

Committee Report

Community Development Committee



Committee Meeting Date: September 6, 2022

For the Metropolitan Council: September 14, 2022

Business Item: 2022-242

Funding Recommendations for 2022 Livable Communities Act Pre-Development Grants

Proposed Action

That the Metropolitan Council award four Livable Communities Act Predevelopment Grants totaling \$542,900 as shown Table 1 below.

Table 1. Recommended Grant Projects and Funding Amounts

Applicant	Recommended Project	Award Amount
City of Brooklyn Center	Immigrant Opportunity Center - Center for Asian and Pacific Islanders (CAPI)	\$125,000
City of Minneapolis	Nic@Lake	\$150,000
City of Minneapolis	14 th Ave Townhomes	\$60,000
City of Saint Paul	965 Payne Ave. / Inclusive Design Center	\$207,900

Summary of Community Development Committee Discussion/Questions

Senior Planner Hannah Gary presented the funding recommendations. Council Member Chamblis asked about the nature of the inclusive design center in the 965 Payne Ave. / Inclusive Design Center project in the City of Saint Paul. Ms. Gary will get more information from the project team and respond to Council Member Chamblis. Council Member Cummings asked about both the Pre-Development application process and why the Little Canada project that was not funded. Ms. Gary explained the annual survey process and timeline for gathering information on the impact of combining the Pre-Development applications. In regard to the Little Canada project, Ms. Gary noted that the application did not clearly describe the tangible development project that would result from the Pre-Development work. The applicant was given the opportunity to meet with program staff and will be encouraged to re-apply to the program.

The Council passed the proposed action unanimously.

Business Item

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Funding Recommendations for 2022 Livable Communities Act Pre-Development Grants

District(s), Member(s): All
Policy/Legal Reference: Livable Communities Act (Minn. Stat. § 473.25)
Staff Prepared/Presented: Hannah Gary, Senior Planner, Livable Communities (651) 602-1633
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 Council 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 July 18, 2022, the Council received five applications for Round Two of LCA Pre-Development funding. The City of Brooklyn Center, the City of Little Canada, 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.

Five 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 five applications submitted, four 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 Two	5	5	4	4

Table 3. Scoring Summary

Applicant	Project	Points	Amount Requested	Amount Recommended
City of Brooklyn Center	Immigrant Opportunity Center - Center for Asian and Pacific Islanders (CAPI)	24.5	\$125,000	\$125,000
City of Little Canada	2750 Rice Street	15	\$37,000	\$0
City of Minneapolis	Nic@Lake	26	\$150,000	\$150,000
City of Minneapolis	14 th Ave Townhomes	24	\$60,000	\$60,000
City of Saint Paul	965 Payne Ave. / Inclusive Design Center	22.5	\$207,900	\$207,900

Total Recommended **\$542,900**

Total Available \$1,000,000

Total Remaining \$457,100

Projects Not Recommended for Funding

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

2750 Rice Street

Applicant: City of Little Canada

Determination: Did not meet minimum score

Rationale:

- The applicant did not clearly describe engagement plan or how it would help achieve more equitable outcomes
- The project did not have a clear approach to achieving more equitable outcomes

Projects Recommended for Funding

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

- Immigrant Opportunity Center - Center for Asian and Pacific Islanders (CAPI), City of Brooklyn Center
- Nic@Lake, City of Minneapolis
- 14th Ave Townhomes, City of Minneapolis
- 965 Payne Ave. / Inclusive Design Center, City of Saint Paul



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Brooklyn Center
Project Name: Immigrant Opportunity Center - Center for Asian and Pacific Islanders (CAPI)
Project Location: 5950 Brooklyn Boulevard
Council District: 2 – Chamblis

Project Detail	
Project Overview	CAPI seeks to expand its Immigrant Opportunity Center “campus.” CAPI envisions a two-story mixed-use retail / commercial space to become the new home of CAPI’s Financial Opportunity and Benefits Enrollment Centers, tenant space for BIPOC-led nonprofit partners, and community event and training spaces. Funding will support the very early stages of CAPI’s feasibility study, site planning, and community engagement efforts.
Support for Award	Project will improve connections and create economic opportunities for local residents. Project team had a clear understanding of the community who will be in the space and how to incorporate them into the design and visioning process
Funding	
Requested Amount	\$125,000
Previous LCA funding	None
Use of Funds	
\$125,000	TOTAL
\$25,000	Use: Design Workshops/Community Engagement Deliverable: Documentation of focus groups and how information gathered will be incorporated into the project
\$15,000	Use: Development of project-specific or district-wide Stormwater Management Plan Deliverable: Preliminary civil design of project stormwater management plan
\$35,000	Use: Development of site plans, staging plans, public realm plans Deliverable: Schematic design development of the site and building plan
\$50,000	Use: Market or Feasibility Study Deliverable: Market study, financial feasibility with 3-4 development scenarios



