

**Community Development Committee**

For the Metropolitan Council meeting of June 24, 2020

**Subject:** Livable Communities Demonstration Account Pre-Development Funding Recommendations

**Proposed Action**

That the Metropolitan Council:

1. Award four Livable Communities Demonstration Account Pre-Development grants for \$300,000 as shown in the table below.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council.

<b>Applicant</b>	<b>Recommended Project</b>	<b>Award Amount</b>
Brooklyn Park EDA	Brooklyn Park Business Incubator	\$100,000
City of Saint Paul	375 Selby Ave – YWCA	\$100,000
City of Richfield	Penn Avenue Redevelopment	\$50,000
City of Brooklyn Center	61 <sup>st</sup> and Brooklyn Blvd	\$50,000

Total Recommended:	\$300,000
Total Available:	\$300,000
Total Remaining:	\$0

**Summary of Committee Discussion/Questions**

Senior Planner Hannah Gary presented the staff report and recommendations to the Community Development Committee. Two funding recommendation options were presented. Option One would fully or partially fund all four eligible projects up to the available \$300,000. Option Two would fully fund three eligible projects up to the available \$300,000. The Committee voted to recommend Option One.

Council member Atlas-Ingebretson asked about the level of affordability of the housing included in the 375 Selby Ave – YWCA St. Paul Redevelopment project from the City of Saint Paul. Jon Commers, a representative from the project, answered that one of the primary uses for the Pre-Development funds is to determine the level of affordability. Affordable housing is a priority for the YWCA and there is commitment to providing more affordable housing options.

Council member Lilligren asked about the reason for two funding options. Staff found demonstration value in each of the proposals submitted. Staff recommended that the \$50,000 available from the LCDA Transit Oriented Development Pre-Development account be made available to the LCDA Pre-Development account to partially support all eligible projects.



## Community Development Committee

Meeting date: June 15, 2020

For the Metropolitan Council meeting of June 24, 2020

**Subject:** Livable Communities Demonstration Account Pre-Development Funding Recommendations  
**District(s), Member(s):** All  
**Policy/Legal Reference:** Minnesota Statute § 473.253  
**Staff Prepared/Presented:** Hannah Gary, Senior Planner, Livable Communities (651) 602-1633  
**Division/Department:** Community Development/ Regional Planning

### Proposed Action

**Option One:** That the Metropolitan Council:

1. Award four Livable Communities Demonstration Account Pre-Development grants for \$300,000 as shown in the table below.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council.

Applicant	Recommended Project	Award Amount
Brooklyn Park EDA	Brooklyn Park Business Incubator	\$100,000
City of Saint Paul	375 Selby Ave – YWCA	\$100,000
City of Richfield	Penn Avenue Redevelopment	\$50,000
City of Brooklyn Center	61 <sup>st</sup> and Brooklyn Blvd	\$50,000
Total Recommended:		\$300,000
Total Available:		\$300,000
Total Remaining:		\$0

**Option Two:** That the Metropolitan Council:

1. Award three Livable Communities Demonstration Account Pre-Development grants for \$300,000 as shown in the table below.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council.

Applicant	Recommended Project	Award Amount
Brooklyn Park EDA	Brooklyn Park Business Incubator	\$100,000
City of Saint Paul	375 Selby Ave – YWCA Redevelopment	\$100,000
City of Richfield	Penn Avenue Redevelopment	\$100,000
Total Recommended		\$300,000

Total Available	\$300,000
Total Remaining	\$0

## Background

The Livable Communities Act (LCA) supports Metropolitan Council priorities through the Livable Communities Demonstration Account (LCDA) by funding projects that create livable communities by connecting jobs, transit, services, and housing. The Council adopted the 2020 LCDA guidelines, criteria, schedule, and evaluation process as part of the 2020 Annual Livable Communities Fund Distribution Plan ([Business Item 2020-70](#)) on February 26, 2020. The Fund Distribution Plan provides for a one-step staff evaluation process for the LCDA Pre-Development grant funding. A team of staff from the Community Development Division reviews pre-development applications.

## Rationale

On May 1, 2020, the Council received four applications for the spring round of LCDA Pre-Development funding. The City of Brooklyn Center, Brooklyn Park Economic Development Authority, the City of Richfield, and the City of Saint Paul all submitted applications. The staff evaluation concluded that all four applications met the minimum scoring threshold required for funding. Project details are included in the attached project summaries.

