

# Business Item

Community Development Committee



Committee Meeting Date: December 4, 2023

For the Metropolitan Council: December 13, 2023

## Business Item: 2023-291

2023 Livable Communities Demonstration Account Funding Recommendation

**District(s), Member(s):** All  
**Policy/Legal Reference:** Minn. Stat. § 473.253  
**Staff Prepared/Presented:** Hannah Gary, Planning Analyst, 651.602.1633  
**Division/Department:** Community Development / Livable Communities

### Proposed Action

That the Metropolitan Council:

1. Award eight Livable Communities Demonstration Account grants as shown in Table 1, totaling \$9,763,250 and;
2. Authorize the Executive Director of Community Development to execute the grant agreements on behalf of the Council.

Table 1. Recommended Grant Projects and Funding Amounts

Applicant	Recommended Project	Award Amount
City of Brooklyn Center	New Generations LLC- 1500 69th Ave	\$1,000,000
City of Minneapolis	Little Earth of United Tribes	\$2,000,000
City of Minneapolis	Sabathani Family Housing	\$1,145,000
City of Saint Paul	2260 Bohland Avenue (Common Bond Ford Site II)	\$575,000
City of Edina	5780 Lincoln	\$1,500,000
City of Maplewood	Maplewood – Gladstone Village 1	\$1,150,000
City of Brooklyn Center	Innovation and Catalyst Center	\$600,000
City of Bloomington	700 American	\$1,793,250

### Background

Pursuant to the Livable Communities Act (LCA), the Council 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.

The LCA requires that the Council adopt an annual Fund Distribution Plan that outlines the review process schedule, evaluation criteria, and total funding allocation. LCDA applications undergo a rigorous two-step review process conducted by an internal staff panel as well as the Livable Communities Advisory Committee (LCAC), an external panel of professionals and content experts. The Metropolitan Council adopted the 2023 LCDA Development guidelines, criteria, schedule, and evaluation process as part of the Annual Livable Communities Act Fund Distribution Plan ([Business Item 2023-48](#)) on February 22, 2023. The approved Fund Distribution Plan allocates a total of \$9.3 million for 2023 LCDA projects.

As outlined in the Fund Distribution Plan, it is recommended that no more than 40% of the funds be awarded to projects located in Minneapolis and Saint Paul. The remaining 60% of the funds are guided for projects in suburban cities.

On August 14, 2023, the Council received 17 LCDA applications from 11 cities. One application from the City of Minnetonka was withdrawn prior to review. All applications were evaluated on the criteria outlined in the [2023 Program Essentials](#).

Thirteen of the applications met both the overall minimum score and the minimum equity score in the Step One review process and advanced to the Step Two LCAC review. The applications that did not meet the minimum scoring criteria to advance to the Step Two review are described in the Projects Not Recommended for Funding section of this report. After Step Two review, LCAC funding recommendations are presented to the Community Development Committee for consideration. The LCAC is recommending funding for eight applications.

## Rationale

This recommendation will fund the highest scoring eligible projects and includes an additional \$463,250 from the Transit Oriented Development (TOD) account that was not allocated in the 2023 funding round. Funding guidelines state that no more than 40% of available funds be awarded to projects located in Minneapolis and Saint Paul, leaving the remaining 60% of available funds to be awarded to eligible projects located outside of the two core cities. This guideline makes \$3,720,000 available to projects located in the core cities and \$5,580,000 available to all other eligible projects. With the additional \$463,250 from the TOD account being awarded to a suburban city, core cities are receiving 38% of available funds while suburban cities are receiving the remaining 62%.

## Thrive Lens Analysis

LCDA-funded projects respond to several Thrive outcomes.

