

Community Development Committee

Meeting Date: June 17, 2013

Subject: Corridors of Opportunity Update

District(s), Member(s): All

Policy/Legal Reference: N/A

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

Division/Department: Community Development / Corridors of Opportunity

Proposed Action

No action. Information item.

Background

The purpose of this information item is to provide an update on the Corridors of Opportunity initiative. The current phase of this 3-year initiative concludes in December, 2013. The presentation (see attached) will be comprised of 2 parts:

1. **HUD Grant Governance and Administration** - Allison Bell, Manager of Corridors of Opportunity, will provide an overview of the Metropolitan Council's roles and responsibilities as the grantee of the HUD Sustainable Communities Regional Planning Grant.
2. **Evaluation Report** – Ellen Shelton, Researcher at Wilder Research, will present highlights of the year 2 evaluation report. For more information, see the attached summary document.

Corridors of Opportunity

Second year progress report: Highlights

Summary of findings and potential next steps

The Corridors of Opportunity initiative was established to create two kinds of change: equitable transit-oriented development and systems-level change in how transit-related planning and development are done in the Twin Cities. To create this change, the initiative funded a suite of activities ranging from corridor planning and direct project investment to policy analysis and community engagement. In addition, the work has brought together multiple jurisdictions, community perspectives, and content area leaders to focus on guiding equitable growth along the region’s transitways.

As of the end of the second year, the evaluation finds that development projects are beginning to be approved and funded, under guidelines designed to produce both equitable and catalytic results. System changes were reported by some but not all partners. Of these, most are occurring as new practices rather than new policies and may lack the structural supports needed to be sustained, but some system changes are in the process of being institutionalized for the longer term.

Findings suggest that areas of focus for 2013 could profitably include an examination of how to sustain not only organization-level changes but also the cross-jurisdiction level of alignment that has strengthened individual agencies’ efforts and outcomes.

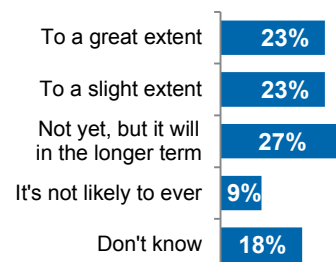
This document describes progress on four main outcomes through illustrative examples for each. It also includes responses from a survey of a cross-section of Policy Board members, Senior Staff, and other partners affiliated with the initiative.

1. Are we making it easier, and more of a priority, to develop along transitways?

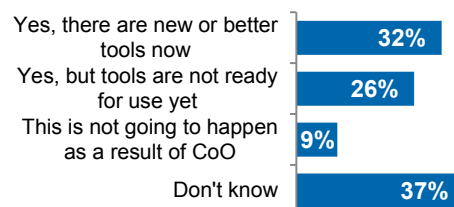
About half of the stakeholders surveyed (46%) believe the Corridors of Opportunity initiative is currently helping to make the development process easier in transit corridors. Another quarter believe the work is going to have this impact in the future, although it is not doing so yet.

A slight majority of stakeholders (58%) believe that initiative efforts are helping to produce new or better tools to make the development process easier, although about half of this group believe the tools are not yet ready for use.

To what extent do you believe the CoO body of work is helping to make the development process easier in transit corridors? (N=22)



Are any CoO efforts resulting in new or better tools to make the development process easier in transit corridors? (N=19)



Many different partners are helping to develop these tools, including cities that are beginning to enact new zoning for transitways, government entities from the city to the state level that are revising funding guidelines to prioritize transit-oriented development, and lenders who are identifying new methods of screening proposals, acquiring strategically important sites, and process loans.

Example: Old Home Redevelopment and the Corridors of Opportunity Lending Team

As a result of the initiative, the financial intermediary landscape in the region is stronger. It has built stronger relationships between partners and among cities, developers, and small business representatives. It has begun to develop new tools, reduce gaps, and align policies and processes. This has enabled lenders to make the process more flexible, able to absorb risk in weak markets, and to speed early stage development.

The coordinated work of the lending team is exemplified in the progress being made toward redevelopment of the Old Home Dairy site on the Central Corridor in the heart of the old Rondo community. Progress on realizing the community’s vision for a mixed-use development on this site was also facilitated by a Corridors of Opportunity community engagement grant and award of funding from the Met Council TOD grant fund.



Artist's rendering of future development of the Old Home Dairy site at Western and University Avenues.

This development is expected to produce 57 units of affordable rental housing, 12 affordable townhomes, up to 15,000 square feet of commercial space, and 40,000 square feet of commercial space, in three phases of construction.