As outlined in the [Fund Distribution Plan](#), the Council has two rounds of LCDA Pre-Development funding in 2020, with up to \$250,000 available in each round. Staff recommends that \$50,000 in available funds from the spring round LCDA Transit Oriented Development Pre-Development grant funding category be allocated to the LCDA Pre-Development grant funding category. Of the two funding options presented, staff is recommending Funding Option One. All four applications presented projects that will further Livable Communities Act goals and offer demonstration value to the region. Due to the oversubscription of funds, staff is recommending that the lowest two scoring projects receive partial funding as it is not possible to fully fund each. Staff found merit in each project and believe that partial funding will support each project moving forward.

## 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.”

Projects that provide a mix of housing affordability levels further the Thrive Equity outcome of “[c]reating real choices in where we live, how we travel, and where we recreate for all residents, across race, ethnicity, economic means, and ability.”

Projects that introduce more housing types and affordability levels in existing neighborhoods further the Thrive Livability outcome of “Providing housing and transportation choices for a range of demographic characteristics and economic means.”

## Funding

Funds are available in the Livable Communities authorized 2020 budget and Livable Communities reserve accounts. Reserve funds may need to be amended into the authorized budget in Q3 or Q4 2020, if grantee draws are forecasted to exceed the authorized 2020 budget.

## Known Support / Opposition

All applicants have submitted a statement of support from their City Council or other authorizing body. City Council resolution requirements will be accepted at a later date in light of the current pandemic.

## Review Process

The Council issued a notice of funding availability in March 2020 after adopting the 2020 Annual Livable Communities Fund Distribution Plan. Staff distributed information about funding availability and met with applicants to discuss the LCA processes, criteria, and best program fit for their projects.

Four applications were submitted, as shown in Table 1. Council staff conducted a preliminary review for completeness and eligibility, then used Council-approved criteria to evaluate each application in the following areas: Livable Communities Act goals, Readiness, Demonstration Value, Catalytic Value, and Partnerships and Process. Each application exceeded the minimum threshold of 30 points to be eligible for funding. Staff is recommending that all four projects receive full or partial funding.

Table 1. LCDA Pre-Development Application Scoring Summary

Applicant	Project	Points (60 pts. possible; minimum 30)	Amount Requested	Option One Amount Recommended	Option Two Amount Recommended
Brooklyn Park EDA	Brooklyn Park Business Incubator	49.5	\$100,000	\$100,000	\$100,000
City of Saint Paul	375 Selby - YWCA	47.5	\$100,000	\$100,000	\$100,000
City of Richfield	Penn Ave Redevelopment	40	\$100,000	\$50,000	\$100,000
City of Brooklyn Center	61 <sup>st</sup> and Brooklyn Blvd	39.5	\$100,000	\$50,000	\$0

Total Requested:	\$400,000	\$400,000
Total Recommended:	\$300,000	\$300,000
Total Available:	\$300,000	\$300,000
Total Remaining:	\$0	\$0

## Project Recommended for Funding

A project summary of each of the recommended projects is on the following pages.

**Grant #**  
**Type:** LCDA Pre-Development  
**Applicant** Brooklyn Park EDA  
**Project Name** Brooklyn Park Business Incubator  
**Project Location** Brooklyn Boulevard Corridor, near Intersection of West Broadway Ave and Brooklyn Boulevard  
**Council District** 2 – Reva Chamblis

<b>Project Detail</b>	
Future Development Project Overview	The proposed project is to develop a small business center providing affordable commercial and retail space for entrepreneurs in Brooklyn Park including access to technical assistance for new and expanding businesses. The project would repurpose a currently vacant space into a business incubator.
Comments/ Demonstration value	Demonstration value in providing affordable commercial space for local businesses and viewing the business incubator as a strategy for displacement mitigation. Project was determined through community engagement and outreach. The proposal would bring a new use to the area and repurpose a currently vacant lot.
<b>Funding</b>	
Requested amount	\$100,000
Previous LCA funding	None
<b>Use of funds</b>	
<b>Total Award: \$100,000</b>	
<b>Amount</b>	<b>Uses and Deliverables to be completed by the end of the grant term</b>
\$25,000	<b>Project Planning:</b> Define needs, leasing structure; conduct community engagement Deliverables: Location options; community engagement plan and/or other documentation; scope of space needs
\$25,000	<b>Financial Analysis:</b> Feasibility studies; market study to determine demand; initial proforma Deliverables: Market study; operating proformas for different space scenarios
\$50,000	<b>Space Analysis:</b> Identify spaces; space design; engagement with potential tenants; lease negotiations Deliverables: Lease negotiations; preliminary design drawings; identification of additional funding sources

**Grant #**  
**Type:** LCDA Pre-Development  
**Applicant** City of Saint Paul  
**Project Name** 375 Selby – YWCA St. Paul Redevelopment  
**Project Location** 375 Selby Avenue  
**Council District** 14 – Kris Fredson