- LCDA funding will “advance the Council’s mission of fostering orderly and economical development” and “promotes residential development patterns that protect natural resources, the quality and quantity of our water resources, and our water supply.” (Stewardship and Prosperity)
- This investment “encourages redevelopment and infill development” (Prosperity), adding a diversity of land uses, housing types and jobs supporting economic competitiveness over the other regions.
- Funded projects “help close the gap between the region’s affordable housing need and the supply, especially in areas underserved by affordable housing.” (Equity)
- LCDA projects “provide housing and transportation choices for a range of demographic

characteristics and economic means.” (Livability)

## Funding

Funds are available in the Livable Communities authorized 2024 budget and Livable Communities reserve accounts. Reserves may need to be amended into a future annual budget to meet cashflow needs on Livable Communities multi-year grants.

## Review Process

After adopting the 2023 Fund Distribution Plan in February, the Council issued a Notice of Funding Availability for LCDA Development projects. Staff talked with potential applicants to provide additional information about the LCDA program and to discuss potential projects.

Cities interested in submitting applications had the opportunity to participate in a technical assistance session before submitting an initial project proposal. Applicants are also strongly encouraged to speak with Program Coordinators prior to submitting an application.

The Council received 17 applications on August 14, 2023. One application from the City of Minnetonka was withdrawn prior to review. A review panel of Council staff conducted an initial evaluation of the applications based on several categories: housing, economic opportunity, compact and connected development, environment and livability, process, and team.

Thirteen of the 16 applications met both the overall minimum score and the equity minimum thresholds in Step One to advance to the Step Two LCAC review.

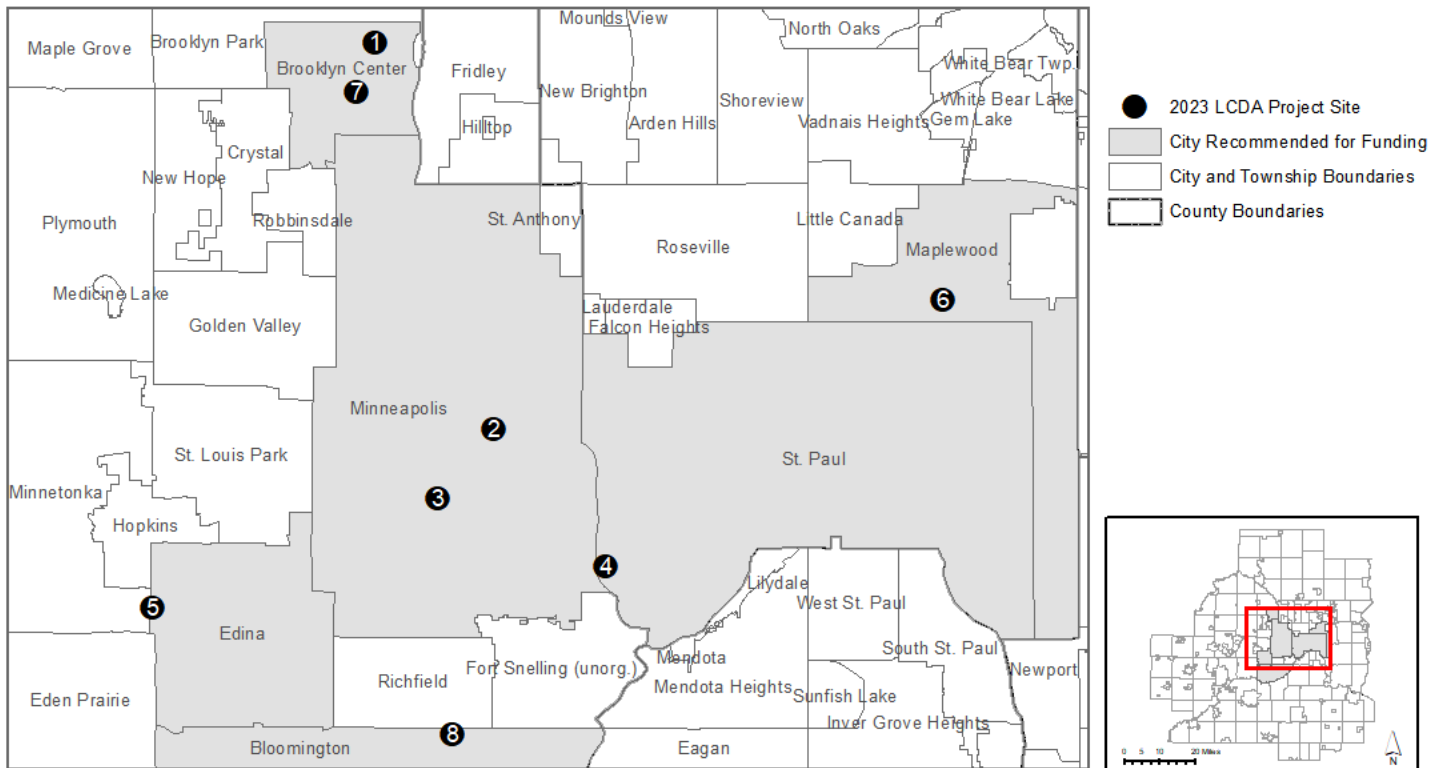
During the Step Two process, the LCAC reviewed each application and evaluated the proposals based on the same categories as Step One reviewers, however the LCAC reviewed the applications based on criteria designed to assess project impact. Council staff then combined application scores from Step One and Step Two to determine a project’s preliminary score. Twelve projects in the Step Two review met the minimum score to be eligible for funding. One project did not. Due to limited funds, the recommendation is to fund the highest scoring projects.

