

Committee Report

Community Development Committee



Committee Meeting Date: December 5, 2022

For the Metropolitan Council: December 14, 2022

Business Item: 2022-328

Funding Recommendations for 2022 Livable Communities Demonstration Account Transit Oriented Development Grants

Proposed Action

That the Metropolitan Council:

1. Award seven Livable Communities Demonstration Account Transit-Oriented Development grants totaling \$7,693,100.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council.

Summary of Community Development Committee Discussion/Questions

Senior Planner Stephen Klimek presented the staff's report to the Community Development Committee. The Committee did not have any additional comment or questions.

The Committee unanimously passed the proposed actions at their regularly scheduled meeting on December 5, 2022.



Business Item

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Funding Recommendations for 2022 Livable Communities Demonstration Account Transit Oriented Development Grants

District(s), Member(s): All
Policy/Legal Reference: Livable Communities Act (Minn. Stat. § 473.25)
Staff Prepared/Presented: Stephen Klimek, Senior Planner, Livable Communities (651) 602-1541
Division/Department: Community Development / Regional Planning

Proposed Action

That the Metropolitan Council:

1. Award seven Livable Communities Demonstration Account Transit-Oriented Development grants totaling \$7,693,100 as shown Table 1 below.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council.

Table 1. LCDA-TOD Recommended Grant Projects and Funding Amounts

Applicant	Recommended Project	Award Amount
Brooklyn Center	Opportunity Site	\$2,000,000
Maplewood EDA	Gladstone Crossing	\$1,000,000
Minneapolis	3030 Nicollet	\$1,500,000
Minneapolis	ZaRah	\$500,000
St. Louis Park EDA	Wooddale Station Redevelopment Site	\$747,600
St. Paul	Kimball Court	\$1,500,000
St. Paul	Keystone Community Services	\$445,500

Background

The Livable Communities Act (LCA) awards grants to projects through the Livable Communities Demonstration Account (LCDA) that support Metropolitan Council priorities of creating livable communities by connecting jobs, transit, services, and housing. Additionally, the Metropolitan Council has identified advancing Transit Oriented Development (TOD) along existing and emerging transitways as a priority. The LCDA-TOD grant category advances both LCA and TOD priorities by supporting development activities in identified transit station areas.

The LCA requires that the Council adopt an annual Fund Distribution Plan that outlines the review process, evaluation criteria, funding limits, and total funding allocation. The Metropolitan Council approved the annual 2022 Livable Communities Act Fund Distribution Plan ([Business Item 2022-50](#)) on March 9, 2022. The approved Fund Distribution Plan allocates a total of \$5 million for LCDA-TOD project awards.

The Fund Distribution Plan provides for a two-step evaluation process for LCDA-TOD Development grant applications which is described further in the Review Process section. An interdivisional team of Council staff conduct a Step One technical review. Applications that meet the minimum Step One scoring thresholds and the minimum equity-specific scoring threshold advance to the Step Two review conducted by the Livable Communities Advisory Committee (LCAC), an external panel of professionals and content experts. The LCAC determines the funding recommendation presented to the Community Development Committee for consideration.

The LCAC is recommending full funding for five and partial funding for two of the nine submitted applications.

Rationale

On August 15, 2022, the Council received nine applications for LCDA-TOD Development grant funding from seven cities with a total request of over \$10.1 million. The City of Brooklyn Center, the City of Maplewood, the City of Minneapolis, the City of Richfield, the City of St Louis Park, and the City of Saint Paul all submitted applications. A staff evaluation concluded that all submitted applications met eligibility requirements. Project details are included in the attached project summaries.

As outlined in the Fund Distribution Plan, \$5 million dollars are available for LCDA-TOD Development grants, and the maximum combined award limit per city is \$2 million. The 2022 Round One and Round Two LCA Pre-Development grant program and LCA Policy Pilot grant program had \$2,000,000 of funding available and made \$1,111,900 in awards. The remaining \$888,100 of unawarded funding allocated to LCA Pre-Development was evenly divided between the LCDA-TOD and LCDA programs. Additionally, the 2022 LCDA Development program has \$9 million available and is recommending 6 grant awards totaling \$7,195,000. The LCAC is recommending that the remaining \$2,249,050 of available LCDA funding be allocated to LCDA-TOD for additional grant awards. As a result, the combined funding available for LCDA-TOD Development grants is \$7,693,100.

