

Community Development Committee

Meeting date: November 18th, 2013

For the Metropolitan Council meeting of November 27th, 2013

Subject: 2013 Livable Communities Demonstration Account Transit-Oriented Development (LCDA-TOD) Funding Recommendations

District(s), Member(s): All

Policy/Legal Reference: MN Statute §473.253

Staff Prepared/Presented: Adam Maleitzke, Senior Planner 651.602.1633

Division/Department: Community Development / Livable Communities

Proposed Action

That the Metropolitan Council:

Amend the 2013 Livable Communities Fund Distribution Plan to raise the \$2 million Livable Communities Demonstration Account Transit-Oriented Development (LCDA-TOD) grants per-city award limit by \$45,000 to allow for full funding of two Minneapolis projects, and;

Award five Livable Communities Demonstration Account Transit-Oriented Development Grants, as follows:

Development Project	Applicant	Points	Recommended LCDA-TOD Funding
4 th Street Infrastructure	Minneapolis	105.61	\$1,000,000
Anishinabe Bii Gii Wiin	Minneapolis	93.87	\$1,045,000
Central Exchange	Saint Paul	93.01	\$77,000
Oxford Green	Hopkins	92.89	\$1,600,000
BROWNstone	Saint Paul	91.01	\$160,000
Total for LCDA Development projects			\$3,882,000
Total Funding Available (excluding Pre-Development award)			\$4,900,000
Available Funds Not Awarded			\$1,018,000

Background

In support of the Metropolitan Council's goal to advance transit-oriented development (TOD) along the Region's transit corridors, the Council established a new category of Livable Communities Demonstration and Tax Base Revitalization Account grants in 2011 to fund projects oriented to transit located within identified "TOD areas" (a map of these areas is available online):

http://giswebsite.metc.state.mn.us/mapgallery/pdfs/LCA_TOD/LCATOD_map.pdf

In the 2013 Annual Livable Communities Fund Distribution Plan, the Council made \$5 million in LCDA-TOD funding and \$3 million in TBRA-TOD funding available to catalyze transit-oriented development. The TOD funding is in addition to \$7.5M for other LCDA

development projects and \$5M for other TBRA cleanup projects.

Rationale

On July 1st, 2013, the Council received 7 applications for LCDA-TOD funds and 1 application for TBRA-TOD funds from 3 participating communities. After conducting a completeness and eligibility review, Livable Communities staff found that all applications were eligible for consideration by the Step 1 staff committee. The Step 1 committee evaluated all 8 applications in the criteria categories of housing; transit access, walkability and ridership; jobs and economic competitiveness; TOD design; environmental design; and leverage and partnerships. A total of 75 points are available in Step 1. Of the seven LCDA-TOD applications, 5 met the required 45-point threshold and were sent to the Livable Communities Advisory Committee (LCAC) for further consideration. Two applications, one each from Minneapolis and Saint Paul did not meet the minimum threshold and were not forwarded to the LCAC; more information about these projects is provided in Appendix A. The request for TBRA-TOD funding, met the Step 1 threshold, but was withdrawn by the City of Minneapolis after the project changed.

The LCAC evaluated the 5 Development projects forwarded to them in the criteria categories of TOD Demonstration Value, Catalytic Potential, and Readiness, for a total of 45 available points. Scores from each LCAC member were averaged in the three categories. Lastly, the housing performance score for the city was added after converted from a 100-point scale to a 10-point scale. In total, up to 55 points were possible in Step 2. The final score is a *combination* of Step 1 (max 75 points) and Step 2 (max 55 points) up to 130 points. Projects must have a combined score of at least 72 points to be recommended for funding.

The LCAC recommends full funding for all 5 LCDA-TOD applications. However, the 2013 Annual Livable Communities Fund Distribution Plan limits LCDA-TOD funding to a maximum of \$2 million *per city*. The LCAC recommends that the Council amend the Fund Distribution Plan to allow the award of \$2,045,000 in funding to the City of Minneapolis for the Anishinabe Bii Gii Wiin and 4th Street Infrastructure applications. If full funding is awarded to the Minneapolis applications, \$1,018,000 remains from the 2013 LCDA-TOD allocation. Without an amendment, \$1,063,000 in LCDA-TOD funding remains.