Table 2. Application Summary

Grant Category	Submitted Applications	Eligible Applications	Advanced to Step Two	Recommended for Funding
LCDA	17	16	13	8

A project summary for each of the recommended projects listed in Table 3 is on the following pages.

**Figure 1: Location of projects recommended for funding**



1. Brooklyn Center: New Generations LLC – 1500 69th Ave – 1500 69th Ave, Brooklyn Center, MN
2. Minneapolis: Little Earth of United Tribes – 2501 Cedar Avenue, Minneapolis, MN
3. Minneapolis: Sabathani Family Housing – 310 East 38th Street, Minneapolis, MN
4. Saint Paul: 2260 Bohland Avenue (Common Bond Ford Site II) – 2200 Bohland Ave, St. Paul, MN
5. Edina: 5780 Lincoln - 5780 Lincoln, Edina, MN
6. Maplewood: Maplewood - Gladstone Village 1 – 1310 Frost Avenue, Maplewood, MN
7. Brooklyn Center: Innovation and Catalyst Center – 6000 & 6050 Shingle Creek Parkway, Brooklyn Center MN
8. Bloomington: 700 American – 700 American Blvd E, Bloomington, MN

Source: Metropolitan Council, Livable Communities 2023



Table 3. LCDA 2023 Application Scoring Summary

Recommended Projects	Applicant	Score	LCDA Amount Requested	Proposed LCDA Funding
City of Brooklyn Center	New Generations LLC- 1500 69th Ave	66.8	\$1,000,000	\$1,000,000
City of Minneapolis	Little Earth of United Tribes	64.8	\$2,000,000	\$2,000,000
City of Minneapolis	Sabathani Family Housing	64.8	\$1,145,000	\$1,145,000
City of Saint Paul	2260 Bohland Avenue (Common Bond Ford Site II)	60.3	\$2,000,000	\$575,000
City of Edina	5780 Lincoln	57.0	\$1,500,000	\$1,500,000
City of Maplewood	Maplewood – Gladstone Village 1	54.7	\$1,150,000	\$1,150,000
City of Brooklyn Center	Innovation and Catalyst Center	51.1	\$600,000	\$600,000
City of Minneapolis	Snelling Yards Family Housing	54.1	\$725,000	\$0
City of Bloomington	700 American	49.7	\$2,000,000	\$1,793,250
City of Brooklyn Center	Resurrecting Faith World Ministries	49.6	\$4,000,000	\$0
City of Shoreview	Rice Street Crossing	49.2	\$2,000,000	\$0
City of Little Canada	Rice Street and Demont Affordable Housing Development	49.0	\$1,500,000	\$0
City of Brooklyn Park	Real Estate Equities	45.9	\$2,000,000	\$0

### Projects Not Recommended for Funding

#### Missing Middle

Applicant: City of Bloomington

Determination: Project did not meet minimum score to advance to Step Two

Rationale:

- Relative to other applications being considered the project did not discuss reduce environmental impact or improve the compact and connected nature of the development.