This recommendation will fund the highest scoring eligible projects up to the full funding amount made available to the LCDA-TOD Development grant program. Funding the recommended applications in Table 1 will result in \$7,693,100 in grant awards and \$0 of the total available funding unallocated. Any unallocated funds would be available for future programming.

Thrive Lens Analysis

Projects that leverage regional infrastructure investments by helping increase densities and provide a mix of uses further the Thrive Stewardship outcome of “[l]everaging transit investments with higher expectations of land use.”

Projects that redevelop and increase density, especially near transit stations, further the Thrive Prosperity outcome of “[e]ncouraging redevelopment and infill development across the region.”

Projects located near transit and that include a mix of housing and jobs further the Thrive Livability outcome of “[a]lligning resources to support transit-oriented development and walkable, urban places.”

Projects that help produce jobs near transit further the Thrive Equity outcome of “using our influence and investments to build a more equitable 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 near transit 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 2022 budget and Livable Communities reserve accounts to award these grants. Reserves may need to be amended into a future annual budget to meet cashflow needs on Livable Communities multi-year grants.

Known Support / Opposition

All applicants have submitted a statement of support from their City Council or other authorizing body. There is no known opposition to the proposals submitted.

Review Process

The Council issued a notice of funding availability in March 2022 after adopting the 2022 Annual Livable Communities Fund Distribution Plan. Staff held informational webinars, distributed information about funding availability and met with applicants to discuss the LCA processes, criteria, and best program fit for their projects.

Nine applications were submitted, as shown in Table 2. Council staff conducted a preliminary review of each application and requested revisions for completeness and eligibility. The interdivisional team of Council staff then used Council-approved criteria to evaluate each application in the following Step One categories: Housing, Jobs, Compact Connected Development, Environment and Livability, Process, and Team.

Results of the Step One and Step Two scoring process are shown in Table 3. Eight of the nine applications met both the overall minimum score and the minimum equity score in the Step One review process and advanced to the Step Two review conducted by the LCAC. The applications that did not meet the minimum score described in the Projects Not Recommended for Funding section.

Table 2. LCDA-TOD Application Summary

Grant Category	Full applications received	Applications reviewed in Step One	Applications advanced to Step Two	Applications recommended for award
LCDA-TOD Development	9	9	8	7

Table 3. LCDA-TOD Scoring Summary – all applications

Applicant	Project	Points	Amount Requested	Amount Recommended
Brooklyn Center	Opportunity Site	92.3	\$2,000,000	\$2,000,000
Maplewood EDA	Gladstone Crossing	76.2	\$1,000,000	\$1,000,000
Minneapolis	550 West Lake Street	73.6	\$500,000	\$0
Minneapolis	3030 Nicollet	98.9	\$1,500,000	\$1,500,000
Minneapolis	ZaRah	87.1	\$1,000,000	\$500,000
Richfield	Veterans Village	33.6	\$750,000	\$0
St. Louis Park EDA	Wooddale Station Redevelopment Site	75.1	\$1,500,000	\$747,600
St. Paul	Keystone Community Services	75.4	\$445,500	\$445,500
St. Paul	Kimball Court	89.7	\$1,500,000	\$1,500,000

Total Requested	\$10,195,500
Total Recommended	\$7,693,100
Total Available	\$7,693,100
Total Remaining	\$0

Projects Not Recommended for Funding

A summary of the applications not recommended for funding awards, including rationale, is below:

550 West Lake Street

Applicant: City of Minneapolis

Determination: Did not meet minimum Step Two score

Rationale:

- The application did not score as competitively on criteria related to compact connected development public realm enhancements, community engagement within the project process, and reflectivity and responsiveness to community of the project team
- The city's maximum award limit of \$2,000,000 was allocated to projects that scored more points

Veterans Village

Applicant: City of Richfield

Determination: Did not meet minimum Step One score

Rationale:

- The Step One review identified strengths in the application for providing specialized housing needs and a range of living wage employment opportunities.
- The application did not earn enough points for criteria related to the depth of housing affordability, number of living wage jobs, addressing targeted environmental issues, and providing greater team representation and community engagement.