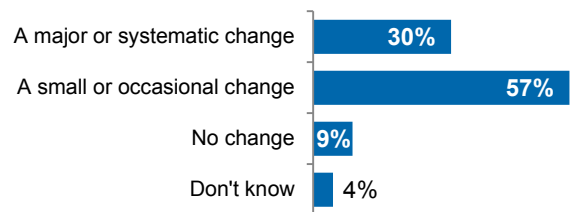
The funding for this project includes parts of much larger amounts that have been re-aligned and leveraged by Corridors of Opportunity partners for

work consistent with the goals of the initiative. In all, during 2012 partners report at least \$2.7 million in leveraged funding, and \$3.2 million in their own funds that have been re-aligned.

2. Do historically under-represented populations have a meaningful role in decision-making?

A large majority of stakeholders who were surveyed (87%) report that their organization has changed how it includes under-represented communities in planning, and 30 percent report that this is a major or systemic level of change.

Has your organization changed the way it reaches out to members of historically under-represented communities, or how it includes their perspectives in planning? (N=23)



Example: Community engagement model and grants

As a result of community engagement grants awarded by the Corridors of Opportunity, grantees report that 46 community members have become regular members of planning or advisory groups. They also report that over 1,000 have become actively engaged in transitway decision making through attending meetings or events or sending opinions to policymakers.



Asad Aliweyd talks about opportunities for the Somali community along the Southwest LRT line.

The active inclusion of community perspectives in planning and project decisions has gone considerably beyond the direct effects of grantees. Community-based and under-represented voices are participants at decision-making tables, including the Policy Board.

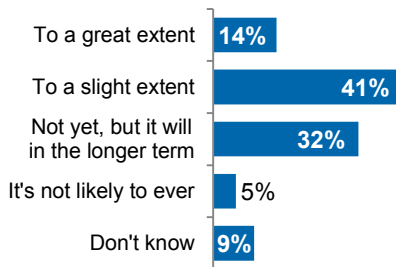
A wide range of stakeholders report that the inclusion of community perspectives is helping to shape decisions that benefit a broader range of residents than would have occurred in the absence of the initiative.

3. *Is transitway development paving the way for prosperity for people of all backgrounds?*

This outcome is expected to take more time than the first two. Few of the funded projects have this as a direct focus. However, there is evidence of movement during the first two years, including through small business assistance and the first phase of the Corridors 2 Careers jobs pilot. Longer-term outcomes, at larger scales, are also expected from the Anchor Partnership of major institutions along the Central Corridor, and the inclusion of equity principles in the Met Council’s Transit-Oriented Development grants program. In addition, as a result of community engagement work, entrepreneurship training for immigrant communities has begun in the Southwest and Bottineau corridors.

Slightly over half (55%) of the stakeholders who were surveyed believe there is already evidence that the initiative is increasing access to opportunity for under-represented communities, and another third believe that the initiative is on track to see this occur over the longer term.

To what extent do you believe the CoO body of work is increasing historically under-represented people’s access to opportunity in the longer run? (N=22)



Example: May’s Market and the Small Business Assistance team

Technical assistance was provided during 2012 to 353 Central Corridor businesses, of which 99% (all but 4) have remained in business. In addition, Corridors of Opportunity resources have provided matching grants to improve facades for nine businesses, and business expansion loans have been made to four businesses.

In partnership with the Asian Economic Development Association, resources have been mobilized to create a distinctive theme for the “Little Mekong” station area. This is one of many projected components of a

cultural corridor to be developed along the Central Corridor in celebration of the diverse communities to which the corridor is home.



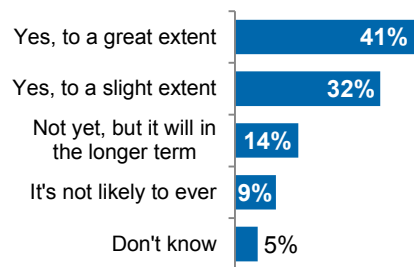
Artist’s rendering of new façade features for May’s Market, at the corner of University and Western Avenues, incorporating the “Little Mekong” theme for the station area.

4. *Is the initiative creating more options for how people get around and where they choose to live and work?*

This outcome area speaks to the initiative’s success in advancing the buildout of the regional transit system, and to its investment in transit-oriented development projects in the corridors. These are the most long-term of all the goals of the initiative, but it is possible to identify current progress that points in the desired direction.

Stakeholders who were surveyed believe that progress has been made toward the buildout of the transit system, particularly through significant influence on legislative proposals for 2013.