#### 99 County Road B East Little Canada Senior Affordable Housing Development

Applicant: City of Little Canada

Determination: Project did not meet minimum score to advance to Step Two

Rationale:

- Relative to other applications the project did not have a strong discussion of process or services/programs to support economic opportunity for residents.

### Highway 55 Apartments Plymouth

Applicant: City of Plymouth

Determination: Project did not meet minimum score to advance to Step Two

Rationale:

- Relative to other applications, the project did not have a strong discussion of process or how the project was meeting the needs of the community it intends to serve.

### Real Estate Equities

Applicant: City of Brooklyn Park

Determination: Project did not meet minimum score to be eligible for funding

Rationale:

- Relative to other applications, the project did not have a strong community engagement process or approach to equitable development

### Rice Street and Demont Affordable Housing Development

Applicant: City of Little Canada

Determination: Lack of available funds

Rationale:

- Relative to other applications, the project did not have deeply affordable units or inclusion of services and amenities.

### Rice Street Crossing

Applicant: City of Shoreview

Determination: Lack of available funds

Rationale:

- Relative to other applications, the project did not have the same level of affordability or number of affordable housing units.

### Resurrecting Faith World Ministries

Applicant: City of Brooklyn Center

Determination: Lack of available funds

Rationale:

- Relative to other applications without housing, the project scored lower on creating economic opportunity and wealth building

### Outcomes Summary

The summary below in Table 4 shows the expected outcomes for the 2023 LCDA investment in the region, aggregating housing and jobs outcomes from the recommended projects.

Outcome	Number
<b>Total Housing Units</b>	<b>653</b>
Affordable Housing Units ( $\leq 60\%$ Area Median Income for Rental, $\leq 80\%$ for Ownership)	653
Market Rate Housing Units	0
<b>Total Permanent Jobs (new and preserved)</b>	<b>214</b>
Full-time Jobs	135
Part-time Jobs	79
Living Wage Jobs	60

## 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 the availability of resources to develop affordable housing as a factor in determining Affordable Housing Goal ranges.

The newly constructed units proposed in this grant cycle are projected to be available for occupancy in the year 2025 - 2027. Table 5 shows the projected affordable housing need for the decade between 2021 and 2030 and the number of proposed housing 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 grant funding will address part of the affordable housing need in the next decade.

Table 5. Affordable housing need and proposed new housing units

City	Housing Units	Total	<30% of AMI	31% to 50% of AMI	51% to 80% of AMI *
Brooklyn Center	Total Proposed	31	27	4	0
	% of Need Met by LCDA	13%	26%	NA	NA
	Total Need	238	103	0	135
Bloomington	Total Proposed	125	15	0	110
	% of Need Met by LCDA	15%	3%	NA	73%
	Total Affordable Units Needed	842	445	246	151
Edina	Total Proposed	89	23	66	0
	% of Need Met by LCDA	5%	3%	14%	NA
	Total Affordable Units Needed	1,804	751	480	573
Maplewood	Total Proposed	60	0	47	18
	% of Need Met by LCDA	12%	NA	49%	11%
	Total Affordable Units Needed	510	250	95	165
Minneapolis**	Total Proposed	283	18	265	0
	% of Need Met by LCDA	2%	1%	11%	NA
	Total Affordable Units Needed	3,499	1,551	494	1,454
St Paul	Total Proposed	60	45	17	0
	% Need Met by LCDA	3%	5%	13%	NA
	Total Affordable Units Needed	1,973	832	128	1,013
<b>Total Units Proposed &amp; Preserved</b>		<b>653</b>	<b>128</b>	<b>399</b>	<b>128</b>
<b>Total Percent of Need Met by LCDA</b>		<b>7%</b>	<b>3%</b>	<b>28%</b>	<b>4%</b>
<b>Total Need for Awarded Cities</b>		<b>8,866</b>	<b>3,932</b>	<b>1,443</b>	<b>3,491</b>

\* Only rental units affordable to households with income 51% to 60% of AMI included for proposed units per grant distribution criteria. Ownership units are considered affordable at 80% of AMI.