Projects Recommended for Funding

A summary of each of the recommended funding awards is on the following pages, including the following projects:

- Opportunity Site, Brooklyn Center
- Gladstone Crossing, Maplewood
- 3030 Nicollet, Minneapolis
- ZaRah, Minneapolis
- Wooddale Station Redevelopment Site, St Louis Park
- Keystone Community Services, St Paul
- Kimball Court, St Paul

Affordable Housing Need

To be able to compete for LCA funding, each community negotiates long-term affordable and life-cycle housing goals with the Council. The Council uses the community's Need for Affordable Housing (Housing Need) as the basis for negotiating the Goal, and the community and Council also consider availability of resources to develop affordable housing as a factor in determining Affordable Housing Goal ranges.

The units proposed in this grant cycle are projected to be available for occupancy in the year 2024 - 2026. Table 3 shows the projected affordable housing need for the decade between 2021 and 2030 and the number of proposed affordable units that are expected to be built within each city for projects recommended for funding. If completed as planned, the proposed affordable units supported by LCDA-TOD grant funding will address part of the affordable housing need in the next decade.



Table 3. Affordable Housing Need 2021-2030 and Total Proposed Affordable Units for LCDA-TOD Projects Recommended for Funding by City

City	Housing Units	Total	Need for units affordable to households with income at or below 30% of AMI	Need for units affordable to households with income 31% to 50% of AMI	Need for units affordable to households with income 51% to 80% of AMI *
Brooklyn Center	Proposed	60	16	44	0
	% of Need	25%	16%	0%	0%
	Total Need	238	103	0	135
Maplewood	Proposed	40	26	14	0
	% of Need	8%	10%	15%	0%
	Total Need	510	250	95	165
Minneapolis	Proposed	110	12	97	0
	% of Need	3%	1%	20%	0%
	Total Need	3,499	1,551	494	1,454
St. Louis Park	Proposed	63	0	32	31
	% of Need	11%	0%	18%	29%
	Total Need	593	309	178	106
St. Paul	Proposed	98	98	0	0
	% of Need	5%	12%	0%	0%
	Total Need	1,973	832	128	1,013
TOTAL Units Proposed		371	152	187	31
TOTAL Percentage of Need		5%	5%	21%	1%
TOTAL Need for Selected Cities		6,813	3,045	895	2,873

* Only units affordable to households with income 51% to 60% of AMI included for proposed units per grant distribution criteria.

Outcomes Summary

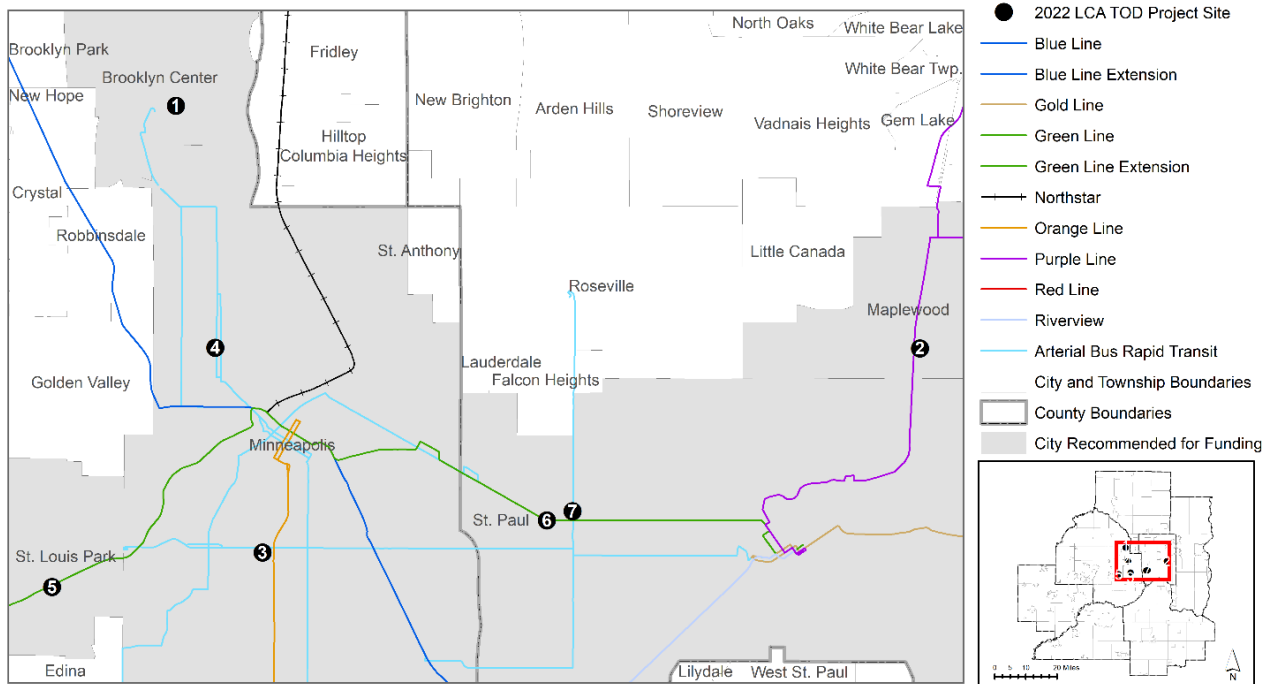
The summary below in Table 4 shows the expected outcomes from the 2022 LCDA-TOD awards in the region, aggregating outcomes from the recommended projects including housing units and jobs.

