

Business Item

Community Development Committee



Committee Meeting Date: November 4, 2024

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: 2024-325

Amend Project Summary for the 892 7th Street East LCDA TOD Grant (SG-19626)

District(s), Member(s):	District 13, Chai Lee
Policy/Legal Reference:	Minn. Stat. § 473.253
Staff Prepared/Presented:	Kelly Nezworski, Grants Administrator, 651-602-1757
Division/Department:	Community Development / MTS Finance and Admin/Livable Communities

Proposed Action

That the Community Development Committee approve amending the project summary of the 892 7th St. E (SG-19626) Livable Communities Act Transit Oriented Development (TOD) Grant Award as shown in Attachment B.

Background

In 2023, the Council awarded a \$975,000 Livable Communities Demonstration Account (LCDA) Transit Oriented Development (TOD) grant (Business Item [2023-292](#)) to the City of St. Paul for the 892 7th St. East Building project. This is a mixed-use development focused on providing affordable housing for multigenerational families and "grandfamilies" in the community. The project features large, multi-bedroom units designed for flexible living arrangements to accommodate various family and kinship structures. The housing was paired with ground-floor commercial spaces and community space offering integrated supportive services and partnerships with community organizations.

On September 25, 2024, the City of St. Paul requested a scope modification to proceed as a housing-only project, removing the commercial space and underground parking garage due to a change in the financial feasibility of the commercial space. The commercial aspect of this project was to be owned and financed by Soul Community Development. Unexpectedly, one of the primary partners of Soul passed away, and the other partner could not carry the project forward alone.

The revised project will still deliver the same number of housing units with the same unit mix and affordability levels (30%-50% AMI). Residents will now use a surface parking lot, increasing the parking ratio from 1.4 to 1.7 spaces per unit. This change will also allow for an expanded residential playground and more outdoor spaces for residents. Due to the shift to a housing only project and the removal of commercial space, the projected number of full-time employees (FTE) has been reduced from 75 to 1.

Rationale

The elimination of the commercial space, underground parking, and reduction in FTE count

constitutes a significant change to the project. When rescoring the project in its amended form, staff determined it would still have scored high enough to be recommended for funding at the awarded level. The project updates meet the 2023 funding criteria and would have ranked above competing project applications.

Therefore, Council staff recommend that the Committee approve amending the project summary as outlined in Attachment B.

Thrive Lens Analysis

Projects that demonstrate efficient and effective use of public financial resources further the Thrive Stewardship Outcome.

Projects that redevelop and increase density further the Thrive Prosperity outcome of “[e]ncouraging redevelopment and infill development across the region.”

Funding

Funds are available in the Livable Communities authorized 2023 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. Updated Project Summary





SAINT PAUL
PLANNING & ECONOMIC
DEVELOPMENT

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT
NICOLLE GOODMAN, DIRECTOR

City Hall Annex, 25 West 4th Street, Suite 1300
Saint Paul, MN 55102
Tel: 651-266-6565

September 25, 2024

Metropolitan Council
390 Robert Street North
Saint Paul, MN 55101

Re: PPL's 892 East 7th Street project
Livable Communities Development Act-Transit Oriented Development #SG-19626 award

Dear Ms. Gary,

This letter is to formally request an approval to update our Livable Communities Development Act-Transit Oriented Development (LCDA TOD) #SG-19626 awarded to the project in December 2023 by the Metropolitan Council. The East 7th Street Project needs to modify the plan due to last minute and unforeseen financial unfeasibility of the commercial component of the project. Because of this circumstance, the modified proposal will move forward as **housing-only project** and will have no commercial space or an underground parking garage, which were originally submitted and approved.

The modified project will still deliver the same number of much needed housing units (60) with the same units mix (one, two, three, four and five bedrooms), as well as the affordability designation for the units from 30% to 50% AMI. The residents will use the surface parking lot (originally intended for commercial use) and the ratio of parking spaces to units increases to 1.7 parking spaces per unit, with the potential of increasing parking spaces if needed. Additionally, the modification will allow us to expand the residential playground area in total square feet and create more outdoor spaces for resident use. The modified design will relocate the management and services area space to the south side of the site containing the same amenities originally proposed: community room, fitness room, storage, and management and supportive services offices.

The project modification will still increase the property tax based on current designation (exempt) to approximately \$53,000.00 based on comparison with similar properties in the developer's portfolio. Due to the removal of the commercial component, the number of jobs projected will be reduced to 1 FTE.

CITY OF SAINT PAUL
MELVIN CARTER, MAYOR

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Attachment A. Grant Amendment Request (continued)

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Metropolitan Council
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As stated above, the site plan modification will still bring the much-needed large family housing units (60) with a mix of bedroom units, will keep the “multigenerational” concept originally proposed in our application and incorporate this new development into the fabric of the neighborhood. For the development to move forward as housing only and be successful, we still greatly need the funding committed to the project, including from Metropolitan Council. The Council has been a strong supporter of the project, and we hope that it continues to be so.

Please let us know if you need additional information to submit to proceed with this request.

Respectfully,



Nicolle Goodman
Director of Planning and Economic Development
City of Saint Paul

Included: Updated Site Plan
Project Timeline



TOD Project Summary

Grant # SG-19626
 Type: LCDA-TOD Development
 Applicant: City of Saint Paul
 Project Name: 892 7th Street East
 Project Location: 892 East 7th Street, Saint Paul, MN 55105
 Council District: 13 – Lee

Project Detail	
Project Overview	892 East 7 th Street is focused on providing affordable housing to multigenerational and 'grandfamilies' in the community. Large unit sizes and multi-bedroom configuration allow flexible living for grandfamilies or kinship families – households in which children reside with, and are being raised by grandparents, other extended family members, and adults with whom they have a close family-like relationship such as godparents and close family friends. The building includes four stories with community integrated supportive services and amenities section that includes management office, exercise room, large playground area as well as multigenerational community rooms in floors three and four. Additionally, a large playground and surface parking are included.
Jobs	1 Total – Full-time
Living Wage Jobs	1
Total Housing Units	60
Affordable Units	60 Total – 17 @ <30% 43 @ 31-50%
Anticipated # Beds	170 Total – 8 One BR 10 Two BR 28 Three BR 14 Four+ BR
TOD Metrics	Floor-area ratio: 1.08 Dwelling units per acre: 27.27 Distance to station/stop: 2167 ft Purple Line – Arcade Street Parking stalls/unit: 1.6
Support for Award	<ul style="list-style-type: none"> Provides increased housing choice including larger units for families and targeted affordable housing for underserved populations. Result of deep community engagement.
Funding Request	
\$975,000.00	TOTAL
\$600,000.00	Affordable Housing Construction Deliverable: Construction of 60 units of rental housing
\$150,000.00	Renewable Energy Deliverable: Solar PV System
\$100,000.00	Stormwater Management Deliverable: Stormwater System
\$50,000.00	Design & Engineering Deliverable: Stormwater Design
\$50,000.00	Site Preparation Deliverable: Grading and Soil Correction
\$50,000.00	Placemaking Spaces Deliverable: Public Realm Enhancements

