

Community Development Committee

For the Metropolitan Council meeting of June 14, 2017

Subject: City of St. Paul Request for a Project Change to the LCDA TOD Grant, Central Exchange, Phase I Grant No. SG011-204

Proposed Action

That the Metropolitan Council (1) approve a project change for the Livable Communities Demonstration Account Transit Oriented Development grant Central Exchange, Phase I project in the City of St. Paul, Grant number SG011-204, conditioned upon the City producing a similar project, meeting Livable Communities Development Account criteria, within two years; and (2) authorize the Community Development Director to execute a grant agreement reflecting the change.

Summary of Committee Discussion/Questions

Paul Burns, Livable Communities Manager, presented the staff report to the Committee. Committee member Kramer asked how many housing units the anticipated replacement project would have. Mr. Burns indicated the housing unit total would increase, all of which would be affordable, but the new project would not include commercial space. Chair Cunningham asked if this action would create a precedent. Mr. Burns responded that this would be the first action of its kind, but it is a relatively rare circumstance. The City is actively working to produce an alternative project and, in the staff's opinion, asking the City to return the disbursed funds would not serve to further program goals.

The motion to approve the proposed action passed unanimously.

Community Development Committee

Meeting date: June 5, 2017

For the Metropolitan Council meeting of June 14, 2017

Subject: City of St. Paul Request for a Project Change to the LCDA TOD Grant, Central Exchange, Phase I Grant No. SG011-204

District(s), Member(s): 14 – Jon Commers

Policy/Legal Reference: 473.252

Staff Prepared/Presented: Paul Burns, Manager, Livable Communities (651-602-1106)

Division/Department:

Proposed Action

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Background

The Council awarded a Livable Communities Demonstration Account (LCDA) Transit Oriented Development (TOD) grant in the amount of \$979,100 in 2011 to the City of St. Paul for the Central Exchange, Phase I project. The proposed project included 16 affordable housing units, nine market rate housing units and office space. The Council dispersed \$424,008.55 of the grant award, to assist with site acquisition and associated costs. The City passed those funds on to the non-profit developer Model Cities in the form of a loan.

The original developer has not been successful in securing the additional funding to build the project. The City has informed Council staff it will relinquish the remaining grant funds and two other Livable Communities Act grants awarded to the project.

The City has identified a new developer, with a different development, for the site, and is requesting Council authorization to transfer the mortgage on the site to the new developer with the understanding the developer will produce outcomes consistent with the original grant(s) on the project site. The City has submitted an LCDA Project Concept Plan for the new project, for consideration in the 2017 LCDA grant cycle.

Rationale

The City of St. Paul and their developer partner proceeded with reasonable efforts to produce the original project, and is working to substitute a new project that will produce outcomes consistent with LCDA goals.

Thrive Lens Analysis

Projects that leverage our infrastructure investments by helping increase densities and provide a mix of uses and housing and types, furthers the Thrive Stewardship Outcome.

Projects that redevelop and increase density and a mix of housing affordability, especially near transit stations and sites in Areas of Concentrated Poverty,

further the Thrive Prosperity outcome of “Encouraging redevelopment and infill development across the region.”

Projects that help produce a mix of housing affordability further the Thrive Equity outcome of “using our influence and investments to build a more equitable region.”

Projects located near transit and that include a mix of housing affordability further the Thrive Livability outcomes of “Providing housing and transportation choices for a range of demographic characteristics and economic means.” and “Aligning resources to support transit-oriented development and walkable, urban places.”

Funding

This grant was for a total of \$979,100. \$424,008.55 was disbursed, leaving \$555,091.45 to be relinquished. Additionally, \$77,000 from a second LCDA grant and \$110,550 from a Tax Base Revitalization Account grant will also be relinquished by the City of Saint Paul for the Central Exchange Phase 1 project.

Known Support / Opposition

There is no known opposition.