roof solution. They requested the Council amend the grant project summary to shift awarded funds from the rooftop CSA to other eligible project activities. Specifically, they requested funding be reallocated to a green roof and stormwater management for the affordable housing building, 39 garden beds for tenants of the building, and the remaining funds were requested to cover increased construction costs for the project's other grant funded activities, more public art, and community engagement.

Because the project would now be entirely an affordable housing project and no longer include an

adjacent rooftop CSA, Minneapolis informed us the number of anticipated Full Time Employment (FTE) jobs would be reduced from 6 to 3. The City reported the project is adding 7 affordable units and is increasing the amount of deeply affordable units. They requested to update those unit totals and affordability levels in the project summary.

They also requested that the title of the grant be updated to “Wadaag Commons.” They explained it aligns with the public art planned for the site and is more representative of the surrounding community. Lastly, the City requested to correct the project location aerial map (Attachment C) in the agreement to show the updated location and address of the project.

Rationale

The amendment request to adjust the budget for grant funded activities constitutes a removal of a grant-funded activity and a prominent feature of the project originally approved by the Council. It would reduce the FTEs for the project from 6 to 3. This constitutes a significant change for the project. The shift in funding also equals a 44% shift of total grant funds between budgeted line-items. Committee approval is required for any project scope change or budget shift above 20%. The increase in affordable housing units and increased affordability of units does not require CDC approval.

The reduction of FTEs and environmental factors related to the CSA green roof systems would have earned fewer points in scoring for the 2021 scoring round. However, the project was the top-scoring application. Even with the reduced score, it would have been recommended for funding. Therefore, Council staff recommend the Committee approve amending the project summary as indicated in the proposed action.

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.

Attachments

Attachment A. Grant Amendment Request

Attachment B. Revised Project Summary

Attachment C. Corrected Aerial Map





Finance and Property Services Department
Development Finance Division
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June 15, 2023

Samuel Johnson
Livable Communities Program
Metropolitan Council
390 Robert Street
St. Paul, MN 55101-1805

RE: Request for Changes to Unexecuted Grant Agreement for SG-16616 Seward Commons Final Phase

Dear Sam,

On January 26, 2022, the City of Minneapolis was awarded an LCDA-TOD grant of \$1,500,000 on behalf of the Seward Commons Final Phase project. By the time we received the Grant Agreement to execute in May of 2022, we realized that the site map was incorrect and there were a number of questions that needed to be resolved regarding the relocation of the Urban Farm. We mutually agreed that executing the Grant Agreement before issues were resolved was not in the interest of the City of Met Council. We appreciate the patience and guidance of LCA staff while we worked through some significant issues. The enclosed letter from Redesign provides a lot of information, but I would like to highlight these matters:

- ✘ During application review, the Urban Farm relocation was misunderstood to be a stormwater management/green roof solution, when in fact it was primarily the relocation of a commercial food production enterprise, which is not an eligible use of these grant funds. In the spirit of the awarded project, the Urban Farm will be replaced with 39 garden beds at Wadaag Apartments, one for each tenant, and programmatic support will be provided to teach residents how to grow their own food.
- ✘ With the loss of the Urban Farm, FTEs will be reduced by 3, from 6 to 3. The revised FTE count does not include the entity engaged to provide resident education/gardening support, or tenants' labor to grow their own food.
- ✘ Now that the project consists solely of the apartment project, the developer has requested that the name of the grant be changed to "Wadaag Commons". The City supports this request, in part because the public art planned for the building and site will be informed by and representative of the underserved (largely East African) community in which the apartment building is located. Acknowledging the name of the project in the Grant Agreement is meaningful.
- ✘ Please note that the apartment building will be 5 stories and host 39 apartments, an increase of seven affordable housing units.
- ✘ Since the grant application was prepared two years ago, construction costs have skyrocketed, particularly for multifamily projects. We are presenting you with an updated line-item budget that moves \$750,000 from the Urban Farm "stormwater" budget to the Wadaag Commons budget. Our first goal is to update the cost of the basic budget line items with the Scheduled Values recently finalized with the general contractor. The second goal is to relocate urban food production from the Focus Arts Building rooftop to the Wadaag Apartments site. The third goal is to create more intentional public realm amenities informed by the input of underserved community members.
- ✘ Housekeeping matters:
 - The site map attached to the unexecuted grant agreement was inaccurate. A new site map is provided for substitution.
 - A new address (1900 East 22nd Street) and PID # (36-029-24-22-0123) have been established by the Minneapolis Assessor.



Attachment A. Grant Amendment Request (continued)

We hope you can convey a decision regarding acceptance of the project changes and line-item budget by early July, so that the developer can proceed with certainty as they meet closing date targets for Minnesota Housing.

If you have questions about any of these materials, or would like additional information, please contact me at (763) 438-5635 and I will make sure you get the information you need.

Sincerely,

Paula Mazzacano

Paula Mazzacano
Development Grants Coordinator

CC: Tiffany Glasper, CPED
Nawal Noor, Noor Construction
Abby Alldaffer, Redesign

Enclosures:

- Developer letter
- Use of Funds for Wadaag Commons – revised line-item budget detail
- Updated Project Summary
- Corrected site map
- Site plan locating LCDA-TOD-funded elements



Attachment B. Revised Project Summary

TOD Project Summary

Grant # SG-16616
 Type: LCDA-TOD Development
 Applicant: City of Minneapolis
 Project Name: Wadaaq Commons
 Project Location: 1900 E 22nd Street, Minneapolis, MN 55404
 Council District: 8 - Abdirahman Muse

Project Detail	
Future Development Project Overview	A dense small-site redevelopment including affordable housing. The project is the last in a coordinated multi-phase redevelopment of land around the Franklin Avenue Station Area.
Total FTE Jobs	3
Total housing units	39
Affordable units	39 Total; 33 @ 30% 6 @ 60%
Anticipated # bedrooms	94 Total; 7 One Br 17 Two BR 6 Three BR 9 Four BR
TOD metrics	Floor-area ratio: 3.57 Dwelling units per acre: 87 Distance to station/stop: 1,051 feet Parking stalls/unit: 0.53 Parking stalls/1,000 sq ft 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, 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
\$223,300	Site Preparation Deliverable: Grading and/or Soil Correction
\$132,600	Public Infrastructure Deliverable: Public Utilities Extensions
\$207,550	Stormwater Deliverable: Green Roof and Infiltration/Storage Swales or Tanks
\$407,850	Placemaking Spaces Deliverable: Community Garden and Playground for Affordable Housing
\$505,400	Placemaking Spaces Deliverable: Public Art and Public Plaza
\$23,300	Placemaking Spaces Deliverable: Bike Parking



Attachment C. Corrected Aerial Map Location