To what extent do you believe that CoO body of work is helping to accelerate the buildout of the regional transit system? (N=22)



Inclusion of equity principles in the Local Implementation Capacity grants has helped assure that these projects included affordable housing and jobs goals. According to grant applications, the funded LIC projects are expected to produce:

- 1,419 new units of housing (52% affordable)
- 123,700 square feet of new commercial space
- 1,896 new jobs (temporary and permanent)

Outcomes go beyond the directly funded projects. The Program of Projects study resulted in a framework for assessing the feasibility of various kinds of scenarios. This has been aligned with other efforts including a Return on Investment study undertaken by the Itasca Project and the Infrastructure for Economic Development Project of the Chambers of Commerce, and their combined efforts significantly influenced the deliberations of the Governor's Transportation Finance Advisory Committee. This in turn contributed to the governor's proposal, now before the legislature, for a metro area sales tax dedicated to transit.

Conclusions and next steps

The sections above are examples of progress drawn from the full report. Report findings also address the support structures built into the initiative that helped make these accomplishments possible, including:

- The “one table” approach to bringing decision-makers together from multiple jurisdictions, sectors, and perspectives
- The staffing to support and facilitate those tables
- The adoption of a model of community engagement that provided resources and support to historically under-represented communities to enable their authentic participation in identifying and weighing options
- An environment of learning from each other and from best practices nationally

Some changes observed to date are beginning to be institutionalized into regular structures and funding of the partner organizations. Other changes are emerging but are still limited to practices in certain contexts or by certain participants.

Based on what evaluators have read, heard, and observed, we conclude that to solidify emerging outcomes, it will be important to institutionalize the factors that have done the most to help produce them.

These include:

- The “one table” opportunities for diverse stakeholders to come together (both at the Policy Board level and also at numerous project levels across the initiative) and the staffing that makes it possible for these tables to function
- The support for community engagement that has brought historically under-represented groups into deliberations and helped build new relationships and new opportunities
- The development of intentional feedback loops that have helped to capture, document, and share what is being learned
- Deliberate efforts to identify what policies and funding streams would need to be changed in order to sustain new ways of doing business

A final consideration is to systematically assess what was intended but not done, or begun but not completed.

For example:

- Having learned the importance of linking affordable housing and local businesses, are there ways to more fully build connections between economic development and jobs?
- Are there ways that the corridor-level affordable housing goals can be clarified or supported, and what kind of conversation might this require about the balance between location-efficiency and fair housing?
- Could the Investment Frameworks developed for the Central and Southwest Corridors form the basis for a data system to help partners both prioritize new developments and document those that are undertaken?

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For more information

This summary presents highlights of the full report of the same name. For more information about this report, contact Ellen Shelton at Wilder Research, 651-280-2689.

