

Business Item

Community Development Committee



Committee Meeting Date: November 4, 2024

For the Metropolitan Council: November 13, 2024

Business Item: 2024-322

Livable Communities Demonstration Account 2024 Funding Recommendations

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/Regional Planning

Proposed Action

That the Metropolitan Council:

1. Award nine Livable Communities Demonstration Account grants as shown in Table 1, totaling \$9,800,000 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	The Community Corner	\$1,500,000
City of Minneapolis	A Home of Our Own (Minneapolis Avenues)	\$1,000,000
City of Minneapolis	Cheatham Apartments	\$1,710,000
City of Saint Paul	1570 White Bear Ave (GloryVille)	\$1,210,000
City of Brooklyn Center	CAPI Immigrant Opportunity Center	\$1,750,000
City of Richfield	Aster Commons	\$850,000
City of Woodbury	Karen Drive Apartments	\$800,000
City of Little Canada	Little Canada County Road B East Senior Housing Project	\$490,000
City of Vadnais Heights	Vadnais Heights Drive Project	\$490,000

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 review process conducted by a review panel of both internal staff panel and the Livable Communities Advisory Committee (LCAC), an external panel of professionals and content experts. The Metropolitan Council adopted the 2024 LCDA Development guidelines, criteria, schedule, and evaluation process as part of the Annual Livable Communities Act Fund Distribution Plan ([Business Item 2024-41](#)) on February 5, 2024. The approved Fund Distribution Plan allocates a total of \$9.8 million for 2024 LCDA projects.

As outlined in the Fund Distribution Plan, the Council recommends 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 12, 2024, the Council received 18 LCDA applications from 12 cities. One application from the City of Maplewood was withdrawn prior to making the final funding recommendation. The project team secured additional funding and was required to close before funding would be approved by the Metropolitan Council.

Eleven of the applications met the minimum scores to be eligible for funding. The applications that did not meet the minimum scoring criteria to be eligible for funding are described in the Projects Not Recommended for Funding section of this report. The Livable Communities Advisory Committee (LCAC) is recommending funding for nine applications.

Rationale

This recommendation as reflected in Table 1 will fund the highest scoring eligible projects. Funding guidelines state that no more than 40% of available funds may 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 \$3,920,000 available to projects located in the core cities and \$5,880,000 available to all other eligible projects. Core cities are receiving 40% of available funds while suburban cities are receiving the remaining 60%.

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 2025 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 2024 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 18 applications on August 12, 2024. All 18 applications were eligible for review. One application, from the City of Maplewood, was withdrawn prior to making the funding recommendation. In previous years, applications had been reviewed in a two-step scoring process, first a review by Council staff and second a review by the LCAC. In an effort to have more transparent scoring and a shorter review period, 2024 applications were scored in a single step. The applications were reviewed by internal Council staff as well as the LCAC concurrently.

All applications were scored on Project Outcomes (Housing, Economic Opportunity, Compact & Connected Development, and Environment & Livability) and Project Process. Applications must meet a minimum equity and minimum overall score to be eligible for funding.

