

**Community Development Committee**

For the Metropolitan Council meeting of December 23, 2020

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

**Proposed Action**

That the Metropolitan Council:

1. Award two Livable Communities Demonstration Account Pre-Development grants for \$197,500 as shown in Table 1 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> |
|---------------------|----------------------------|---------------------|
| City of Minneapolis | Downtown Longfellow        | \$97,500            |
| City of Saint Paul  | The Hollows                | \$100,000           |

Total Recommended: \$197,500

Total Available: \$250,000

Total Remaining: \$52,500

**Summary of Committee Discussion/Questions**

Senior Planner Hannah Gary presented the staff report and recommendations to the Community Development Committee. Council Member Cummings stated her support for the project from the City of Minneapolis, lauding the efforts to collaborate with a variety of stakeholder to rebuild after civil unrest. The Committee unanimously passed the proposed actions without further discussion.

## Community Development Committee

Meeting date: December 7, 2020

For the Metropolitan Council meeting of December 23, 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

That the Metropolitan Council:

1. Award two Livable Communities Demonstration Account Pre-Development grants for \$197,500 as shown in Table 1 below.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council.

Table 1. Livable Communities Demonstration Account Pre-Development Recommended Awards

| Applicant           | Recommended Project | Award Amount |
|---------------------|---------------------|--------------|
| City of Minneapolis | Downtown Longfellow | \$97,500     |
| City of Saint Paul  | The Hollows         | \$100,000    |
| Total Recommended:  |                     | \$197,500    |
| Total Available:    |                     | \$250,000    |
| Total Remaining:    |                     | \$52,500     |

### 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 November 2, 2020, the Council received two applications for the fall round of LCDA Pre-Development funding. The City of Minneapolis and the City of Saint Paul submitted applications. The staff evaluation concluded that both applications met the minimum scoring threshold required for funding. Project details are included in the attached project summaries.

### 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 “[p]roviding 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.

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. \$50,000 of remaining LCDA-TOD Pre-Development funding was allocated in the spring round to fund all four projects that were submitted. \$250,000 remained in the LCDA Pre-Development account for the fall cycle. Remaining funds from this Pre-Development cycle will be available for future programming.

### Known Support / Opposition

Both applicants have submitted a resolution of support from their City Council. There is no known opposition to either project.

### 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.

Two applications were submitted, as shown in Table 2. 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 both projects receive full funding.

Table 2. LCDA Pre-Development Application Scoring Summary

| Applicant           | Project             | Points<br>(60 pts. possible;<br>minimum 30) | Amount<br>Requested | Amount<br>Recommended |
|---------------------|---------------------|---------------------------------------------|---------------------|-----------------------|
| City of Minneapolis | Downtown Longfellow | 51                                          | \$97,500            | \$97,500              |
| City of Saint Paul  | The Hollows         | 38.5                                        | \$100,000           | \$100,000             |

**Total Requested: \$197,500**  
 Total Recommended: \$197,500  
 Total Available: \$250,000  
 Total Remaining: \$52,500

### Projects Recommended for Funding

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



**Grant #**  
**Type:** LCDA Pre-Development  
**Applicant** City of Minneapolis  
**Project Name** Downtown Longfellow  
**Project Location** East Lake St and 27<sup>th</sup> Avenue S  
**Council District** 8 - Muse

| <b>Project Detail</b>               |                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Future Development Project Overview | The project is exploring adding mixed-income housing on a group of parcels that were previously lower density commercial, providing a new destination public plaza, and hopefully closing alley and driveway curb cuts that empty onto Lake Street. The project also seeks to partially address the dead end bikeway of 29th Avenue South on an uncontrolled intersection with East Lake Street, 1.5 blocks to the east of the site. |
| Project Comments                    | The City is working closely with property owners and community organizations to develop a plan to include those most impacted in the development process. The current scope would increase housing choice, increase density, improve connections, and enhance the public realm.                                                                                                                                                      |
| <b>Funding</b>                      |                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Requested amount                    | \$97,500                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Previous LCA funding                | None                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Use of funds</b>                 |                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Total Award: \$97,500</b>        |                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Amount</b>                       | <b>Uses and Deliverables to be completed by the end of the grant term</b>                                                                                                                                                                                                                                                                                                                                                            |
| <b>\$7,500</b>                      | <b>Market Study</b><br>Deliverables: Building finishing cost estimates; ownership structure and draft RFP for partner selection; proposed sources and uses                                                                                                                                                                                                                                                                           |
| <b>\$18,750</b>                     | <b>Site Plan Development</b><br>Deliverables: Final site plan(s) agreed upon by involved partners                                                                                                                                                                                                                                                                                                                                    |
| <b>\$22,500</b>                     | <b>Feasibility Study</b><br>Deliverables: Building Feasibility and Partnership/Wealth Building Models                                                                                                                                                                                                                                                                                                                                |
| <b>\$37,500</b>                     | <b>Sustainability Consulting</b><br>Deliverables: A detailed stormwater approach that considers the rooftop garden, a workable multifunctional plaza design, and other sustainability goals                                                                                                                                                                                                                                          |
| <b>\$11,250</b>                     | <b>Community Engagement and Impact Analysis</b><br>Deliverables: Documentation of workshops, results of international design collaboration, and community benefits agreement draft and approach if determined necessary. Documentation of how community input and equity analysis was incorporated into project.                                                                                                                     |

**Grant #**  
**Type:** LCDA Pre-Development  
**Applicant** City of Saint Paul  
**Project Name** The Hollows  
**Project Location** 520 Payne Ave  
**Council District** 13 – Lee

| <b>Project Detail</b>               |                                                                                                                                                                                                                                          |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Future Development Project Overview | The proposed development is a 4 story, 54-unit multi-family, 60% AMI building that will consist of one and two bedrooms. The workforce housing development will have underground parking, a community room, fitness room, and a tot lot. |
| Comments/<br>Demonstration value    | The proposed project will bring additional affordable housing to the area and provide additional housing choices.                                                                                                                        |
| <b>Funding</b>                      |                                                                                                                                                                                                                                          |
| Requested amount                    | \$100,000                                                                                                                                                                                                                                |
| Previous LCA funding                | TBRA Pilot - \$13,200                                                                                                                                                                                                                    |
| <b>Use of funds</b>                 |                                                                                                                                                                                                                                          |
| <b>Total Award: \$100,000</b>       |                                                                                                                                                                                                                                          |
| <b>Amount</b>                       | <b>Uses to be completed by the end of the grant term</b>                                                                                                                                                                                 |
| <b>\$35,000</b>                     | <b>Financial Planning</b><br>Deliverables: Financial model that reflects the total development cost                                                                                                                                      |
| <b>\$10,000</b>                     | <b>Travel Demand Management Plan</b><br>Deliverables: Final Travel Demand Management plan                                                                                                                                                |
| <b>\$40,000</b>                     | <b>Development of Site Plans</b><br>Deliverables: Fully designed plan for relocation of two easements that power Cell Tower east of the site. and stop lights on Payne                                                                   |
| <b>\$15,000</b>                     | <b>Market Study</b><br>Deliverables: Final market study                                                                                                                                                                                  |