Table 4. LCDA-TOD 2022 Development Awards Aggregate Outcomes

Outcome Area	Expected Amount
Total Housing Units	623
Affordable Housing Units ($\leq 60\%$ AMI)	370
Market Rate Housing Units	253
Total Jobs (FTEs)	183
Living Wage Jobs	101



Figure 1. Project Sites and Communities Recommended for Funding



1. Brooklyn Center: Opportunity Site - 5900 Shingle Creek Parkway, Brooklyn Center, MN 55430
2. Maplewood: Gladstone Crossing - 1375 Frost Avenue, Maplewood, MN 55109
3. Minneapolis: 3030 Nicollet - 3030 Nicollet Ave, Minneapolis MN 55408
4. Minneapolis: ZaRah - 1200 W Broadway Ave Minneapolis, MN 55411
5. St Louis Park: Wooddale Station Redevelopment Site - 5802 & 5950 36th Street W, St. Louis Park, MN 55416
6. St Paul: Keystone Community Services - 1790-1800 University Avenue W, St. Paul, MN 55104
7. St Paul: Kimball Court - 555 Snelling Ave N, Saint Paul, MN, 55104

Source: Metropolitan Council, Livable Communities 2022



Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD
Applicant: City of Brooklyn Center
Project Name: Opportunity Site Phase 1
Project Location: 5900 Shingle Creek Parkway, Brooklyn Center, MN 55430
Council District: 2 – Chamblis

Project Detail	
Project Overview	This project is an initial 'sub-phase' development that will be the start of a 16-acre Phase One for the city's larger 80-acre Opportunity Site redevelopment. This proposal includes an event center with a 24-hour childcare and Academic Learning Center in one building and an adjacent building with 60 units of affordable housing.
Living Wage Jobs	6
Total housing units	60
Affordable units	60 Total – 16 @ <30% 44 @ 31-50%
Anticipated # beds	72 Total – 15 One Br 30 Two BR 15 Three or more BR
TOD metrics	Floor-area ratio: 1.9 Dwelling units per acre: 68.18 Distance to station/stop: 2,200 ft C-Line - Brooklyn Center Transit Ctr Parking stalls/unit: 0.85 Parking stalls/1,000 sqft commercial: 3.9
Support for Award	<ul style="list-style-type: none"> Provides increased housing choice including larger units for families and targeted affordable housing for underserved populations Result of deep ongoing community engagement and unique partnerships to create a neighborhood-scale redevelopment strategy create complementary uses Transforms large auto-oriented uses into higher density and intensity developments that will influence future TOD
Funding	
Requested Amount	\$2,000,000
Previous LCA funds	None
Use of Funds	
\$2,000,000	TOTAL
\$1,500,000	Affordable Housing Construction Deliverable: 60 Units
\$90,000	Site Preparation Deliverable: Grading and/or Soil Correction
\$242,000	Public Infrastructure Deliverable: Sidewalks
\$168,000	Placemaking Spaces Deliverable: Landscaping, Lighting, and Water Feature



Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD
Applicant: City of Maplewood
Project Name: Gladstone Crossing
Project Location: 1375 Frost Avenue, Maplewood, MN 55109
Council District: 11 – Vento