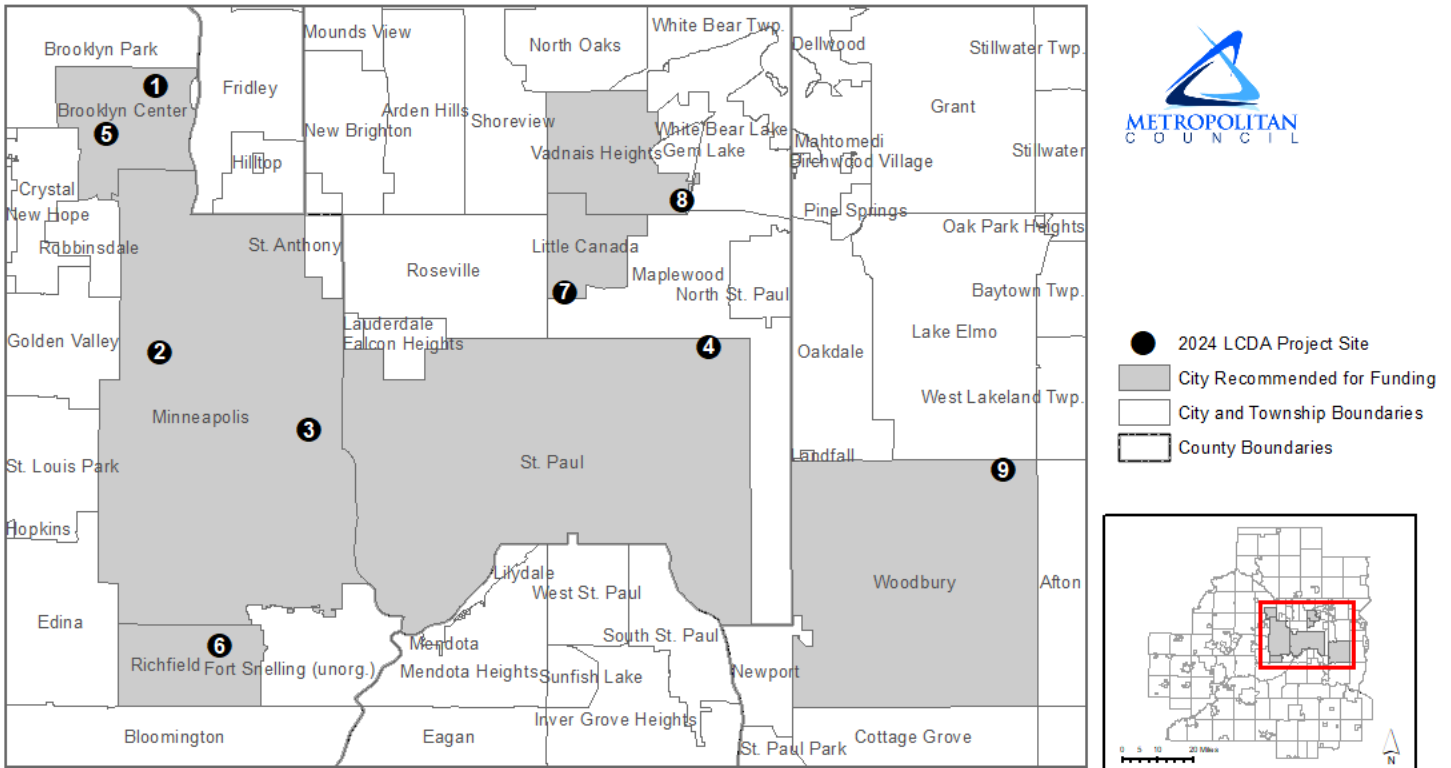
Eleven of the 17 applications remaining after Maplewood withdrew their application met both the overall minimum score and the equity minimum thresholds to be eligible for funding.

Table 2. Application Summary

Grant Category	Submitted Applications	Eligible Applications	Eligible for Funding	Recommended for Funding
LCDA	18	18	11	8



Figure 1. Location of Projects Recommended for Funding



1. Brooklyn Center - Community Corner - 1500 69th Ave, Brooklyn Center MN
2. Minneapolis - A Home of Our Own - 1400 North 8th Avenue, Minneapolis MN
3. Minneapolis - Cheatham Apartments - 3716 Cheatham Avenue South, Minneapolis MN
4. Saint Paul - GloryVille - 1570 White Bear Ave, St Paul MN
5. Brooklyn Center - CAPI Immigrant Opportunity Center - 5930 Brooklyn Blvd, Brooklyn Center MN
6. Richfield - Aster Commons - 6613 Portland Avenue South, Richfield MN
7. Little Canada - County Road B - 99 County Road B East, Little Canada MN
8. Vadnais Heights - Vadnais Heights Drive - 3278 Hwy 61 N, Vadnais Heights MN
9. Woodbury - Karen Drive - 11200 Hudson Rd, Woodbury MN

