

## Community Development Committee

Meeting Date: July 15, 2013

For the Metropolitan Council meeting of July 24, 2013

**Subject:** Authorization to Amend the HUD Sustainable Communities Regional Planning Grant Sub-recipient Agreements with The Cornerstone Group, Project for Pride in Living, and Aurora St. Anthony Neighborhood Development Corporation

**District(s), Members(s):** All

**Policy/Legal Reference:**

**Staff Prepared/Presented:** Allison Bell, Manager, Corridors of Opportunity, 651-602-1363

**Division/Department:** Community Development / Corridors of Opportunity

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### Proposed Action

Authorize the Regional Administrator to amend the HUD Sustainable Communities Regional Planning Grant Sub-recipient Agreements with The Cornerstone Group, Project for Pride in Living, and Aurora St. Anthony Neighborhood Development Corporation to increase their grant award amounts by \$27,155 each.

### Background

On June 27, 2012, the Metropolitan Council approved nine Local Implementation Capacity grants totaling \$953,000 as part of Corridors of Opportunity and funded by the HUD Sustainable Communities Regional Planning Grant program. These grants were awarded for projects along transitway corridors that promote the principles of transit oriented development (TOD), to fund site specific pre-development and general predevelopment planning activities.

One of the site specific pre-development project grantees was L&H Station Development, a real estate development project that was planned for a site owned by Minneapolis Public Schools, located on Lake St and Hiawatha. They were originally awarded \$114,750 in grant funds, and in October 2012, they were reimbursed for \$33,285 of eligible expenses. However, in spring 2013, Minneapolis Public Schools determined that they would not make the site available to L&H Station Development, but instead would retain it for their operations. Because the development project ceased, the Regional Administrator terminated the sub-grant agreement, leaving \$81,465 of their grant dollars unspent.

Corridors of Opportunity co-chairs and Policy Board members, as well as original members of the Local Implementation Capacity grant review committee and staff of the City of Minneapolis, recommended that the unspent funds be redistributed in the most expeditious way possible to projects that would successfully be able to use the funds for the intended purpose of the Local Implementation Capacity program.

The recommendation is to distribute the funds equally to the other three projects in the "site specific pre-development" category, if proposals for using the additional funds met review criteria. These projects are Hamline Station (Project for Pride in Living), Prospect Park Station Master Plan (The Cornerstone Group), and Old Home Plaza (Aurora St. Anthony Neighborhood Development Corporation). Each submitted a proposal on what activities they would conduct

with an additional \$27,155 each in grant funds, or one-third of the unspent funds totaling \$81,465.

In reviewing the proposals, staff determined that the activities are (1) eligible activities, both in regard to HUD grant requirements and the original Local Implementation Capacity program guidelines, (2) adding new work activities not currently funded with their existing HUD grant funds, and (3) able to be completed by the grant program activity deadline of 12/31/13.

A brief description of what each project proposed follows:

#### **Hamline Station – Project for Pride in Living**

- 1) Complete feasibility studies including risk assessments and pro forma modeling (\$12,500)
- 2) Development of community capacity to support entrepreneurs and small business start ups (\$7,500)
- 3) Community engagement to solicit input on project and obtain support from neighborhood groups and other stakeholders, and work with Trust for Public Land to develop a model for Privately Owned Public Spaces (POPs) on the site (\$7,155)

#### **Prospect Park Station Master Plan – The Cornerstone Group**

- 1) Site specific schematic design work that incorporates the feedback of key stakeholders, community members, and focus groups. It will focus on Privately Owned Public Spaces on the site, site planning and landscape design, and sustainable building design. (\$20,000)
- 2) Create a communication plan, for both the specific phase I project and the larger district wide project, to communicate effectively with stakeholder groups such as the neighborhood, future residents, potential retailers and commercial users, investors and funders about the importance of this project as a leader in sustainable design and district wide thinking. (\$7,155)

#### **Old Home Plaza – Aurora St. Anthony NDC**

- 1) Diversity Program – A major project objective is to exceed the established contracting goals for the project which are Minority Business Enterprises (5.0%), Women Business Enterprises (5.0%), Section 3 (10.0%), women work hours (6%) and minority work hours (32%). To assist with achieving these goals and documenting them for funding sources, they will contract with Metro Area Small Contractors Alliance (MASCA). (\$14,100)\*
- 2) Retail Support – Aim to successfully lease up the approximately 8,000 SF of retail space on University Avenue -- support prospective small business start-ups, entrepreneurs and other potential tenants. Dedicated services include technical assistance, build-out & design, leasing and lease terms, retail space marketing and maintaining relations with community & civic partners, developers & the Central Corridor LRT project. (\$15,600)\*

\*Only a maximum of the amended award amount - \$27,155 – will be covered, and the remainder will be funded by other sources

#### **Rationale**

The Corridors of Opportunity co-chairs and Policy Board members involved in the project recommended that L&H Station's unused grant funds be redistributed in an expedited and efficient manner to projects that are making good progress and able to use the funds for the

original purpose of the Local Implementation Capacity program, to fund eligible expenses, and by the HUD grant program deadline of December 31, 2013. The three other funded site-specific pre-development projects were the best fit for this recommendation, and their proposed uses for the funds were reviewed against these criteria.

## Funding

This proposed action will amend the three projects as follows:

<b>Project</b>	<b>Sub-Recipient</b>	<b>Original Award Amount</b>	<b>Additional funds</b>	<b>New Award Amount Total</b>
Hamline Station	Project for Pride in Living	\$200,000	\$27,155	\$227,155
Old Home Plaza	Aurora St. Anthony NDC	\$100,000	\$27,155	\$127,155
Prospect Park Station Master Plan	The Cornerstone Group	\$300,000	\$27,155	\$327,155

These funds are part of the \$5 million HUD award for the SCRPG. The proposed source of funds for this work is unspent grant funds from the fourth "Site Specific Predevelopment Project" of the Local Implementation Capacity grant program, part of the HUD award.

## Known Support / Opposition

There is no known opposition.