\*\*A portion of the units from Minneapolis are preserved affordable housing units rather than newly constructed units. While the Council does not currently include preservation in the calculation of a city's affordable housing need, this is a critical component of creating housing options for residents.

## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCDA Development  
**Applicant:** City of Brooklyn Center  
**Project Name:** New Generations LLC – 1500 69<sup>th</sup> Ave  
**Project Location:** 1500 69<sup>th</sup> Ave  
**Council District:** 8 - Cameron

Project Detail	
Project Overview	Affordable housing targeting Veterans and individuals experiencing homelessness that may have physical or mental disabilities. This mixed-use 4-story development will be one single building, with ground floor commercial space and an entire 4th floor dedicated to amenity space themed around health & well-being. The project will include youth programming and a youth-led coffee shop.
Total Jobs	57 total
Job Type	33 full time   24 part time
Living Wage Jobs	12 living wage
Total housing units	31
Affordable units	31   4 at 31% - 50% AMI   27 at <30% AMI
Anticipated # bedrooms	29 One BR   2 Studio
Support for Award	<ul style="list-style-type: none"> <li>Supports meeting 30% AMI need allocation.</li> <li>Intention to support at-risk youth and focus on having culturally appropriate services.</li> </ul>
Funding	
Requested Amount	\$1,000,000
Other LCA funding	LCA Pre-Development: \$231,000
Use of Funds	
<b>\$1,000,000</b>	
\$1,000,000	<b>Activity: General Construction</b> Deliverable: Final construction of commercial portion of project





## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCDA Development  
**Applicant:** City of Minneapolis  
**Project Name:** Little Earth of United Tribes  
**Project Location:** 2501 Cedar Avenue  
**Council District:** 6 - Lilligren

Project Detail	
Project Overview	Rehabilitation and preservation of the Little Earth affordable housing community. Significant rehabilitation of the interiors, exteriors, and landscaping at Little Earth is proposed upon full funding including replacement/renovation of all major building envelope systems; repair/replacement of unit and common area mechanical systems; new flooring in units and common areas; rehabilitation of unit interiors, including kitchens and baths; and a complete rehabilitation of the parking lot, other hardscape, landscaping, gardens, and play area.
Total Jobs	42
Job Type	31 full time   11 part time
Living Wage Jobs	14
Total housing units	212
Affordable units	212 at 31%-50% AMI
Anticipated # bedrooms	20 Studio   28 One BR   58 Two BR   88 3 BR   18 Four BR
Support for Award	<ul style="list-style-type: none"> <li>Preserving much-needed affordable housing units, with services included, the loss of which would have a large negative impact on the community.</li> <li>Tenants are involved with the planning process and have a voice in decision making.</li> </ul>
Funding	
Requested Amount	\$2,000,000
Other LCA funding	None
Use of Funds	
<b>\$2,000,000</b>	<b>TOTAL</b>
\$2,000,000	<b>Activity: General construction</b> Deliverable: Unit, Common Area, & Site Improvements; Major System Upgrades; and Building Envelope Replacements



**Grant #** SG  
**Type:** LCDA Development  
**Applicant:** City of Minneapolis  
**Project Name:** Sabathani Family Housing  
**Project Location:** 310 East 38th Street  
**Council District:** 6 - Lilligren

