

# Committee Report

Community Development Committee



**Committee Meeting Date:** June 6, 2022

**For the Metropolitan Council:** June 22, 2022

## Business Item: 2022-157

Funding Recommendations for 2022 Round One Livable Communities Act Predevelopment Grants

### Proposed Action

That the Metropolitan Council award four Livable Communities Act Predevelopment Grants totaling \$475,000 as shown Table 1 below.

Table 1. Recommended Grant Projects and Funding Amounts

Applicant	Recommended Project	Award Amount
City of Brooklyn Center	International Food Village	\$100,000
City of Minneapolis	Jema River	\$150,000
City of Minneapolis	Re+4RM Project	\$150,000
City of Saint Paul	African American Community Development Center	\$75,000

### Summary of Community Development Committee Discussion/Questions

Senior Planner Stephen Klimek presented the funding recommendation to the Committee. Council Member Chamblis commented on streamlined changes to the program and expressed interest in further analysis on the impact of those changes at the end of the year. Council Member Chamblis asked if the City of Brooklyn Center application included BIPOC businesses in the development. Mr. Klimek identified partners listed in the application and invited the project team to add additional details. Mr. James Sanigular, a member of the project team, shared the inclusion of a medical clinic and provision of job services for nontraditional employment with the support of partners. The Committee members expressed their support for the Brooklyn Center application and further discussed with Mr. Sanigular various details of the project.

Council Member Cummings asked, from both the applicant and staff perspective, how program changes have been received. Mr. Oduwa Aganmwonyi responded that the process was confusing but had assistance from the City of Brooklyn Center, consultants, and Council staff in successfully completing the application. Mr. Klimek shared that the changes have been positive so far and that some of the local government staff have also expressed appreciation for the changes. Council Member Chamblis shared gratitude for the applicant's feedback that the project team was able to work with the Metropolitan Council.

The Committee unanimously approved the proposed actions in the report.

# Business Item

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**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

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### Background

Livable Communities Act (LCA) supports Metropolitan Council priorities through the Livable Communities Demonstration Account (LCDA) by funding projects that connect jobs, transit, services, and housing in efficient and effective ways. The Council adopted the 2022 LCA Pre-Development guidelines, criteria, schedule, and evaluation process as part of the Annual Livable Communities Act Fund Distribution Plan ([Business Item 2022-50](#)) on March 9, 2022. Historically, Pre-Development awards have been offered separately through the LCDA and Transit Oriented Development accounts. The two funding opportunities were combined into a single Pre-Development opportunity this year to simplify the process for applicants and staff. This administrative change is outlined in the Fund Distribution Plan. The Fund Distribution Plan establishes a one-step evaluation process for Pre-Development applications that is conducted by a team of staff from the Community Development Division.

On April 18, 2022, the Council received seven applications for Round One of LCA Pre-Development funding. The City of Brooklyn Center, the City of Minneapolis, 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.

### Rationale

As detailed in the Review Process section of this report, the recommended projects and award

amounts meet the funding award criteria for the program. As outlined in the 2022 Fund Distribution Plan, the Council has two rounds of LCA Pre-Development funding in 2022, with up to \$1,000,000 available in each round. There is an award limit of \$300,000 per city per round. Unallocated funds will be available for future programming.

### **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 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.

Seven 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: Pre-Development Project Outcomes, Proposed Project Process, and Proposed Project Team. Of the seven applications submitted, six met the minimum score to be eligible for funding. The results of the staff evaluation are shown in Table 3.

Table 2. Application Summary

Grant Category	Submitted Applications	Eligible Applications	Applications that met the minimum score	Applications recommended for funding
LCA Pre-Development Round One	7	7	6	4

Table 3. Scoring Summary

Applicant	Project	Points	Amount Requested	Amount Recommended
City of Brooklyn Center	International Food Village	28.0	\$100,000	\$100,000
City of Minneapolis	2843 26th Ave S Project	23.5	\$75,000	\$0
City of Minneapolis	Jema River	26.5	\$150,000	\$150,000
City of Minneapolis	Lake Street Cultural Center	23	\$17,000	\$0
City of Minneapolis	Re+4RM Project	25.5	\$150,000	\$150,000
City of Saint Paul	652-654 Oakdale Avenue	13.0	\$63,000	\$0
City of Saint Paul	African American Community Development Center	22.5	\$75,000	\$75,000

**Total Recommended \$475,000**

Total Available \$1,000,000

Total Remaining \$525,000

## Projects Not Recommended for Funding

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

### 2843 26th Ave

Applicant: City of Minneapolis

Determination: Limited funding availability

Rationale:

- The project is expected to intensify land uses and create new community-serving jobs.
- The city's maximum award limit of \$300,000 in Round One was allocated to projects that scored more points



### **Lake Street Cultural Center**

Applicant: City of Minneapolis

Determination: Limited funding availability

Rationale:

- The project is expected to intensify land uses and create new community-serving jobs.
- The city's maximum award limit of \$300,000 in Round One was allocated to projects that scored more points.

### **652 Oakdale Ave**

Applicant: City of Saint Paul

Determination: Ineligible; did not meet minimum score required to be eligible for funding

Rationale:

- The project includes a greater density of housing and affordable units however they would not meet the affordability need of the project area.
- No community partnerships have been established and there is no clear connection as to how any engagement would inform the future development.