Funding

Of the \$5 million available for LCDA-TOD grant-funded activities, up to \$500,000 was made available for Pre-Development applications. On July 24, 2013 the Council awarded \$100,000 of LCDA-TOD Predevelopment funds, leaving \$4.9 available for Development projects. The \$3 million of TBRA-TOD funds not awarded will remain in the TBRA fund balance. As noted, 5 LCDA-TOD applications are eligible to be recommended for funding. Upon tabulating the individual scores from LCAC members, applications were sorted in descending order by the total number of combined points from the Step 1 and Step 2 evaluation processes. The LCAC then started at the top of the list and made funding recommendations for each application.

Known Support / Opposition

Resolutions of support were received from each applicant community. There is no known opposition to any of the applications recommended for funding.

Review Record

The Council issued a notice of funding availability in March 2013. Workshops for potential applicants were held in early April, and project concept plans (PCP), a shorter version of the full application, were due on April 19th, 2013. Livable Communities staff reviewed the PCPs for completeness and eligibility, which included confirming that applications met the threshold criteria and specific funding requests were for eligible grant funded activities. In May, the Council sponsored its first annual set of LCA-TOD design workshops, which were optional review sessions staffed by regional experts in urban design and transit-oriented development. Project concept plans were reviewed during the design workshop process. All applicants incorporated recommendations from the design team, which included options for integrating public art with stormwater installations, land-efficient site design strategies, and opportunities to more directly connect development projects to transit stations, among others. More information about the workshops can be found on the Council's website:

<http://metro council.org/News-Events/Planning/Newsletters/Council-sponsors-design-workshops-to-improve-TOD-i.aspx>

After the design workshops, staff provided applicants with feedback regarding the eligibility of their grant request and a list of recommendations from the design team. Full applications were due on July 1st, and staff reviewed the applications for completeness and eligibility. Applications were then forwarded to the intra-divisional staff Step One evaluation team, which reviewed and scored each application on its merit in addressing the following evaluation criteria, adopted by the Council:

- Housing
- Transit accessibility, walkability, and ridership
- Jobs and economic competitiveness
- TOD design
- Environmental design
- Leverage and partnerships

The evaluation team members have expertise in land use, transit and transportation, housing, environmental issues, overall regional development and TOD-specific knowledge and development expertise.

Applications that met the 75 point Step 1 threshold were forwarded to the Livable Communities Advisory Committee (LCAC) for the Step Two review. This 13-member team, appointed by the Chair to three-year terms, includes professionals from the fields of site design, finance, environmental planning and design, transportation, and development. The LCAC determines whether LCA-TOD proposals:

- Serve as a TOD Model for the Region
- Are catalytic for future development in the station area
- Include financing and political commitments to ensure that the project will commence construction within the 3-year grant term

Summary

Grant Category	Applications Received	Eligible Applications	Development Applications that Met Step 1 Threshold	Applications Recommended for Award
LCDA-TOD only	7	7	5	5
TBRA-TOD only	1	1	1	0
Total	8	8	6	5

Attached in Appendix B are project summaries for the 5 Development projects recommended for funding.

Anticipated Outcomes of Projects Recommended for Funding

	Recommended Projects	Previously-funded Projects	Recommended and Funded Projects
Total Housing Units	83	271	354
Affordable Housing Units	83	111	194
Market Rate Housing Units	0	160	160
Retail Square Footage	0	8,281	8,281
Office Square Footage	0	13,470	13,470
Private Investment	\$13,894,668	\$56,677,215	\$70,571,883
Other Public Investment	\$5,670,000	\$13,134,057	\$18,804,057
Jobs (FTEs)	164	393	557
Average Floor-area Ratio (FAR)	1.50	2.03	1.82
Average Number of Dwelling Units per Acre (DUPA)	53	59	57

Appendix A: Projects not recommended for funding

Step One – Two Development applications failed to meet the minimum threshold after the Step One process and are not recommended for funding.