Project Detail	
Project Overview	Gladstone Crossing includes 40 units of affordable housing with supportive services provided by Solid Ground that will serve low-income families, with a priority focus on young families. The project includes a mix of bedroom sizes to accommodate different family sizes. Additionally, 20 units are set aside for High Priority Homeless families and 6 units set aside for families who qualify for Persons with Disabilities units. The remaining 14 units are for other families experiencing homelessness.
Living Wage Jobs	4
Total housing units	40
Affordable units	40 Total – 26 @ <30% 14 @ 31-50%
Anticipated # beds	90 Total – 30 Two BR 10 Three or more BR
TOD metrics	Floor-area ratio: 1.64 Dwelling units per acre: 34.5 Distance to station/stop: 525 ft Purple Line - Frost Avenue Parking stalls/unit: 1.48 Parking stalls/1,000 sqft commercial: 0
Support for Award	<ul style="list-style-type: none"> • Provides increased housing choice including larger units for families and targeted affordable housing for underserved populations • Creates new open space and public realm amenities for residents and community
Funding	
Requested Amount	\$1,000,000
Previous LCA funds	None
Use of Funds	
\$1,000,000	TOTAL
\$1,000,000	Affordable Housing Construction Deliverable: 40 Units



Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD
Applicant: City of Minneapolis
Project Name: 3030 Nicollet
Project Location: 3030 Nicollet Ave, Minneapolis MN 55408
Council District: 7 – Lilligren

Project Detail	
Project Overview	3030 Nicollet is a mixed-use redevelopment of the former Wells Fargo bank on Nicollet and Lake Street that was damaged in the civil unrest of 2020. It is the first of a two-phase project. Phase one includes 109 units of affordable family housing, a new anchor tenant branch of Wells Fargo, affordable commercial condominiums, and business incubator for BIPOC entrepreneurs. The project is a result of community-focused equitable development efforts and is expected to create 19 Living wage jobs.
Living Wage Jobs	19
Total housing units	110
Affordable units	109 Total – 12 @ <30% 97 @ 31-50%
Anticipated # beds	225 Total – 25 One Br 55 Two BR 30 Three or more BR
TOD metrics	Floor-area ratio: 1.98 Dwelling units per acre: 61 Distance to station/stop: 1,125 ft Orange Line - Lake Street Station Parking stalls/unit: 0.6 Parking stalls/1,000 sqft commercial: 3.4
Support for Award	<ul style="list-style-type: none"> • The project is a result of strong partnerships and responsiveness to community need that re-incorporates a displaced asset as an anchor tenant and includes affordable commercial incubator space to support entrepreneurship and local wealth building • The project provides increased housing choice including larger units for families and targeted affordable housing for underserved populations • Transformation of auto-centric site with pedestrian oriented public spaces while incorporating displaced uses in advance of future phases and key redevelopments adjacent to the site
Funding	
Requested Amount	\$1,500,000
Previous LCA funds	2021 LCDA-TOD Pre-Development \$150,000 2021 LCDA-TOD Development \$500,000
Use of Funds	
\$1,500,000	TOTAL
\$600,000	Affordable Housing Construction Deliverable: 109 Units
\$600,000	Site Preparation Deliverable: Grading and/or Soil Correction
\$300,000	Renewable Energy Deliverable: Geothermal Energy System



Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD
Applicant: City of Minneapolis
Project Name: ZaRah
Project Location: 1200 W Broadway Ave Minneapolis, MN 55411
Council District: 7 – Lilligren

Project Detail	
Project Overview	The ZaRah project is designed as an all-inclusive wellness hub and destination place in North Minneapolis that will provide affordable retail and service spaces for African American Women entrepreneurs and business owners within the wellness, food, and professional services industries. The project will include 20 Commercial Wellness & Service Suites, an event space, and public plaza - and is expected to create 38 living wage jobs.
Living Wage Jobs	38
Total housing units	0
Affordable units	0
Anticipated # beds	0
TOD metrics	Floor-area ratio: 0.83 Dwelling units per acre: 0 Distance to station/stop: 270 ft D-Line - Fremont & W. Broadway Ave Parking stalls/unit: 0 Parking stalls/1,000 sqft commercial: 1.1
Support for Award	<ul style="list-style-type: none"> The renovation and expansion create higher intensity uses that provide affordable commercial space for Women- and African American-owned small businesses in the healthcare and food sectors Includes new community event space and provides ample public realm amenities and connections for workers, guests, and community
Funding	
Requested Amount	\$1,000,000
Previous LCA funds	None
Use of Funds	
\$500,000	TOTAL
\$350,000	Site Preparation Deliverable: Demolition, Grading, and/or Soil Correction
\$100,000	Public Infrastructure Deliverable: Public Utilities
\$50,000	Placemaking Space Deliverable: Landscaping, Pedestrian Amenities and/or Public Art



Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD
Applicant: City of St Louis Park
Project Name: Wooddale Station Redevelopment Site
Project Location: 5802 & 5950 36th Street W, St. Louis Park, MN 55416
Council District: 6 – Pacheco

Project Detail	
Project Overview	This mixed-use development is located immediately south of the Green Line LRT Extension Wooddale Station and consists of two buildings with 315 residential units, 13K sqft of affordable commercial space, and outdoor public amenity space. 69 Units are designated senior housing. 10% of units are affordable at 50% AMI and 10% of units are affordable at 60% AMI.
Living Wage Jobs	25
Total housing units	315
Affordable units	63 Total – 32 @ 31-50% 31 @ 51-60%
Anticipated # beds	435 Total – 214 One Br 82 Two BR 19 Three or more BR
TOD metrics	Floor-area ratio: 2.99 Dwelling units per acre: 96.7 Distance to station/stop: 50 ft SWLRT - Wooddale Station Parking stalls/unit: 1.14 Parking stalls/1,000 sqft commercial: 3.2
Support for Award	<ul style="list-style-type: none"> • Provides increased housing choice in the community with affordable housing for underserved populations • Increases connectivity and creates a pedestrian friendly gateway to the future SWLRT Wooddale Station and existing Regional Trail Network through a mix of uses and public realm enhancements
Funding	
Requested Amount	\$1,500,000
Previous LCA funds	2022 TBRA \$477,000
Use of Funds	
\$747,600	TOTAL
\$747,600	Site Acquisition



Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD
Applicant: City of St Paul
Project Name: Keystone Community Services
Project Location: 1790-1800 University Avenue W, St. Paul, MN 55104
Council District: 14 – Fredson

Project Detail	
Project Overview	Keystone Community Services is creating a 20K sqft Community Food Center to consolidate food shelf operations and mobile food distribution program into a single transit-oriented location. The project includes grocery-store style shopping for culturally specific foods, space for support services and community events, mobile food services, and warehousing. The site will increase efficiencies and streamline processes for annually receiving and distributing over 4 million pounds of food, doubling Keystone's capacity to create economic opportunity and serve over 50,000 people.
Living Wage Jobs	2
Total housing units	0
Affordable units	0
Anticipated # beds	0
TOD metrics	Floor-area ratio: 0.59 Dwelling units per acre: 0 Distance to station/stop: 675 ft Green Line - Fairview Avenue Station Parking stalls/unit: 0 Parking stalls/1,000 sqft commercial: 0.8
Support for Award	<ul style="list-style-type: none"> The renovation makes more efficient use of an underutilized structure and creates a dynamic destination that supports economic stability and opportunity in the community Project is a result of community engagement and includes new community spaces
Funding	
Requested Amount	\$445,500
Previous LCA funds	None
Use of Funds	
\$445,500	TOTAL
\$107,000	Public Infrastructure Deliverable: Public Utilities
\$77,040	Stormwater Management Deliverable: Rooftop Stormwater Collection and Landscaping
\$240,060	Public Art Deliverable: Mural
\$21,400	Placemaking Spaces Deliverable: Lighting and Bike Racks



Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD
Applicant: City of St Paul
Project Name: Kimball Court
Project Location: 555 Snelling Ave N, Saint Paul, MN, 55104
Council District: 14 – Fredson

Project Detail	
Project Overview	The Kimball Court project is the renovation and expansion of an existing affordable housing community that will preserve and enhance a critical housing resource for individuals who experience homelessness in St Paul's Midway neighborhood. The redevelopment preserves 76 units and adds 22 new units at 30% AMI while also expanding program, office, and amenity space to serve residents.
Living Wage Jobs	7
Total housing units	98
Affordable units	98 Total – 98 @ <30%
Anticipated # beds	98 Total – 98 One Br
TOD metrics	Floor-area ratio: 2.76 Dwelling units per acre: 264.86 Distance to station/stop: 800 ft Green Line - Snelling Avenue Station Parking stalls/unit: 0 Parking stalls/1,000 sqft commercial: 0
Support for Award	<ul style="list-style-type: none"> • Preserves and expands housing choice in the community with affordable housing for underserved populations • Project increases density and intensity of the site without adding parking, encouraging biking, walkability, and transit use
Funding	
Requested Amount	\$1,500,000
Previous LCA funds	None
Use of Funds	
\$1,500,00	TOTAL
\$1,500,000	Affordable Housing Construction Deliverable: 98 Units