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Minneapolis
Project Name: Nic@Lake
Project Location: 10-30 West Lake Street
Council District: 7 - Lilligren

Project Detail	
Project Overview	The project will strive to provide opportunities for the private sector to create living wage jobs by requiring that new buildings provide commercial space on the first floor of buildings facing Nicollet Ave and Lake St. The project will intensify the land use of the site through the redevelopment of approximately 100,000 square feet of single-story retail. Housing will be included on the upper floors of the building. Affordable housing is required to be included in the housing component.
Support for Award	The project will significantly improve connections and increase multi-modal options The team has a clear plan for community engagement and has formed partnerships that will benefit the project
Funding	
Requested Amount	\$150,000
Previous LCA funding	\$100,000 – TOD Pre-Development Award
Use of Funds	
\$150,000	TOTAL
\$75,000	Use: Design Workshops/Community Engagement Deliverable: 2-3 street cross-sections or layout alternatives for New Nicollet Street Layout Design and documentation of engagement activities
\$75,000	Use: Development of site plans, staging plans, public realm plans Deliverable: 2-3 Public Space Network Plan design alternatives



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Minneapolis
Project Name: 14th Ave Townhomes
Project Location: 2833-39 14th Avenue South
Council District: 7 - Lilligren

Project Detail	
Project Overview	Affordable ownership townhomes constructed using Passive House design, a method of construction that reduces energy use by up to 90% (in new construction) through a combination of strategic engineering, meticulous building technique and lots of thermal insulation. The initial affordability for homeowners at 50% AMI is maintained for 99 years by keeping the City of Lakes Community Land Trust (CLCLT) in ownership of the land, with a lease to the townhome owner. When a townhome is sold, the lease requires that the seller keep 25% of the appreciated value, leaving 75% added to the original investment. This allows the townhome to remain affordable to subsequent buyers at the same income level.
Support for Award	<p>The project is providing affordable ownership options, a housing type that is not often seen in LCA programs</p> <p>The Passive House design of the project will help to significantly reduce the carbon footprint of the project as well as decrease utility costs for residents.</p>
Funding	
Requested Amount	\$60,000
Previous LCA funding	None
Use of Funds	
\$60,000	TOTAL
\$60,000	<p>Use: Architectural design for projects with affordable housing</p> <p>Deliverable: PowerPoint or other graphic report format illustrating the Passive House design process for a townhouse project, highlighting differences between Passive House design and typical architectural design process. Ten units, affordable at 50% AMI, in partnership with City of Lakes Community Land Trust.</p>



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Saint Paul
Project Name: 965 Payne Ave. / Inclusive Design Center
Project Location: 965 Payne Ave
Council District: 13 - Lee

Project Detail	
Project Overview	Imagine Deliver intends to develop 965 Payne Avenue into a multipurpose commercial and community hub. They plan for it to be the headquarters for their consulting business, as well as their national center for inclusive design. In addition, they intend for the building to house several other businesses that will be valuable to the day-to-day lives of the local community, as well as meaningful to sparking growth and vitality in the commercial and transit corridor.
Support for Award	Strong process and inclusive community engagement embedded into the project Intent to create living wage jobs, increase activity on the project site through housing multiple tenants, and inclusion of environmental sustainability considerations.
Funding	
Requested Amount	\$207,900
Previous LCA funding	None
Use of Funds	
\$207,900	TOTAL
\$25,000	Use: Architectural design Deliverable: Architectural Schematics and Designs
\$20,400	Use: Development of site plans, staging plans, public realm plans Deliverable: Building Inspection to understand extent of building issues; Structural Engineer Report, specifically to evaluate mezzanine remodel; Evaluation of Greening the Parking Lot; Integrating Additional Universal Design Elements
\$25,000	Use: Studies or agreements to understand project impact like a Health Impact Assessment, Community Benefits Agreement, or understanding history of project site Deliverable: Socio Historic Scan Report outlining history of land use, community shifts, current community profile
\$80,500	Use: Design Workshops/Community Engagement Deliverable: Project Team Research and Engagement, Evaluation to Commission a Piece of Public Art, Community Engagement - Internal Consultation expenses, incentives, childcare for engagement participants, supplies for community design workshops
\$40,000	Use: Market or Feasibility Study Deliverable: Market / Feasibility Study To determine market feasibility and demand for project, Financial Modeling To evaluate business model
\$12,000	Use: Mentoring for new and/or small developers Deliverable: Documentation of development Consultant to support



	project team through development process
\$5,000	Use: Site acquisition appraisal Deliverable: Appraisal for Site Acquisition Commercial appraisal and broker opinion of value