City of Minneapolis

901 N 2nd Street

Request: \$370,500

Comments:

- Overall, it does not appear that LCA-TOD funding for the proposed path is necessary for the Development Project to proceed, as Solhavn, a similar project next to the redevelopment site, has recently opened.
- The requested grant-funded improvements do not appear critical to catalyzing the Development Project.
- The Project does not advance the City's affordable housing goals.
- While the TOD area features a small average block size and a well-connected grid, it will take transit riders more than 10 minutes to walk the 3000'-long route to the LRT station. The residential parking ratio is over 1.0.
- The Project is estimated to provide few permanent jobs, but will significantly increase the tax base generation potential of the parcel.
- As a higher density building oriented to 2nd Street, the Project meets many TOD site design objectives. There are still concerns, however, about the safety/accessibility of the proposed path between 2nd Street and Washington Avenue as it is currently designed.
- While the evaluation team appreciated the stormwater improvements proposed for Solhavn, equal credit could not be given for the Project at 901 2nd Street and proposed path, as limited information was provided about the configuration and effectiveness of the stormwater management system within the Project site.
- At the time of application, no funding has been secured for the Project.

City of Saint Paul

University/Wheeler

Request: \$1,000,000

Comments:

- With no funding committed and limited information in the application materials, the Project is not ready to compete for LCA-TOD funding at this time.
- The Project received credit for its inclusion of a significant affordable housing component. At this time, however, no funding has been committed for the housing.
- The Project is located close to a station platform that will have excellent rail, bus, and bike connections, but large superblocks and gaps in pedestrian infrastructure pose challenges for TOD projects.
- Very few permanent jobs will be generated by the Project, and the Project will not have a significant impact on property tax base.
- The anticipated job and residential densities are low relative to other submitted projects along LRT transitways. It was also difficult for the project to receive points in the TOD Design category, as limited information about proposed site improvements was provided in the site plan and renderings. While the project did receive credit for its projected increase in perviousness and decrease in site runoff, no specific stormwater best management practices were proposed in the written or graphic materials.

Appendix B: Project summaries for recommended awards

Livable Communities Project Summary

Grant #
Type: LCA-TOD Development
Applicant City of Minneapolis
Project Name 4th Street Infrastructure
Project Location Green Line LRT – 29th Avenue Station; 2901 4th St. SE
Council District 8 – Council Member Adam Duinick

Project Detail	
Redevelopment summary of project to commence by 12/31/2016	<p>With previous support from the Council, The Cornerstone Group (TCG) has purchased the Boeser site to develop a 201-unit, 6-story apartment building just steps from the station platform. Twenty-percent of these units will be affordable for households earning 50% of AMI. The site has been cleared, and the developer is working with the neighborhood group to create a master plan for a walkable, arts-centered cultural district with a vibrant mix of uses in the 29th Avenue station area. With a density of 80 dwelling units/acre, a parking ratio of 1:1, public realm improvements for residents and the public, and stormwater management, the development project will demonstrate the LCA-TOD design principles of efficient land use, innovative environmental design, strong internal and external connections, transit-supportive parking and transportation strategies, and high quality building design.</p> <p>Funds will be used to support the reconstruction of a section of 4th Street SE that is adjacent to the development project. Funding would be used to incorporate boulevard stormwater treatment, pedestrian improvements, streetscape furniture, and sidewalk enhancements into a new 4th Street. Funding will also be used to build a green roof and utilize other filtration techniques within the development site.</p>
Jobs (FTEs)	244
Net tax capacity increase	\$281,500, 756% increase
Total housing units	201
Affordable units (60% AMI)	41
Anticipated # bedrooms	Studio/efficiency: 51; 1 bedroom: 70; 2 bedroom: 70; 3 bedroom: 10
Est. total development cost	\$52,901,307
Est. private funds leveraged	\$42,861,000
Est. other public funds	\$9,040,307
TOD metrics	FAR: 2.84; DUPA: 80; Parking ratio: 1 stall/unit; Walk route to station: 180'; Stormwater processed on site: 16% increase Average block size: 3.5 acres; Intersection density: 94/station area