Project Detail	
Project Overview	Sabathani Family Housing proposes new construction of a six-story, 71-unit, affordable apartment building. The project will be located on Sabathani's campus which houses the community center along with an affordable, senior apartment building. The family housing building will complement the affordable, age-restricted housing and the service-focused community center by providing needed, affordable family units to the campus and by providing physical upgrades to the site – such as a playground, through-block connection, and stormwater retainage upgrades – that will better link the community center, the senior building, the family building, and the surrounding community.
Total Jobs	2
Job Type	2 full time
Living Wage Jobs	2
Total housing units	71
Affordable units	71   18 at <30% AMI   53 at 31%-50% AMI
Anticipated # bedrooms	8 One BR   38 2 BR   25 Three BR
Support for Award	<ul style="list-style-type: none"> <li>Project improves connections on the site and the inclusion of family housing near senior housing is a complementary use.</li> <li>Includes environmentally sustainable building practices and improves the site landscape.</li> </ul>
Funding	
Requested Amount	\$1,145,000
Other LCA funding	None
Use of Funds	
<b>\$1,145,000</b>	<b>TOTAL</b>
\$1,145,000	<b>Activity: General Construction</b> Deliverable: Construction of 71 units of rental housing all with rents affordable at or below 50% AMI.



**Grant #** SG  
**Type:** LCDA Development  
**Applicant:** City of Saint Paul  
**Project Name:** 2260 Bohland Avenue (Common Bond Ford Site II)  
**Project Location:** 2260 Bohland Avenue  
**Council District:** 14 - Carter

Project Detail	
Project Overview	The proposed CB Ford Site II is a four-story, 60-unit new construction senior development that will be CommonBond Communities' second of five affordable housing developments at the Highland Bridge development in the Highland Park neighborhood of Saint Paul. The site is located to the south of Ford Parkway at the corner of Bohland Avenue and Mount Curve. This development is one piece of the expansive master planned community of the Ford Site.
Total Jobs	2
Job Type	2 Full Time
Living Wage Jobs	2
Total housing units	60
Affordable units	60   45 at <30% AMI   17 at 31%-50% AMI
Anticipated # bedrooms	54 One BR   6 Two BR
Support for Award	<ul style="list-style-type: none"> <li>Provides seniors with easier access to new uses in the Highland Park area through adding affordable housing on the Ford Site.</li> <li>Project includes High Priority Homeless units and will have services included in the project.</li> </ul>
Funding	
Requested Amount	\$2,000,000
Other LCA funding	None
Use of Funds	
<b>\$575,000</b>	<b>TOTAL</b>
\$575,000	<b>Activity: General Construction</b> Deliverable: Final construction of affordable housing building



**Grant #** SG  
**Type:** LCDA Development  
**Applicant:** City of Edina  
**Project Name:** 5780 Lincoln  
**Project Location:** 5780 Lincoln  
**Council District:** 8 - Cameron

Project Detail	
Project Overview	New construction affordable housing. 5780 Lincoln will be 100% affordable for individuals and families earning 50% AMI or less. Eighteen of the 89 total units will be set aside as Supportive Housing units - 9 for high-priority homeless, 9 for people with disabilities. An additional five units will have rents and incomes restricted to 30% AMI.
Total Jobs	2
Job Type	1 Full Time   1 Part Time
Living Wage Jobs	2
Total housing units	89
Affordable units	89   23 at <30% AMI   66 at 31%-51% AMI
Anticipated # bedrooms	18 Studio   4 One BR   44 Two BR   15 Three BR   8 Four BR
Support for Award	<ul style="list-style-type: none"> <li>Strong community engagement process partnering with the school district.</li> <li>Services included along with units for High Priority Homeless and people with disabilities.</li> </ul>
Funding	
Requested Amount	\$1,500,000
Other LCA funding	None
Use of Funds	
<b>\$1,500,000</b>	<b>TOTAL</b>
\$1,500,000	<b>Activity: General Construction</b> Deliverable: Construction of new 89-unit affordable housing project



**Grant #** SG  
**Type:** LCDA Development  
**Applicant:** City of Maplewood  
**Project Name:** Maplewood - Gladstone Village 1  
**Project Location:** 1310 Frost Avenue  
**Council District:** 13 - Lee

