

Business Item

Community Development Committee



Committee Meeting Date: November 4, 2024

For the Metropolitan Council: November 13, 2024

Business Item: 2024-323

2024 Livable Communities Demonstration Account Transit-Oriented Development Funding Recommendations

District(s), Member(s): All
Policy/Legal Reference: Livable Communities Act (Minn. Stat. § 473.25)
Staff Prepared/Presented: Hannah Gary, Planning Analyst, 651.602.1633
Division/Department: Community Development/Regional Planning

Proposed Action

That the Metropolitan Council:

1. Award five Livable Communities Demonstration Account Transit-Oriented Development grants totaling \$5,500,000 as shown Table 1 below.
2. Authorize the Executive Director of Community Development to execute the grant agreements on behalf of the Council.

Table 1. LCDA-TOD Recommended Grant Projects and Funding Amounts

Applicant	Recommended Project	Award Amount
City of Minneapolis	The LOMA	\$1,000,000
City of Brooklyn Center	Brooklyn Center Opportunity Site Phase 1 Public Infrastructure	\$2,000,000
City of Minneapolis	Rise Up Center Project	\$500,000
City of Minneapolis	Indigenous Wealth Building Center (formerly known as Mni Sota Fund Headquarters)	\$500,000
City of Saint Paul	694 Minnehaha Ave E (Hamm's Brewery: East End)	\$1,500,000

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. Additionally, the Metropolitan Council has identified advancing Transit Oriented Development (TOD) along existing and emerging transitways as a priority. The LCDA-TOD grant category advances both LCA and TOD priorities by supporting development activities in identified transit station areas.

The LCA requires that the Council adopt an annual Fund Distribution Plan that outlines the review process, evaluation criteria, funding limits, and total funding allocation. The Metropolitan Council approved the annual 2024 Livable Communities Act Fund Distribution Plan ([Business Item 2024-41](#)) on February 5, 2024. The approved Fund Distribution Plan allocates a total of \$5.5 million for LCDA-TOD

project awards.

The Fund Distribution Plan provides for a one-step evaluation process for LCDA-TOD Development grant applications which is described further in the Review Process section. An interdivisional team of Council staff score applications with the Livable Communities Advisory Committee (LCAC), an external panel of professionals and content experts. The LCAC determines the funding recommendation presented to the Community Development Committee for consideration.

The LCAC is recommending funding for all five of the submitted applications.

Rationale

On August 12, 2024, the Council received five applications for LCDA-TOD grant funding from three cities with a total request of over \$6.8 million. The City of Brooklyn Center, City of Minneapolis, and 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.

As outlined in the 2024 Fund Distribution Plan, \$5.5 million dollars are available for LCDA-TOD Development grants, and the maximum combined award limit per city is \$2 million. The LCAC funding recommendation will award the highest scoring eligible projects up to the full funding amount made available to the LCDA-TOD Development grant program. Funding the recommended applications in Table 1 will result in \$5,500,000 in grant awards. Any unallocated funds will be available for future programming.

Thrive Lens Analysis

Projects that leverage regional infrastructure investments by helping increase densities and provide a mix of uses further the Thrive Stewardship outcome of “[l]everaging transit investments with higher expectations of land use.”

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 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.”

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 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 near transit 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 2024 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.

Review Process

The Council issued a notice of funding availability in February 2024 after adopting the 2024 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.

Five applications were submitted, as shown in Table 2. Council staff conducted a preliminary review of each application and requested revisions for completeness and eligibility. In previous years, the scoring process has had two steps. To improve transparency in scoring and reduce the length of the review

period, applications were scored in a single step. An interdivisional panel of Council staff scored concurrently with the LCAC.

