

Business Item

Community Development Committee



Committee Meeting Date: September 18, 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: 2023-216

Amend Project Scope and Grant Funded Activities of Columbia Heights LCDA Grant (SG-16718)

District(s), Member(s):	District 2, Reva Chamblis
Policy/Legal Reference:	Minn. Stat. § 473.253
Staff Prepared/Presented:	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 amending the Columbia Heights Affordable Housing and Community Food Site (SG-16718) LCDA Development grant project summary (Attachment B) to remove the community food site from the project and reduce the grant award and grant funded activities associated with that portion of the project.

Background

The Metropolitan Council awarded the City of Columbia Heights a \$1,232,000 Livable Communities Demonstration Account Development (LCDA) grant in January of 2022 (Business Item [2022-14](#)) for the Columbia Heights Affordable Housing and Community Food Site project. The grant funded stormwater management, site preparation, placemaking spaces, community engagement, and architectural/engineering fees for a mixed-use development project that was to include an affordable housing development and a food shelf.

On August 17, 2023, the City of Columbia Heights requested an amendment to reflect the food shelf organization, Southern Anoka Community Assistance (SACA)'s exit from the project and subsequent reduction to grant deliverables (Attachment A). The City explained that with SACA's exit, the second phase of the project would no longer be completed. The affordable housing aspect of the project, however, is moving forward unchanged.

Rationale

The amendment request to remove the community food site constitutes the removal of a prominent component of the project originally approved by the Council. The amendment request to reduce the grant award by \$412,000 constitutes a 33% change in project budget. Committee approval is required for any budget shift above 20%.

After review, program staff determined that it would have been administratively burdensome to rescore this project and was not guaranteed to produce an accurate result, given the scale of the change. However, program staff recommends approving the amendment to support the important affordable housing component. In this case, the grantee was able to clearly delineate which funds were allocated to the affordable housing and community food site, respectively, and they

requested that the funding be reduced accordingly. These funds will be become available for other projects in a future funding round. Therefore, Council program staff is recommending that the amendment be approved, as requested.

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 2021 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





City of Columbia Heights | *Community Development*

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8/17/2023

Metropolitan Council Community Development
390 Robert Street North
Saint Paul, MN 55101-1805

Dear Community Development:

I am writing to inform you of changes to LCDA grant SG-16718, with the City of Columbia Heights, MN. As stipulated in the original grant application, the project included two pivotal phases: firstly, the creation of a 62-unit affordable housing building tailored to meet rent restrictions at 60% of AMI, and secondly, the establishment of a new facility to house the Southern Anoka Community Assistance food shelf (SACA). Regrettably, recent developments have shed light on SACA's concerning behavior.

In early January 2023, SACA began subtly hinting at potential hesitations regarding its relocation to the new site. This ambiguity culminated on January 25th, when SACA formally submitted an official project update that divulged their departure from the initiative. Astonishingly, this notification was their first and only communication to the City regarding their intentions. Even more disconcerting is the revelation that, unbeknownst to the City and its project partners, SACA had unilaterally entered into an agreement for an alternate building within Columbia Heights back in December 2022.

Notably, this alternate site is situated within a residential area remote from convenient public transit access—a far cry from the originally intended locale in proximity to rapid transit. Furthermore, the new site's industrial zoning renders SACA unable to continue their thrift store operations, signaling a disregard for both the project's original objectives and the broader needs of the community.

Due to SACA backing out of the project, the entire second phase of the project will not be completed. This removes any considerations regarding the food shelf aspect of the project. Of the original use of funds (\$1,232,000) the city had set aside \$412,000 for the food shelf and \$820,000 for the affordable housing project.

LCDA Grant SG-16718 Amendment

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While the affordable housing project has commendably received its certificate of occupancy as of June 26th, it is important to highlight that the timeline of this component remains unaffected by SACA's actions. Regrettably, SACA's decisions have not only jeopardized the project's mission but also undermined its potential to offer job opportunities, essential social services, and access to nutritious sustenance for low-income community members, particularly those reliant on public transit.

For a more comprehensive overview of the budgetary modifications and amendments arising from these regrettable circumstances, please refer to the attached amendment workbook.

In light of these developments, it is with a sense of both disappointment and resolve that we address the revised status of LCDA grant SG-16718. The changes stemming from SACA's decision have undoubtedly impacted the scope and goals of the project. While the completion of the affordable housing building stands as a testament to our collective efforts, the absence of the Southern Anoka Community Assistance food shelf represents a missed opportunity to provide essential resources to our community members in need. As we move forward, we remain committed to the principles of community betterment and social welfare. We appreciate your continued support and collaboration as we navigate these adjustments and seek ways to maximize the positive impact of our endeavors. If you have any further questions or require additional information, please do not hesitate to reach out.

Sincerely,



Mitchell Forney
Community Development Coordinator



Attachment B. Revised Project Summary

Grant # SG-16718
Type: LCDA Development
Applicant: City of Columbia Heights
Project Name: City of Columbia Heights Affordable Housing & Community Food Site
Project Location: Project
 42nd Avenue NE & Jackson Street NE
Council District: 2 - Chamblis

Project Detail	
Project Overview	The project will create an affordable housing development.
Permanent FTE Jobs	2.5
Total housing units	62
Affordable units	62 total units 51-60% AMI: 62
Anticipated #	16 One BR 30 Two BR 16 Three BR
Support for Award	<ul style="list-style-type: none"> The project is bringing larger affordable units to the site with a majority of the units at two or three bedrooms. The project is using infill development to turn an existing parking lot into an affordable housing development
Funding	
Awarded Amount	\$820,000
Other LCA Funds	None
Use of Funds	
\$820,000	TOTAL
\$750,000	Stormwater Management Deliverables: Infiltration swales, retention and filtration system, landscaping integration, pervious pavement
\$70,000	Site Preparation Deliverable: Soil and grading correction