Source: Metropolitan Council, Livable Communities 2024



Metropolitan Council

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

Table 3. LCDA 2024 Application Scoring Summary

Projects	Applicant	Score	LCDA Amount Requested	Proposed LCDA Funding
The Community Corner	City of Brooklyn Center	47	\$2,000,000	\$1,500,000
A Home of Our Own (Minneapolis Avenues)	City of Minneapolis	46	\$1,000,000	\$1,000,000
Cheatham Apartments	City of Minneapolis	44	\$2,000,000	\$1,710,000
1570 White Bear Ave (GloryVille)	City of Saint Paul	44	\$1,500,000	\$1,210,000
Zaria	City of Minneapolis	41	\$1,500,000	\$0
CAPI Immigrant Opportunity Center	City of Brooklyn Center	40	\$2,000,000	\$1,750,000
Aster Commons	City of Richfield	40	\$1,000,000	\$850,000
Arts and Amenities at The Heights	Saint Paul Port Authority	40	\$2,000,000	\$0
Karen Drive Apartments	City of Woodbury	37	\$2,000,000	\$800,000
Little Canada County Road B East Senior Housing Project	City of Little Canada	33	\$1,400,000	\$490,000
Vadnais Heights Drive Project	City of Vadnais Heights	33	\$2,000,000	\$490,000
Brooklyn Center Opportunity Site Phase 1 – Resurrecting Faith	City of Brooklyn Center	32	\$2,000,000	\$0
10301 Lyndale Ave South	City of Bloomington	31	\$1,150,000	\$0
Rice & Demont Multi-Family Housing Project (Reuter Walton)	City of Little Canada	30	\$1,000,000	\$0
42 Water Street W. (Farwell on Water: District Connections)	City of Saint Paul	29	\$896,687	\$0
Minnetonka - TC Habitat for Humanity Twinhomes Playground	City of Minnetonka	29	\$160,000	\$0
Inver Grove Heights Apartments at 6050 Cahill Ave	City of Inver Grove Heights	28	\$1,500,000	\$0

Projects Not Recommended for Funding

Zaria

Applicant: City of Minneapolis

Determination: Eligible for funding, not being funded

Rationale: Project not being funded due to geographic split guidance from Council.



Project Details:

- Housing: 89 units; 29 @ <30% AMI, 60 @ 31-50% AMI;
 - 19 One BR, 40 Two BR, 20 Three BR, 10 Four+ BR
- Services included
- Jobs: 3 total, 2 living wage

Arts and Amenities at The Heights

Applicant: Saint Paul Port Authority

Determination: Eligible for funding, not being funded

Rationale: Project not being funded due to geographic split guidance from Council.

Project Details:

- Housing: 1000 units; 107 @ <30% AMI, 83 @ 31-50% AMI, 462 @ 51-60% AMI, 18 @ 80% AMI ownership units, 330 market rate
 - 34 studio, 366 One BR, 333 Two BR, 259 Three BR, 8 Four+ BR
- Jobs: 771 total, 771 living wage

Brooklyn Center Opportunity Site Phase 1 – Resurrecting Faith

Applicant: City of Brooklyn Center

Determination: Not eligible for funding

Rationale: The project did not meet the minimum score required to be eligible for funding.

- This is a single use project and therefore did not receive points for housing.
- The project scored lower than average in the Environment & Livability category.

Project Details

- Housing: None
- Jobs: 76 total, 23 living wage

10301 Lyndale Ave S

Applicant: City of Bloomington

Determination: Not eligible for funding

Rationale: The project did not meet the minimum score required to be eligible for funding.

- Project scored lower in the Economic Opportunity section than other projects being recommended for funding.
- The affordable housing component of the project did not have the same depth of affordability or included services as the projects being recommended for funding.

Project Details:

- Housing: 80 units; 9 @ <30% AMI, 9 @ 31-50% AMI, 26 @ 51-60% AMI, 36 market rate
 - 8 studio, 56 One BR, 16 Three BR
- Jobs: 4 total, 2 living wage

Rice and Demont Multi-Family Housing Project (Reuter Walton)

Applicant: City of Little Canada

Determination: Not eligible for funding

Rationale: The project did not meet the minimum score required to be eligible for funding.

- Project scored lower than others in the Environment & Livability and Process sections.

Project Details:

- Housing: 160 units; 160 @ 51-60% AMI
 - 17 One BR, 98 Two BR, 45 Three BR
- Jobs: 4 total, 2 living wage

42 Water Street W (Farwell on Water: District Connections)

Applicant: City of Saint Paul

Determination: Not eligible for funding

Rationale: The project did not meet the minimum score required to be eligible for funding.