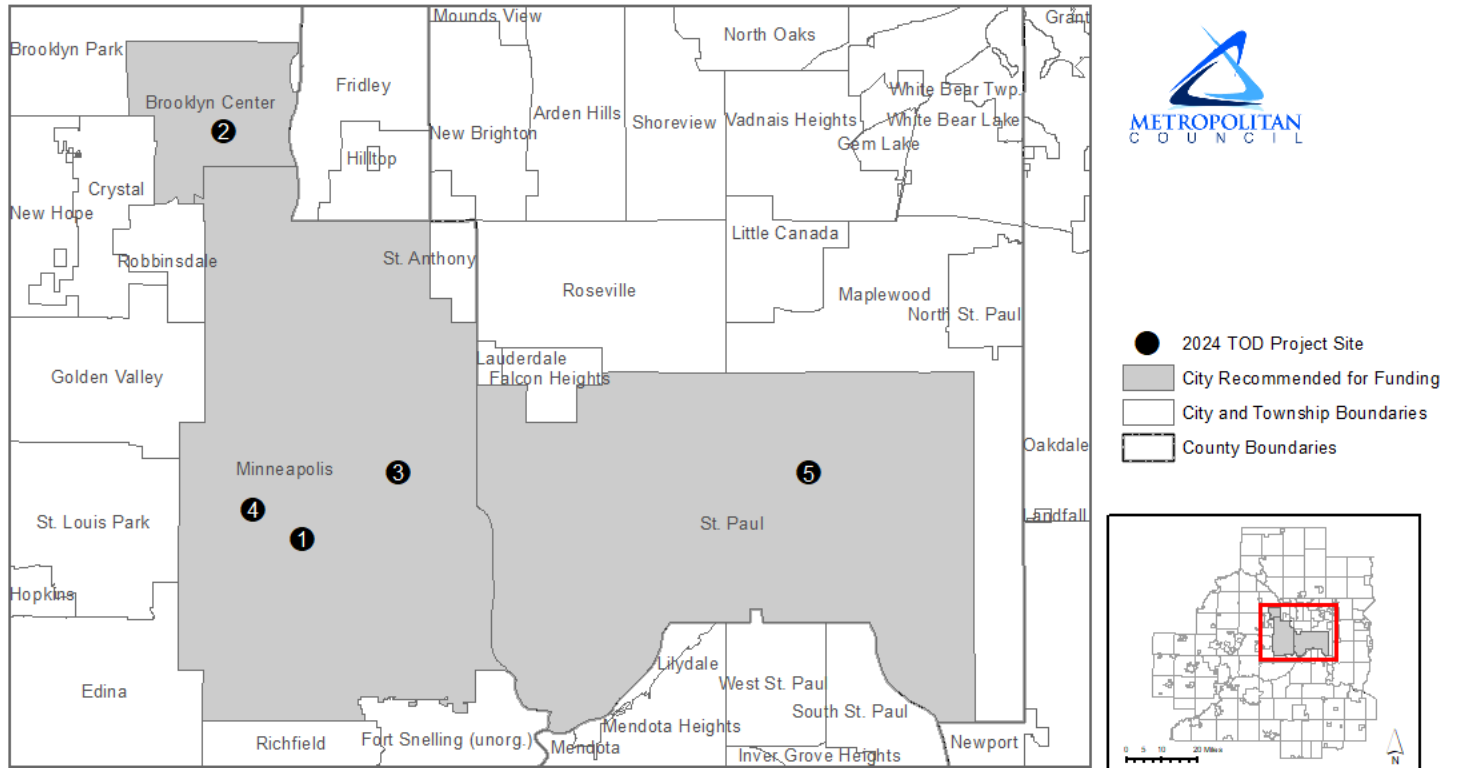
Results of the scoring process are shown in Table 3. All five applications met both the overall minimum score and the minimum equity score to be eligible for funding. The location of communities and project sites recommended for funding awards is shown in Figure 1.

Table 2. LCDA-TOD Application Summary

Grant Category	Full applications received	Eligible for Review	Eligible for Funding	Recommended for award
LCDA-TOD	5	5	5	5



Figure 1. Location of Projects Recommended for Funding



1. Minneapolis - The LOMA - 3246 Nicollet Ave, Minneapolis MN
2. Brooklyn Center - Brooklyn Center Opportunity Site - 5800 Shingle Creek Pkwy, Minneapolis MN
3. Minneapolis - Indigenous Wealth Building - 2301 E. Franklin Avenue, Minneapolis MN
4. Minneapolis - Rise Up Center - 2808 Hennepin Ave S, Minneapolis MN
5. St. Paul - Hamm's Brewery East End - 694 Minnehaha Avenue East, Saint Paul MN

Source: Metropolitan Council, Livable Communities 2024



Table 3. LCDA-TOD Scoring Summary

Recommended Projects	Applicant	Score	Amount Requested	Proposed LCDA-TOD Funding
The LOMA	City of Minneapolis	57	\$1,624,154	\$1,000,000
Brooklyn Center Opportunity Site Phase 1 Public Infrastructure	City of Brooklyn Center	53	\$2,000,000	\$2,000,000
Rise Up Center Project	City of Minneapolis	52	\$500,000	\$500,000
Indigenous Wealth Building Center (formerly known as Mni Sota Fund Headquarters)	City of Minneapolis	48	\$750,000	\$500,000
694 Minnehaha Ave E (Hamm's Brewery: East End)	City of Saint Paul	48	\$2,000,000	\$1,500,000

Outcomes Summary

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

Table 3. LCDA-TOD 2024 Outcomes Summary

Expected Outcome	Number
Total Housing Units	680
Affordable Housing Units (≤60% Area Median Income for Rental, ≤80% for Ownership)	223
Market Rate Housing Units	457
Total Permanent Jobs (new and preserved)	431
Full-time Jobs	211
Part-time Jobs	47
Living Wage Jobs	173

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

The 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 affordable 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-TOD 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 through 2024 LCDA-TOD grants

City	Housing Units	Total	<30% of AMI	31% to 50% of AMI	51% to 80% of AMI *
Brooklyn Center	Total Proposed	41	0	0	41
	% of Need Met by LCA	17%	0%	0%	30%
	Affordable Units Needed	238	103	0	135
Minneapolis	Total Proposed	62	29	33	0
	% of Need Met by LCDA	2%	2%	7%	0%
	Affordable Units Needed	3,499	1,551	494	1,454
St. Paul	Total Proposed	120	31	54	35
	% Need Met by LCDA	6%	4%	42%	3%
	Affordable Units Needed	1,973	832	128	1,013
Total Affordable Units Proposed		223	60	87	76
Total Percent of Need Met by LCDA-TOD		3%	2%	6%	2%
Total Need for Awarded Cities		8,866	3,932	1,443	3,491