Project Detail	
Future Development Project Overview	The YWCA is seeking to build a new health & fitness center and administrative & program space on its current site. The project includes providing access to affordable and market rate housing on the site.
Comments/ Demonstration value	The development concept is likely to include many public benefits and additional investments. There is demonstration value in the learning potential of the project from including environmentally sustainable building practices to integrating housing with other community services and amenities.
Funding	
Requested amount	\$100,000
Previous LCA funding	None
Use of funds	
Total Award: \$100,000	
Amount	Uses to be completed by the end of the grant term
\$22,500	<b>Community Engagement:</b> Including community on future project design; host design workshops Deliverables: Community engagement plan and/or other documentation
\$7,500	<b>Historic Building Evaluation:</b> Determine historic assets and re-use options Deliverables: Final historic building evaluation
\$5,000	<b>Soil Testing:</b> Soil testing to inform feasibility and site planning. Limited to geotechnical work only. Deliverables: Reports of final soil testing analysis
\$65,000	<b>Development of Site Plans:</b> Develop site plans to include housing, fitness center, and program areas to best intensify the space. Deliverables: 2-3 concepts for the site plan

**Grant #**  
**Type:** LCDA Pre-Development  
**Applicant** City of Richfield  
**Project Name** Penn Avenue Redevelopment  
**Project Location** Penn Ave S and 65<sup>th</sup> Street W  
**Council District** 5 – Molly Cummings

<b>Project Detail</b>	
Future Development Project Overview	The project is a multiphase development that consists of approximately 80-120 apartment units. The developer is committed to making 20% of the units affordable. Affordability levels have not yet been determined.
Comments/ Demonstration value	The proposed project would intensify the site and add affordable housing options to the community. The project is specifically looking at creating more accessible housing options for residents with disabilities.
<b>Funding</b>	
Requested amount	\$100,000
Previous LCA funding	None
<b>Use of funds</b>	
<b>Total Award: \$50,000</b>	
<b>Amount</b>	<b>Uses to be completed by the end of the grant term</b>
\$6,000	<b>Site Plan Development:</b> Affordability levels, unit mix, public connections, public infrastructure Deliverables: 3 site plan alternatives
\$4,000	<b>Phasing Plan:</b> Assess property acquisition timing and create phasing plan for the project Deliverables: Plan detailing how and when the potential additional 3 parcels can be integrated into the development
\$2,500	<b>Community Engagement:</b> Alternative activities to allow for virtual and/or small group involvement Deliverables: Community engagement plan and/or other documentation
\$5,500	<b>Feasibility Study:</b> Financial review to determine affordability, community space, and public infrastructure Deliverables: Final feasibility study
\$4,000	<b>Market Study:</b> Determine project program, housing affordability, stormwater management, transit Deliverable: Final market study
\$4,500	<b>Stormwater Management Plan:</b> Determine stormwater processing, retention, and outflow plans for the site Deliverables: Final stormwater management plan
\$16,000	<b>Soil Testing:</b> Determine structure design and feasibility. Limited to geotechnical work only. Deliverables: Final site study report
\$5,000	<b>Travel Demand Management Plan:</b> Determine parking ratio and assess impact of public transit connections Deliverables: Final study report
\$2,500	<b>Uniform Relocation Act Analysis:</b> Determine URA status and process for remaining two parcels

	Deliverables: Acquisition cost analysis and calendar
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**Grant #**  
**Type:** LCDA Pre-Development  
**Applicant** City of Brooklyn Center  
**Project Name** 61<sup>st</sup> and Brooklyn Blvd  
**Project Location** 61<sup>st</sup> and Brooklyn Boulevard  
**Council District** 2 – Reva Chamblis

<b>Project Detail</b>	
Future Development Project Overview	The proposed project is a 4 story, 88-unit (83-88 unit mix range) workforce housing development with an affordability mix of 50-60% AMI. 51% of the units in the proposed development are 3-bedrooms.
Comments/ Demonstration value	The proposed project will add to the diversity of housing options in the area and provide more affordable housing. There is demonstration value in the connection to the park and intention to have multi-generational community connections.
<b>Funding</b>	
Requested amount	\$100,000
Previous LCA funding	None
<b>Use of funds</b>	
<b>Total Award: \$50,000</b>	
<b>Amount</b>	<b>Uses to be completed by the end of the grant term</b>
\$25,000	<b>Project Planning:</b> Site plan development, design workshops, community engagement Deliverables: Multiple site plans; community engagement plan and/or other documentation
\$25,000	<b>Financial Analysis:</b> Market feasibility, pro forma creation Deliverables: Final market study, final pro forma, TIF analysis