Project Detail	
Project Overview	65-unit new construction mixed-income affordable rental housing development focused towards family-friendly design and a mix of one-, two-, three-, and four-bedroom units. Amenities will include a large and flexible community gathering space which includes areas for co-working and maker spaces for children, outdoor gathering spaces for adults (grilling and seating) and children (fenced in playground spaces), fitness, and other breakout flex spaces. Seven units are set aside for people with disabilities and another seven units for individuals experiencing homelessness.
Total Jobs	5
Job Type	1 full time   4 part time
Living Wage Jobs	1
Total housing units	65
Affordable units	65   47 at 31%-50% AMI   18 at 51%-60% AMI
Anticipated # bedrooms	15 One BR   23 Two BR   18 Three BR   9 Four BR
Support for Award	<ul style="list-style-type: none"> <li>Easier access to transit with project being located along BRT.</li> <li>Site design includes greenspace and amenities for residents as well as improves connections.</li> </ul>
Funding	
Requested Amount	\$1,150,000
Other LCA funding	TBRA application under review
Use of Funds	
<b>\$1,150,000</b>	<b>TOTAL</b>
\$750,000	<b>Activity: General Construction</b> Deliverable: Final construction of affordable housing building
\$400,000	<b>Activity: Affordable housing site</b> Deliverable: Resident Only Use outdoor courtyard, seating & grilling areas, & playground. Landscaping plan exceeding city requirements.



**Grant #** SG  
**Type:** LCDA Development  
**Applicant:** City of Brooklyn Center  
**Project Name:** Innovation and Catalyst Center  
**Project Location:** 6000 & 6050 Shingle Creek Parkway  
**Council District:** 8 - Cameron

Project Detail	
Project Overview	This full project seeks to create an Innovation & Catalyst Center and sustain an existing majority BIPOC strip mall/shopping center in Brooklyn Center. ACER and Ignite Businesswomen Investment Group Cooperative (IBWIG) have purchased the site to become the 100% owners of Shingle Creek Center, an operating strip mall which is occupied by majority BIPOC and Immigrant owned small businesses. The Center will hold business incubation space and have economic development programming.
Total Jobs	93
Job Type	61 full time   32 part time
Living Wage Jobs	24
Total housing units	0
Affordable units	NA
Anticipated # bedrooms	NA
Support for Award	<ul style="list-style-type: none"> <li>The project includes workforce training and the opportunity for wealth building for participants.</li> <li>Support small businesses primarily owned by residents of color and immigrant business owners.</li> </ul>
Funding	
Requested Amount	\$600,000
Other LCA funding	None
Use of Funds	
<b>\$600,000</b>	<b>TOTAL</b>
\$600,000	<b>Activity: Preservation and Rehab</b> Deliverable: Final renovation of the business center



**Grant #** SG  
**Type:** LCDA Development  
**Applicant:** City of Bloomington  
**Project Name:** 700 American  
**Project Location:** 700 American  
**Council District:** 5 - Pacheo

Project Detail	
Project Overview	700 American Blvd W is a new construction, mixed-use development set to anchor the prominent corner of American Blvd W and Lyndale Avenue S in the City of Bloomington. The development offers 125 units of affordable housing available to those 55+ with 1,500 SF of commercial space. The project is pursuing project-based vouchers for 15 units to allow for deeper affordability. The remaining units will be available to households earning at or below 60% of the area median income.
Total Jobs	11
Job Type	4 full time   7 part time
Living Wage Jobs	3
Total housing units	125
Affordable units	125   15 at <30% AMI   110 at 51%-60% AMI
Anticipated # bedrooms	63 One BR   56 Two BR   6 Three BR
Support for Award	<ul style="list-style-type: none"> <li>Activating a vacant corner and developing a site that has been challenging to develop.</li> <li>Parking is reduced in order to achieve more density on the site.</li> </ul>
Funding	
Requested Amount	\$2,000,000
Other LCA funding	None
Use of Funds	
<b>\$1,793,250</b>	<b>TOTAL</b>
\$1,763,250	<b>Activity: General Construction</b> Deliverable: Final construction of affordable housing building
\$30,000	<b>Activity: Architecture and Engineering fees for stormwater</b> Deliverable: Invoices from architecture and engineering firm