Project Detail	
Comments/ Demonstration value	<ul style="list-style-type: none"> • Demonstrates how to build infrastructure well in advance of significant transit-oriented development in a station area, and will help to catalyze future investment • Establishes a walkable streetscape pattern that is consistent with TOD design guidelines • Is a model for converting underutilized industrial space into higher density TOD • Demonstrates how to build, multi-functional infrastructure into a station area that incorporates innovative stormwater management features and high-quality pedestrian amenities. • Demonstrates how to incorporate truck traffic into a walkable street
Funding	
Requested amount	\$1,000,000
Previous LCA funding	2011 LCDA-TOD: \$2,000,000 2011 TBRA-TOD: \$720,307 Total: \$2,720,307
Use of funds	
Amount	Uses to be completed by 12/31/2016
\$440,000	Stormwater management improvements: green roof, 4 th street ROW
200,000	Placemaking: pedestrian-level lighting
100,000	Placemaking: bike racks, benches, trash cans
100,000	Public connecting elements: enhanced sidewalks
100,000	Design and engineering: design of stormwater improvements
60,000	Utilities: water main
\$1,000,000	TOTAL

Livable Communities Project Summary

Grant #
Type: LCA-TOD Development
Applicant City of Minneapolis
Project Name Anishinabe Bii Gii Wiin
Project Location Blue Line LRT – Franklin Station; E Franklin Ave. & 16th St. S
Council District 7 – Council Member Gary L. Cunningham

Project Detail	
Redevelopment summary of project to commence by 12/31/2016	<p>Anishinabe Bii Gii Wiin is a 32-unit permanent supportive housing facility. The facility will be part of a campus that currently includes Anishinabe Wakiagun, and is within walking distance of the Franklin Avenue LRT station. The master plan proposes a wide variety of transit-supportive infrastructure for the campus, designed to connect residents of both the Anishinabe building and surrounding neighborhood to Franklin Station. With a pow-wow arbor, farmers' market staging area, and improvements along Franklin Avenue, the project will be a catalyst for the emerging American Indian Cultural Corridor (AICC), which is supported through a collaboration of the Native American Community Development Institute, local businesses, neighborhood groups, and the City. The campus has been designed using efficient land use principles to accommodate a potential future development along Franklin Avenue.</p> <p>Funds will be used for stormwater management improvements, including storage tanks and raingardens, streetscape elements and sidewalk improvements to facilitate connections to the LRT station, and a transit plaza for buses along Franklin Avenue.</p>
Jobs (FTEs)	64
Net tax capacity increase	\$5,923, 73% increase
Total housing units	32
Affordable units (60% AMI)	32
Anticipated # bedrooms	Studio/efficiency: 32
Est. total development cost	\$8,138,526
Est. private funds leveraged	\$5,923,526
Est. other public funds	\$1,170,000
TOD metrics	FAR: 1.4; DUPA: 54; Parking ratio: .56 stalls/unit; Walk route to station: 1,063'; Stormwater processed on site: 100% increase Average block size: 1.75 acres; Intersection density: 134/station area

Comments/ Demonstration value	<ul style="list-style-type: none"> • Demonstrates efficient land use principles by maximizing buildable space on a difficult site, and allows for further intensification through future phases • Includes public art, a farmers market, and gathering spaces that will serve as an anchor for an emerging cultural district along an urban corridor • Demonstrates a close connection to transit through the transit plaza through building orientation, adjacent internal pedestrian connections, and a direct connection to the light-rail platform.
Funding	
Requested amount	\$1,045,000
Previous LCA funding	\$0
Use of funds	
Amount	Uses to be completed by 12/31/2016
\$300,000	Stormwater management improvements: storage tanks, rain gardens
265,000	Placemaking: courtyard, arbor, AICC streetscape improvements adjacent to site
125,000	Public connecting elements: sidewalk paving and concrete pavers
80,000	Placemaking: benches, planters, hardscape amenities for AICC, placemaking elements on-site and adjacent to site along Franklin corridor
65,000	Geotechnical: grading
65,000	Placemaking: exterior lighting on-site and in adjacent Franklin ROW
60,000	Transit shelter: bus transit shelter and ROW reconstruction
50,000	Design and engineering: civil engineering and landscape design of LCDA-TOD-elements
25,000	Project coordination: neighborhood meetings, master planning, project management
10,000	Bike racks: publically-accessible bike racks
\$1,045,000	TOTAL