### **Projects Recommended for Funding**

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

- International Food Village, City of Brooklyn Center
- Jema River, City of Minneapolis
- Re+4RM Project, City of Minneapolis
- African American Community Development Center, City of Saint Paul



## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCA Pre-Development  
**Applicant:** City of Brooklyn Center  
**Project Name:** International Food Village  
**Project Location:** 6100 Shingle Creek Pkwy, Brooklyn Center, MN 55430  
**Council District:** 2 – Chamblis

Project Detail	
Project Overview	A proposed multi-phase development of a nine-acre site. The project would be anchored by an approximately 110,000 sq. ft. ethnic supermarket that is expected to create 100-120 living wage job opportunities and also includes an African Brewery and a bulk purchasing establishment. The concept plan includes approximately 175 units of housing with 20% of the units affordable to households at or below 60% of the area median income.
Support for Award	<ul style="list-style-type: none"> <li>• Mixed use project that follows equitable development and transit oriented development principles.</li> <li>• Proposed commercial uses will offer a unique destination that is reflective of the racial and ethnic diversity in the community.</li> </ul>
Funding	
Requested Amount	<b>\$100,000</b>
Previous LCA funding	None
Use of Funds	
<b>\$100,000</b>	<b>TOTAL</b>
\$50,000	<b>Financial Feasibility</b> Deliverable: Market study & financial feasibility of 2-4 development scenarios
\$15,000	<b>Stormwater Management Plans</b> Deliverable: Preliminary civil engineering of stormwater system
\$35,000	<b>Site Plan &amp; Architectural Design</b> Deliverable: Schematic design of site plan and buildings



## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCA Pre-Development  
**Applicant:** City of Minneapolis  
**Project Name:** Jema River  
**Project Location:** 713 E Lake Street, Minneapolis, MN 55407  
**Council District:** 7 – Lilligren

<b>Project Detail</b>	
Project Overview	The reconstruction of a damaged property on the Lake Street corridor to replace 7 affordable ground floor commercial/retail spaces for local entrepreneurs and add additional density with at least 6 units of affordable housing. The project provides an opportunity for displaced businesses to return to the area and intensify the site with additional housing.
Support for Award	<ul style="list-style-type: none"> <li>• The project uses equitable development principles and is focused on the restoration of majority BIPOC small affordable commercial spaces that were displaced.</li> <li>• The project will bring back local jobs to a now underutilized space that was once a vibrant commercial hub in the racially diverse Lake Street corridor.</li> </ul>
<b>Funding</b>	
Requested Amount	<b>\$150,000</b>
Previous LCA funding	None
<b>Use of Funds</b>	
<b>\$150,000</b>	<b>TOTAL</b>
\$100,000	<b>Developer Mentoring</b> Deliverable: Development feasibility and implementation plans
\$25,000	<b>Site Plans &amp; Public Realm Plans</b> Deliverable: Site plan and public realm plan
\$25,000	<b>Financial Feasibility</b> Deliverable: Financial feasibility for commercial and affordable housing



## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCA Pre-Development  
**Applicant:** City of Minneapolis  
**Project Name:** Re+4RM Project  
**Project Location:** 2800 E Lake St, Minneapolis, MN 55406  
**Council District:** 8 – Muse

Project Detail	
Project Overview	A proposed master plan redevelopment of the damaged US Bank site on Lake Street. The project intends to result in BIPOC and community ownership of up to four separate vertical development projects including affordable commercial and mixed-use developments, each connected to an aquifer thermal energy storage district energy system and linked by a public realm plan including a healing garden.
Support for Award	<ul style="list-style-type: none"> <li>• Project is driven by minority developers and businesses and includes a deep community engagement strategy involving art-based strategies, local businesses, and place-based partners.</li> <li>• The project has an innovative Aquifer Thermal Energy Storage energy system that will be shared between the multiple new developments.</li> </ul>
Funding	
Requested Amount	<b>\$150,000</b>
Previous LCA funding	None
Use of Funds	
<b>\$150,000</b>	<b>TOTAL</b>
\$50,000	<b>District Energy</b> Deliverable: Financial modeling, design, and testing of energy system
\$50,000	<b>Community Engagement</b> Deliverable: Summary of 6-month engagement process
\$25,000	<b>Site Plans</b> Deliverable: 1-2 Site plans
\$25,000	<b>Stormwater Management Plans</b> Deliverable: Project specific stormwater management plans





## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCA Pre-Development  
**Applicant:** City of Saint Paul  
**Project Name:** African American Community Development Center  
**Project Location:** Wards 5, 6, and 7 in the City of Saint Paul  
**Council District:** 13 – Lee / 14 – Fredson

Project Detail	
Project Overview	This development aims to create non-traditional pathways to home ownership for mid-large sized families with incomes at or below 60% AMI. The project includes a site selection search in the City of Saint Paul and intends to create a model for sustainable co-op affordable multifamily housing.
Support for Award	<ul style="list-style-type: none"> <li>The project is in partnership with two LISC developers of color and is geared to serving the affordable housing needs of BIPOC families.</li> <li>The co-op model may increase opportunity for home ownership in the BIPOC community.</li> </ul>
Funding	
Requested Amount	<b>\$75,000</b>
Previous LCA funding	None
Use of Funds	
<b>\$75,000</b>	<b>TOTAL</b>
\$10,000	<b>Financial Feasibility &amp; Capital Needs Assessment</b> Deliverable: Market study & financial feasibility of 2-3 development scenarios
\$20,000	<b>Site Plan &amp; Architectural Design</b> Deliverable: 1-2 Concept designs of site plan and building
\$9,500	<b>Community Engagement</b> Deliverable: Summary of engagement activities and reports
\$10,500	<b>Soil Testing</b> Deliverable: Report of soil testing results on the development
\$5,000	<b>Site Selection</b> Deliverable: Report of 2-3 site option scenarios
\$10,000	<b>Developer Mentoring</b> Deliverable: Development feasibility and implementation plans
\$10,000	<b>Project Study</b> Deliverable: Report on wealth building strategies of the development model