Authors: Ellen Shelton, Brian Pittman, Corridors evaluation team
MARCH 2013

Allison Bell, Metropolitan Council
Ellen Shelton, Wilder Research

Corridors of Opportunity Progress Report

Community Development Committee
June 17, 2013



Today's Agenda

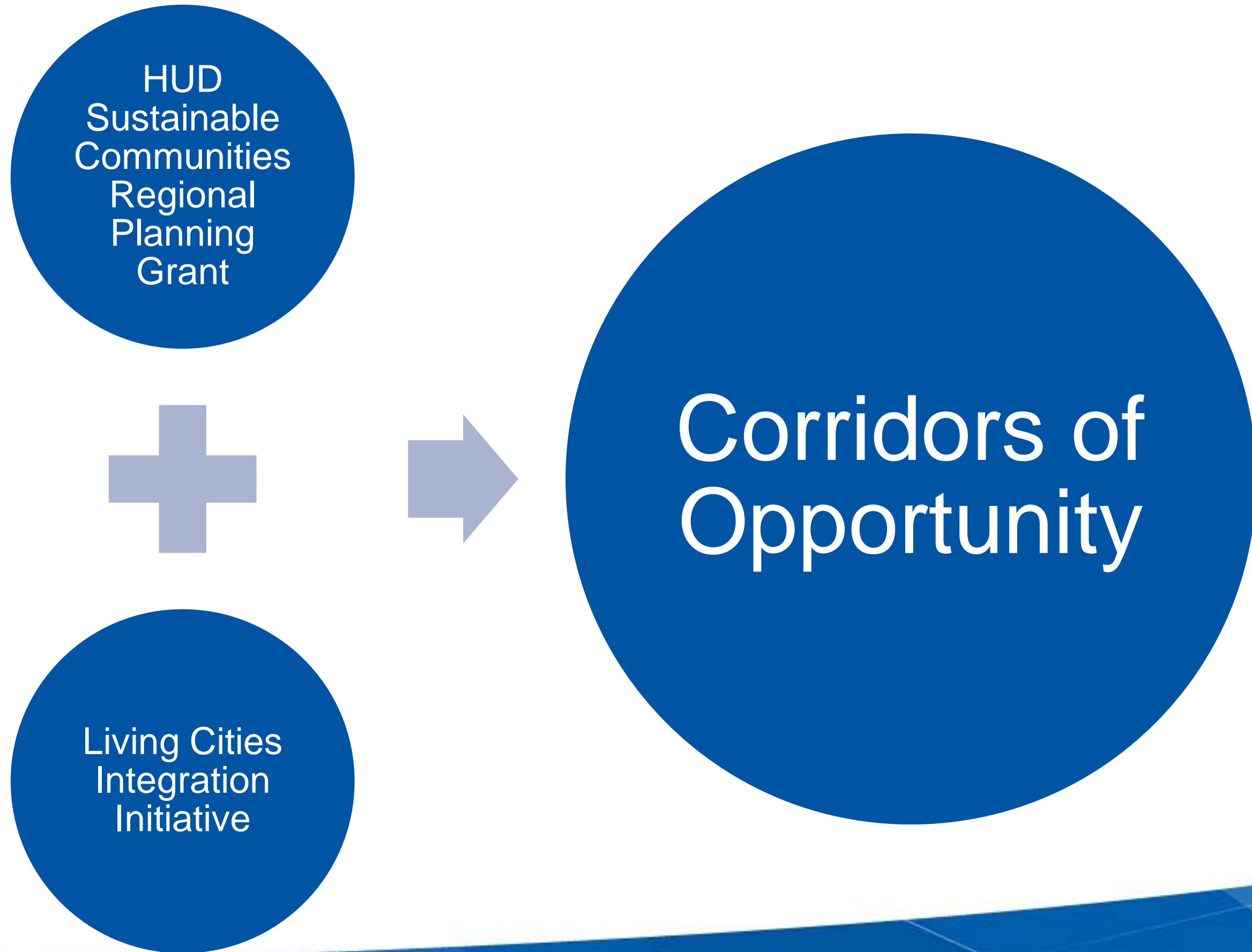
- Vision
- Timeline
- Roles and Responsibilities
- Deliverables
- Grant management process
- Midterm evaluation report
- What's next

Vision

Transitways corridors will guide our region's growth, vitality and competitiveness. Development along transitways will create distinctive places and strengthen local assets while increasing ridership and expanding access to jobs, affordable housing and essential services for residents of all incomes and backgrounds.