Livable Communities Project Summary

Grant #
Type: LCA-TOD Development
Applicant City of Saint Paul
Project Name Central Exchange
Project Location Green Line LRT – Victoria Station; 771-785 University Ave. W
Council District 14 – Council Member Jon Commers

Project Detail	
(Re)Development summary of project to commence by 12/31/2016	<p>Central Exchange, located one block from the Victoria Station platforms, features 30 units of affordable housing, ground floor retail, and office space for the future headquarters of project developer Model Cities. The project will replace vacant and blighted lots with public space and retail storefronts, greatly increasing LRT's potential to encourage transit ridership and catalyze future economic development. Its design is sensitive to low-density conditions across the alley to the north; the building rises up only one story in the center of two three-story "towers" to allow air and sunlight penetration. A green roof, permeable pavers, and an underground detention system will process stormwater using the latest techniques.</p> <p>The applicant will use the funds to enhance the effectiveness of the green roof by adding an underground detention vault and permeable pavers. Funding will also be used for publically-accessible bike racks.</p>
Jobs (FTEs)	62
Net tax capacity increase	\$11,581, 142% increase
Total housing units	30
Affordable units (60% AMI)	30
Anticipated # bedrooms	Studio/efficiency: 4; 1 bedroom: 22; 2 bedroom: 4
Est. total development cost	\$8,886,890
Est. private funds leveraged	\$6,014,903
Est. other public funds	\$1,667,633
TOD metrics	<p>Project FAR: 1.7; DUPA: 48; Parking ratio: 1 stall/unit; Walk route to station: 820'; Stormwater processed on site: 100% increase</p> <p>Station Area Average block size: 4.7 acres; Intersection density: 105/station area</p>

Comments/ Demonstration value	<ul style="list-style-type: none"> • Demonstrates how semi-public pocket parks can be maintained and programmed • The project has the potential for urban gardening and a partnership with a health organization • The project includes an extensive green roof system, and the project will process 100% of stormwater runoff on a small urban site. • The project an example of half-block redevelopment along the Central Corridor
Funding	
Requested amount	\$77,000
Previous LCA funding	2012 TBRA-TOD: \$110,550 2011 LCDA: \$979,100 Total: \$1,089,650
Use of funds	
Amount	Uses to be completed by 12/31/2016
\$50,000	Stormwater management: underground detention vaults
12,000	Bike racks
10,500	Stormwater management: permeable pavement in pocket park
4,500	Design and engineering: design and engineering for LCDA-TOD elements
\$77,000	TOTAL

Livable Communities Project Summary

Grant #
Type: LCA-TOD Development
Applicant City of Hopkins
Project Name Oxford Green
Project Location Green Line Extension LRT – Blake Road Station; 1202 Oxford St.
Council District 3 – Council Member Jennifer Munt

Project Detail	
(Re)Development summary of project to commence by 12/31/2016	<p>Oxford Green is a 51-unit, fully affordable multifamily housing project that will be located north of the Blake Road station. The project, at 51 dwelling units per acre, is significantly higher than existing housing in the neighborhood and is the first private development within the Blake Road station area since the adoption of a station area plan 10 years ago. One-quarter of units will include 3 bedrooms, meeting a need in the area for affordable, quality family housing. Four units will be available for long-term homeless families. The project will be adjacent to Cottageville Park, which will be reconstructed by the City of Hopkins. The park will include recreational opportunities and multiple devices to manage stormwater in the local watershed before it reaches nearby Minnehaha Creek.</p> <p>Funds will be used to build a pedestrian walkway along the eastern side of the building that will connect the project and neighborhood to Cottageville Park. This connection will help to facilitate pedestrian connections to the park and station area. Funding will also be used to build a raingarden and pervious hardscape areas, demonstrating the potential to incorporate private and public stormwater improvements into a district-wide system.</p>
Jobs (FTEs)	100
Net tax capacity increase	\$29,878, 328% increase
Total housing units	51
Affordable units (60% AMI)	51
Anticipated # bedrooms	1 bedroom: 10; 2 bedroom: 28; 3 bedroom: 13
Est. total development cost	\$14,071,142
Est. private funds leveraged	\$7,971,142
Est. other public funds	\$4,500,000
TOD metrics	FAR: 1.6; DUPA: 51; Parking ratio: 1 stall/unit; Walk route to station: 1,985'; Stormwater processed on site: 6% increase Average block size: 8.10 acres; Intersection density: 51/station area