- This is a single use project and therefore did not receive points for housing.



- Project scored lower than others being recommended for funding in the Economic Opportunity and Compact, Connected Development sections.

Project Details

- Housing: None
- Jobs: 79 total, 8 living wage

Minnetonka - TC Habitat for Humanity Twinhomes Playground

Applicant: City of Minnetonka

Determination: Not eligible for funding

Rationale: The project did not meet the minimum score required to be eligible for funding.

- Project scored lower on the Compact, Connected Development and Economic Opportunity sections than other projects being recommended for funding.

Project Details:

- Housing: 10 units; 10 @ 51-60% AMI ownership units
- 10 Four+ BR
- Jobs: None

Inver Grove Heights Apartments at 6050 Cahill Ave

Applicant: City of Inver Grove Heights

Determination: Not eligible for funding

Rationale: The project did not meet the minimum score required to be eligible for funding.

- Project scored lower on housing compared to other housing-focused projects being recommended for funding.
- Project did not score well on the Economic Opportunity or Process sections.

Project Details:

- Housing: 140 units; 23 @ 31-50% AMI, 111 @ 51-60% AMI, 6 market rate
- 13 studio, 101 One BR, 26 Two BR
- Jobs: 3 total, 3 living wage

Outcomes Summary

The summary below in Table 4 shows the expected outcomes for the 2024 LCDA investment in the region, aggregating housing and jobs outcomes from the recommended projects.

Table 3. LCDA 2024 Expected Outcomes Summary

Expected Outcome	Number
Total Housing Units	823
Affordable Housing Units (≤60% Area Median Income for Rental, ≤80% for Ownership)	740
Market Rate Housing Units	83
Total Permanent Jobs (new and preserved)	207
Full-time Jobs	170
Part-time Jobs	37
Living Wage Jobs (a least \$57,700 annually plus benefits)	101

Affordable Housing Need

To be eligible 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. 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 years 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 funded by LCDA

City	Housing Units	Total	<30% of AMI	31% to 50% of AMI	51% to 80% of AMI *
Brooklyn Center	Total Proposed	31	31	0	0
	% of Need Met by LCDA	13%	31%	0%	0%
	Affordable Units Needed	238	103	0	135
Little Canada	Total Proposed	94	11	28	55
	% of Need Met by LCDA	131%	46%	112%	239%
	Affordable Units Needed	72	24	25	23
Minneapolis	Total Proposed	110	57	53	0
	% of Need Met by LCDA	3%	4%	11%	0%
	Affordable Units Needed	3,499	1,551	494	1,454
Richfield	Total Proposed	38	29	9	0
	% of Need Met by LCDA	16%	22%	16%	0%
	Affordable Units Needed	242	132	58	52
St Paul	Total Proposed	87	38	39	10
	% Need Met by LCDA	4%	5%	30%	1%
	Affordable Units Needed	1,973	832	128	1,013
Vadnais Heights	Total Proposed	160	4	8	148
	% of Need Met by LCDA	119%	7%	21%	380%
	Affordable Units Needed	134	57	38	39
Woodbury	Total Proposed	220	6	14	200
	% of Need Met by LCDA	21%	1%	4%	345%
	Affordable Units Needed	1043	607	378	58
Total Affordable Units Proposed & Preserved		740	176	151	413
Total Percent of Need Met by LCDA		10%	5%	13%	15%
Total Need for Awarded Cities		7201	3306	1121	2774

*Only rental units affordable to households with income 51% to 60% of AMI are included for proposed units per grant distribution criteria, but Housing Need is determined for 51%-80% AMI. Ownership units are considered affordable at 80% of AMI.



Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: The City of Brooklyn Center
Project Name: The Community Corner
Project Location: 1500-1510 69th Ave
Council District: 8 - Cameron

Project Detail	
Project Overview	The Community Corner is a new mixed-use construction development. This 4-story building will feature both affordable housing and ground floor commercial space, along with an entire fourth floor dedicated to health and well-being amenities. The ground floor commercial space will include a workforce center that offers vocational rehabilitation services and career resources, youth programming, and a youth-led coffee shop.
Total Jobs	61 37 FT, 24 PT
Living Wage Jobs	14
Total housing units	31
Affordable units	31 31 at <30% AMI
Anticipated # bedrooms	29 One BR, 2 Studio
Funding	
Requested Amount	\$2,000,000
Use of Funds & Award Amount	
\$1,500,000	Award Amount
\$1,500,000	Use: General Construction Deliverable: Construction of final building with job and housing outcomes listed above



Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: The City of Minneapolis
Project Name: A Home of Our Own (Minneapolis Avenues)
Project Location: 1400 North 8th Avenue
Council District: 7 - Osman

Project Detail	
Project Overview	This is a new site for the Minneapolis operations of Avenues for Youth, an organization partnering with young people experiencing homelessness. The new site will have overnight and transitional beds, emergency overnight beds, and “first step” apartments for youth. Services for youth will be included on-site.
Total Jobs	35 (new and retained) 35 PT
Living Wage Jobs	17
Total housing units	31
Affordable units	31 31 at <30% AMI
Anticipated # bedrooms	29 studio, 2 One BR
Funding	
Requested Amount	\$1,000,000
Use of Funds & Award Amount	
\$1,000,000	Award Amount
\$1,000,000	Use: General Construction Deliverable: Construction of final building with job and housing outcomes listed above



Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: The City of Minneapolis
Project Name: Cheatham Apartments
Project Location: 3716 Cheatham Avenue South
Council District: 6 - Lilligren

Project Detail	
Project Overview	Mixed-income apartment building near the 38 th Street light rail station on METRO Blue Line. The development will include project-based rent assistance to make 32 of the units deeply affordable, including 20 units set aside for high priority homeless families. Services for residents will be included on-site.
Total Jobs	4 3 FT, 1 PT
Living Wage Jobs	1
Total housing units	98
Affordable units	79 26 @ <30% AMI; 53 @ 31-50% AMI
Anticipated # bedrooms	35 One BR; 43 Two BR; 20 Three BR
Funding	
Requested Amount	\$2,000,000
Use of Funds & Award Amount	
\$1,710,000	Award Amount
\$1,206,000	Use: Site Acquisition Deliverable: Final closing documents for acquisition of the site
\$504,000	Use: General Construction Deliverable: Construction of final building with job and housing outcomes listed above



Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: The City of Saint Paul
Project Name: 1570 White Bear Ave (GloryVille)
Project Location: 1570 White Bear Ave
Council District: 13 - Lee

Project Detail	
Project Overview	New construction mixed-use development with mixed-income housing above commercial space, currently planned to be a grocery store. All units in the development will be affordable at different affordability bands. Units will be set aside for people experiencing homelessness and people with disabilities. Supportive services will be provided on-site.
Total Jobs	16 FT
Living Wage Jobs	5
Total housing units	87
Affordable units	87 38 @ <30% AMI; 39 @ 31-50% AMI; 10 @ 51-60% AMI
Anticipated # bedrooms	9 Studio; 9 One BR; 45 Two BR; 24 Three BR
Funding	
Requested Amount	\$1,500,000
Use of Funds & Award Amount	
\$1,210,000	Award Amount
\$1,210,000	Use: General Construction Deliverable: Construction of final building with job and housing outcomes listed above



Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: The City of Brooklyn Center
Project Name: CAPI Immigrant Opportunity Center
Project Location: 5930/ 5950 Brooklyn Boulevard
Council District: 8 - Cameron

Project Detail	
Project Overview	This project is an expansion of the CAPI Immigrant Opportunity Center. The Center will include technology and resource center; new entrepreneur training, technical assistance, and financial services to develop and expand BIPOC-led small businesses in childcare, urban farming, and other sectors; expanded public benefits eligibility screening, tax assistance, financial coaching, and homebuyer services; outdoor play area, expanded parking, and unattached greenhouse surrounded by community garden plots, community and training rooms; work stations; and outdoor greenspace
Total Jobs	75 65 FT, 10 PT
Living Wage Jobs	50
Total housing units	0
Affordable units	0
Anticipated # bedrooms	N/A
Funding	
Requested Amount	\$2,000,000
Use of Funds & Award Amount	
\$1,750,000	Award Amount
\$1,750,000	Use: General Construction Deliverable: Construction of final building with job outcomes listed above



Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: The City of Richfield
Project Name: Aster Commons
Project Location: 6613 Portland Avenue South
Council District: 5 - Pacheco

Project Detail	
Project Overview	This is a new-construction affordable housing project. The project aims to serve populations who typically struggle to access safe and secure affordable housing such as neurodiverse youth and young adults, American Indian populations, High Priority Homeless (HPH), and People with Disabilities (PWD). Project amenities include a rain garden, paver path, paver patio, community room, sensory rooms, and on-site management and services offices.
Total Jobs	6 4 FT, 2 PT
Living Wage Jobs	4
Total housing units	38
Affordable units	38 29 @ <30% AMI; 9 @ 31-50% AMI
Anticipated # bedrooms	38 studio
Funding	
Requested Amount	\$1,000,000
Use of Funds & Award Amount	
\$850,000	Award Amount
\$850,000	Use: General Construction Deliverable: Construction of final building with job and housing outcomes listed above



Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: The City of Woodbury
Project Name: Karen Drive Apartments
Project Location: SE Corner of Hudson Road & Settlers Ridge Parkway
Council District: 11 - Cederberg

Project Detail	
Project Overview	This is a mixed-income affordable housing project in an area designated as a Difficult Development Area by HUD. The project includes larger units to accommodate families.
Total Jobs	4 FT
Living Wage Jobs	4
Total housing units	252
Affordable units	220 6 @ <30% AMI; 14 @ 31-50% AMI; 200 @ 51-60% AMI
Anticipated # bedrooms	48 One BR; 128 Two BR; 76 Three BR
Funding	
Requested Amount	\$2,000,000
Use of Funds & Award Amount	
\$800,000	Award Amount
\$208,000	Use: Renewable Energy Deliverable: Two 40 kW solar rooftop arrays, 58 Level 2 EV Charging Stations
\$192,000	Use: Affordable Housing Site Deliverable: Landscaping, 2 playgrounds, 2 outdoor patios w/ seating and grill stations, 2 dog runs, soccer area
\$108,000	Use: Site Preparation Deliverable: Documentation of soil corrections and import of soil
\$292,000	Use: General Construction Deliverable: Construction of final building with job and housing outcomes listed above



Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: The City of Little Canada
Project Name: Little Canada County Road B East Senior Housing Project
Project Location: 99 County Road B East
Council District: 13 - Lee

Project Detail	
Project Overview	This is an affordable housing development age restricted for seniors (55+). The project will include supportive housing units, units for individuals experiencing homelessness, and will have supportive services.
Total Jobs	3 FT
Living Wage Jobs	3
Total housing units	106
Affordable units	94 11 @ <30% AMI; 28 @ 31-50% AMI; 55 @ 51-60% AMI
Anticipated # bedrooms	20 studio; 67 One BR; 19 Two BR
Funding	
Requested Amount	\$1,400,000
Use of Funds & Award Amount	
\$490,000	Award Amount
\$490,000	Use: General Construction Deliverable: Construction of final building with job and housing outcomes listed above



Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: The City of Vadnais Heights
Project Name: Vadnais Heights Drive Project
Project Location: SE corner of I-694 and Hwy 61
Council District: 10 - Lindstrom

Project Detail	
Project Overview	This is an affordable housing project with larger units for families as well as units for people with disabilities. There will be a mix of affordability levels, and the management company will work with a partnering organization to help residents raise their credit scores if needed.
Total Jobs	3 FT
Living Wage Jobs	3
Total housing units	180
Affordable units	160 4 @ <30% AMI; 8 @ 31-50% AMI; 148 @ 51-60% AMI
Anticipated # bedrooms	45 One BR; 90 Two BR; 45 Three BR
Funding	
Requested Amount	\$2,000,000
Use of Funds & Award Amount	
\$490,000	Award Amount
\$73,500	Use: Renewable Energy Deliverable: 40 Level 2 EV Charging Stations; Rooftop Solar Array
\$73,500	Use: Affordable Housing Site Deliverable: Landscaping, Outdoor Patio, Dog Run, Playground
\$343,000	Use: General Construction Deliverable: Construction of final building with job and housing outcomes listed above