The Council oversees the HUD portion of the Initiative



Three-year HUD Grant Timeline

Metropolitan Council signs cooperative agreement with HUD – January 2011



Metropolitan Council and partners implement initiative – 2011 through 2013



Metropolitan Council submits final deliverables to HUD – December 2013

Metropolitan Council role vis-à-vis Corridors of Opportunity

Metropolitan Council

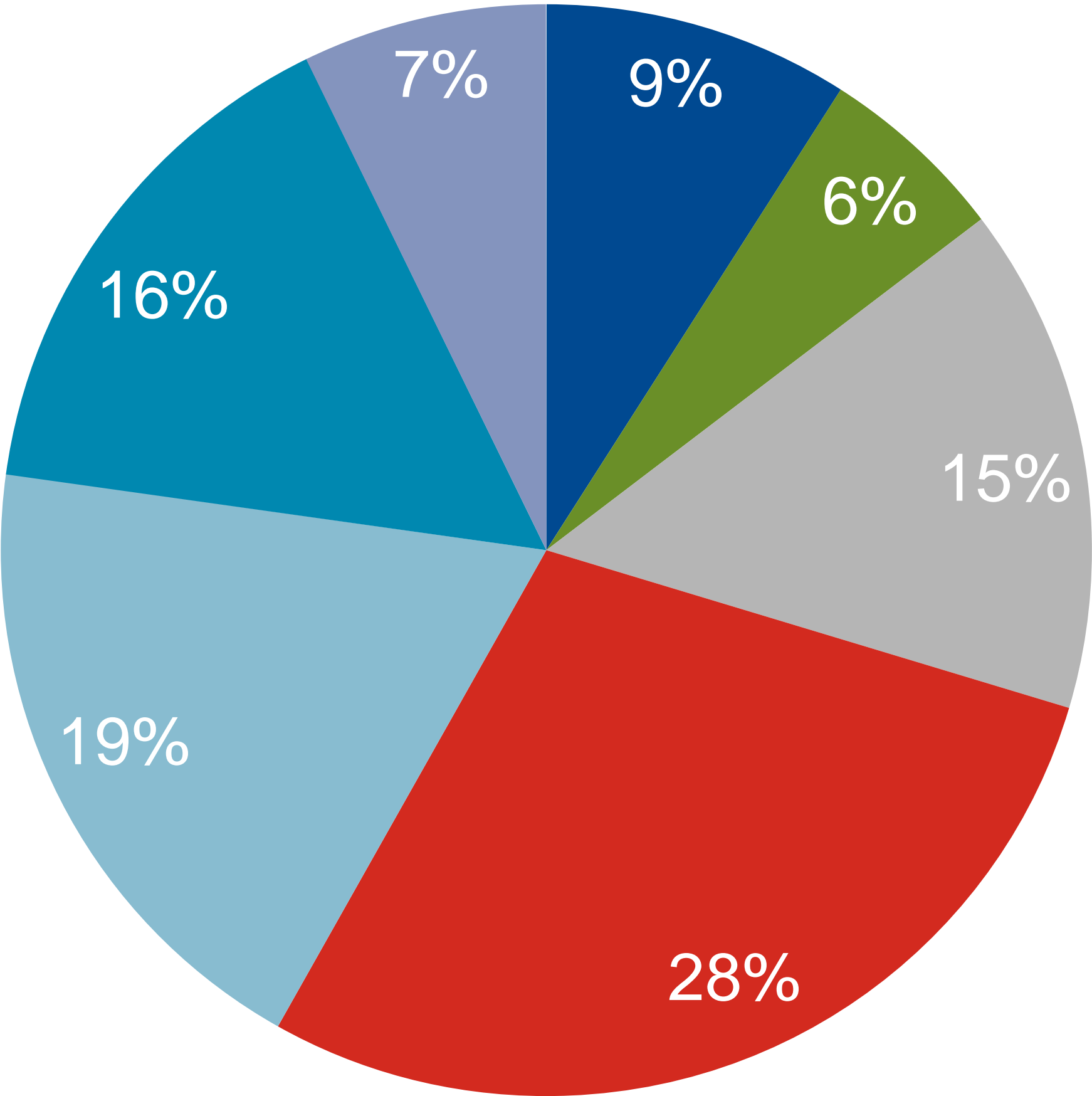
- Establishes regional policy
- Plans, develops and operates transitways
- Leads Corridors of Opportunity Policy Board
- Manages HUD Grant
- Responsible for all HUD deliverables
- Provides staff support to Corridors of Opportunity

Corridors of Opportunity

- Supports transitway planning & development via strategies on 7 corridors
- 24-member voluntary, multi-sector board
- Discusses potential resource and program alignment
- Uses HUD grant and other funds to test innovative and promising approaches

Corridors of Opportunity Grant Allocation

HUD Sustainable Communities: \$5 million



- Research & Policy
- Housing Resources
- Community Engagement
- Corridor Studies
- Local Implementation Capacity
- Demonstration Projects
- Miscellaneous



HUD Grant deliverables

- Thrive MSP 2040
- Fair Housing and Equity Assessment (FHEA)
- Sub-grantee deliverables

Grant management process

Monthly meetings with grantees

Monthly calls with HUD

Reimbursement payments

Biannual reports

Third party evaluation

Main take-aways about what is helping make success possible

- Buy-in from regional leaders
- Structural support for convening leaders, at policy and implementation levels
- Ongoing staff support
- Resources to support community participation and new models of public agency outreach
- Intentional efforts to identify and change policies and funding streams

Are we making it easier, and more of a priority, to develop along transitways?

- Aligning resources, convening stakeholder groups, and promoting catalytic projects
- Predevelopment Funders Roundtables helped move Old Home project from “no way” to “no brainer”



Do historically under-represented populations have a meaningful role in decision-making?

- Integrating new voices into processes
- Diversity of representation at multiple levels of decision-making including Policy Board
- Government agencies adopting new outreach practices



Is transitway development paving the way for prosperity for people of all backgrounds?

- Longer-term impact with some early successes
- Business assistance
- Anchor Institutions partnership
- Entrepreneurship training



Is the initiative creating more options for how people get around and where they live and work?

- Long-term impact, but developing the tools to realize that impact
- CoO Program of Projects study, aligned with Itasca ROI study and Chambers Infrastructure efforts, contributing to support for transit funding
- Incorporation of equity principles into Local Implementation and Met Council TOD grants



Implications for possible next steps

- Institutionalize “one table” and staffing to support them
- Use shared learning and relationship building to help shape and sustain systems change
- Identify policies and funding streams that need to change
- Continue community engagement model
- Systematically assess and prioritize what was intended but not yet completed