Comments/ Demonstration value	<ul style="list-style-type: none"> • Includes a unique partnership between the City, Developer, and watershed management organization and has taken a district-wide approach to station area development by working with the same designer for the redevelopment project and adjacent park infrastructure. • Is the first privately-funded development within the Blake Road station area since adoption of the station area plan. • Demonstrates higher density, suburban TOD with a 1:1 parking ratio • Demonstrates how to incorporate strong, high-quality building design into an affordable housing project
Funding	
Requested amount	\$1,600,000
Previous LCA funding	\$0
Use of funds	
Amount	Uses to be completed by 12/31/2016
\$1,240,000	Site Acquisition
150,000	Stormwater management: pervious hardscape, raingarden
110,000	Demolition: remove existing buildings
100,000	Placemaking: pedestrian walkway/stairs and public access to Cottageville Park
\$1,600,000	TOTAL

Livable Communities Project Summary

Grant #
Type: LCA-TOD Development
Applicant City of Saint Paul
Project Name BROWNstone
Project Location Green Line LRT – Victoria Station; 839-849 University Ave. W
Council District 14 – Council Member Jon Commers

Project Detail	
(Re)Development summary of project to commence by 12/31/2016	<p>This project is a redevelopment of the BROWNstone building site, located at 839-849 University Avenue in Saint Paul, immediately adjacent to the Victoria Street LRT station. The existing 1-story building will be razed and replaced with a higher-density TOD structure that intensifies the land uses on a key urban infill lot. Its mix of uses, with one floor of commercial/office space and three floors of affordable housing, interrelates transit with housing and jobs. The first floor will have restaurant and retail uses and the second-third floors will be dedicated entirely to 40 units of affordable housing, which are designed in a modern loft style. Underground parking allows for full utilization of the site. The redevelopment of this site will also include the conversion of a parking lot at 833 University, which is adjacent to the Brownstone building, into a pocket park that will have areas for building residents, restaurant patrons, and the neighborhood. Pocket parks have been identified as a neighborhood priority in Saint Paul’s Victoria Station Area Plan.</p> <p>Funds will be used for sidewalk reconstruction, relocation of utility lines, grading, and design and engineering.</p>
Jobs (FTEs)	87
Net tax capacity increase	\$10,329; 93% increase
Total housing units	40
Affordable units (60% AMI)	40
Anticipated # bedrooms	1 bedroom: 35; 2 bedroom: 5
Est. total development cost	\$11,311,466
Est. private funds leveraged	\$7,801,312
Est. other public funds	\$2,426,117
TOD metrics	FAR: 1.54; DUDA: 50; Parking ratio: 1 stall/unit; Walk route to station: 22’; Stormwater processed on site: 100% increase Average block size: 4.7 acres; Intersection density: 105/station area

Comments/ Demonstration value	<ul style="list-style-type: none"> • Provides a destination for the community by building a museum to honor African American railroad workers and reading room. • Demonstrates how pocket parks can integrate semi-private space for residents, and public space for the neighborhood along small half-block sites on the Central Corridor. • Implements important community priorities identified in the station area plan, including a pocket park, retail, and community space.
Funding	
Requested amount	\$160,000
Previous LCA funding	2012 LCDA: 646,020 2012 TBRA: \$182,600 Total: \$828,620
Use of funds	
Amount	Uses to be completed by 12/31/2016
\$70,000	Public connecting elements: sidewalk replacement
55,000	Utilities: relocation of existing utility lines in alley
25,000	Geotechnical: grading
10,000	Design and engineering: design and engineering for LCDA-TOD elements
\$160,000	TOTAL