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



Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: City of Minneapolis
Project Name: The LOMA
Project Location: 3246 Nicollet Ave
Council District: 6 - Lilligren

Project Detail	
Project Overview	Mixed-use, new construction development that integrates 62 affordable senior housing units with approximately 4,500 square feet of ground floor commercial space. 15 units will be set aside for individuals experiencing homelessness, with referrals facilitated through Hennepin County's Coordinated Entry system. Services will be included on-site.
Total Jobs	32 19 FT, 13 PT
Living Wage Jobs	11
Total housing units	62
Affordable units	62 29 @ <30% AMI; 33 @ 31-50% AMI
Anticipated # bedrooms	23 Studio; 20 One BR; 3 Two BR; 16 Three BR
Funding	
Requested Amount	\$1,624,154
Use of Funds	
\$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: City of Brooklyn Center
Project Name: Brooklyn Center Opportunity Site Phase 1 Public Infrastructure
Project Location: 5800 Shingle Creek Parkway
Council District: 8 - Cameron

Project Detail	
Project Overview	Public infrastructure for the Opportunity Site redevelopment in Brooklyn Center. The public infrastructure elements include a new multimodal roadway and a regional 6-acre stormwater park ponding system.
Total Jobs	76 53 FT, 23 PT
Living Wage Jobs	23
Total housing units	498
Affordable units	41 @ 51-60% AMI
Anticipated # bedrooms	169 Studio; 174 One BR; 118 Two BR; 28 Three BR; 9 Four+ BR
Funding	
Requested Amount	\$2,000,000
Use of Funds	
\$2,000,000	Award Amount
\$1,000,000	Use: Pedestrian Experience Deliverable: Parkway and multimodal pedestrian improvements (1,800 linear feet)
\$500,000	Use: Stormwater Management Deliverable: Final stormwater management system, stormwater aeration for cleaning/odor control
\$500,000	Use: Placemaking Spaces Deliverable: Final placemaking improvements, Street light; boulevard landscape/streetscape



Livable Communities Project Summary

Grant # **SG**
Type: **LCDA Development**
Applicant: City of Minneapolis
Project Name: Rise Up Center
Project Location: 2808 Hennepin Ave S
Council District: 6 - Lilligren

Project Detail	
Project Overview	The Rise Up Center will be a 70,000-square-foot, geographically accessible, culturally competent, and economically sustainable hub for BIPOC workforce development in the green building and clean energy fields. The Center will include apprenticeship programs to prepare participants for jobs in clean energy fields.
Total Jobs	122 119 FT, 3 PT
Living Wage Jobs	119
Total housing units	0
Affordable units	0
Anticipated # bedrooms	N/A
Funding	
Requested Amount	\$500,000
Use of Funds	
\$500,000	Award Amount
\$500,000	Use: General Construction Deliverable: Construction of final building with job outcomes listed above



Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: City of Minneapolis
Project Name: Indigenous Wealth Building Center (formerly known as Mni Sota Fund Headquarters)
Project Location: 2808 Hennepin Ave S
Council District: 6 - Lilligren

Project Detail	
Project Overview	An expansion of the Mni Sota Fund, the project will integrate a variety of uses, including offices, coworking spaces, event spaces, and a community-focused business operated by a Native entrepreneur. The building is designed to be LEED-certifiable, incorporating energy-efficient appliances and fixtures.
Total Jobs	23 17 FT, 6 PT
Living Wage Jobs	17
Total housing units	0
Affordable units	0
Anticipated # bedrooms	N/A
Funding	
Requested Amount	\$750,000
Use of Funds	
\$500,000	Award Amount
\$500,000	Use: General Construction Deliverable: Construction of final building with job outcomes listed above



Livable Communities Project Summary

Grant # SG
Type: LCDA Development
Applicant: City of Saint Paul
Project Name: 694 Minnehaha Ave E (Hamm's Brewery: East End)
Project Location: 694 Minnehaha Ave E
Council District: 13 - Lee

Project Detail	
Project Overview	This is a new construction project redeveloping the Hamm's brewery site. The project is a 120-unit multifamily, affordable housing development with a family-friendly unit mix and amenity package.
Total Jobs	5 3 FT, 2 PT
Living Wage Jobs	3
Total housing units	120
Affordable units	120 31 @ <30% AMI; 54 @ 31-50% AMI; 35 @ 51-60% AMI
Anticipated # bedrooms	30 One BR; 60 Two BR; 20 Three BR; 10 Four+ BR
Funding	
Requested Amount	\$2,000,000
Use of Funds	
\$1,500,000	Award Amount
	Use: General Construction Deliverable: Construction of final building with job and housing outcomes listed above

