

# Committee Report

Community Development Committee



Committee Meeting Date: June 5, 2023

For the Metropolitan Council: June 28, 2023

## Business Item: 2023-120

Funding Recommendations for 2023 Round One Livable Communities Act Pre-Development Grants

### Proposed Action

That the Metropolitan Council:

- Award six Livable Communities Act Pre-Development Grants totaling \$1,000,000 as shown in Table 1 below.
- Authorize the Executive Director of Community Development to execute the grant agreements on behalf of the Council.

Table 1. Recommended Grant Projects and Funding Amounts

Applicant	Recommended Project	Award Amount
Brooklyn Center EDA	New Generations LLC	\$231,000
Maplewood	Rice Street Gardens	\$150,000
Minneapolis	Rodeo Plaza	\$150,000
Minneapolis	The LOMA	\$150,000
St. Louis Park	Affordable Commercial SLP	\$44,000
St. Paul	Hamm's Brewery	\$275,000

### Summary of Community Development Committee Discussion/Questions

Senior Planner Stephen Klimek presented the staff's report to the Community Development Committee. Council Member Wulff asked a clarifying question regarding a project serving veterans who have physical or developmental disabilities. Council Member Dolkar asked what the reporting requirements are for projects after the two-year grant term is completed and whether projects that are awarded Pre-Development grants are more likely to receive future grants. Klimek shared a summary of the reporting process and grant outcomes as well as the goal of the program to support projects in advancing LCA goals, the intention of which is to make them competitive for future funding opportunities.

Council Member Carter asked if there is a community engagement step in the grant review process. Klimek shared that the review process does not conduct its own engagement, however cities are the formal grant applicants who select projects to support for various reasons and that several LCA grant programs fund engagement for the projects teams to conduct with their communities. Council Member Carter shared appreciation for the work of the Livable Communities Advisory Committee in reviewing the LCDA and TOD grant applications and will be interested in further discussing their role in the Pre-Development program.

Council Member Chamblis asked how the now combined Pre-Development programs from LCDA and TOD impact the application limit and award potential for cities. Klimek outlined that the combined programs allow cities to submit the same number of total applications (6) and the \$300,000 award limit provides greater potential to receive grant awards over the previous limit of

\$100,000. Council Member Chamblis commented on the level of demand in the program and asked if applications that were not recommended for funding could have received an award if additional funding was available. Klimek shared that several applications were not recommended for funding due to the city award limit and the total amount of funding available in this round, as well as that some applications did not meet the minimum score but have the potential to re-submit in Round Two. Council Member Chamblis shared a strong interest in maximizing the opportunities available and is looking forward to further discussion on continuing to adopt best practices and make the programs work better.

The Committee unanimously approved the proposed actions in the report.

NOTE: Staff discovered an error in the report after presenting to the Community Development Committee. The project summary for The LOMA was revised to correct a clerical error in the name of the project's developer (page 9 of the original report, changes are shown in redline). The change does not affect any of the project outcomes or scoring.



# 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 2023 LCA Pre-Development guidelines, criteria, and evaluation process as part of the Annual Livable Communities Act Fund Distribution Plan ([Business Item 2023-48](#)) on February 22, 2023. Historically, Pre-Development awards were offered separately through the LCDA and Transit Oriented Development (TOD) accounts. In 2022, the two funding opportunities were combined into a single Pre-Development opportunity this year to simplify the process for applicants and staff. The 2023 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 21, 2023, the Council received thirteen applications for Round One of LCA Pre-Development funding. The City of Brooklyn Center, the City of Maplewood, the City of Minneapolis, the City of South Saint Paul, 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.

## **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. Per the 2023 Fund Distribution Plan, the Council has two rounds of LCA Pre-Development funding in 2023 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 2023 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 2023 after adopting the 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 the best program fit for their projects.

Thirteen 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 thirteen applications submitted, ten met the minimum score to be eligible for funding; of these, six are being recommended for awards based on scoring and funding availability. 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	13	13	10	6

Table 3. Scoring Summary

Applicant	Project	Points	Amount Requested	Amount Recommended
City of Brooklyn Center	New Generations LLC	29	\$231,000	\$231,000
City of Saint Paul	Hamm's Brewery	29	\$275,000	\$275,000
City of Minneapolis	The LOMA	28.5	\$150,000	\$150,000
City of Minneapolis	Rodeo Plaza	27	\$150,000	\$150,000
City of Minneapolis	The 2843 Building	26.5	\$150,000	\$0
City of Maplewood	Rice Street Gardens	26	\$150,000	\$150,000
City of Minneapolis	Unity Building	26	\$150,000	\$0
City of St Louis Park	Affordable Commercial SLP	24.5	\$135,000	\$44,000
City of Minneapolis	ZaRah	24	\$150,000	\$0
City of Saint Paul	Rondo CLT	22	\$25,000	\$0
City of South St Paul	Panache Cidery	21	\$148,500	\$0
City of St Louis Park	Minnetonka Blvd Housing	21	\$185,000	\$0
City of Minneapolis	The CORA	18	\$150,000	\$0

**Total Recommended** **\$1,000,000**

Total Available \$1,000,000

Total Remaining \$0

## Projects Not Recommended for Funding

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

### The 2843 Building

Applicant: City of Minneapolis

Determination: Limited funding availability, city maximum award reached

Rationale:

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



### **The Unity Building**

Applicant: City of Minneapolis

Determination: Limited funding availability, city maximum award reached

Rationale:

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

### **ZaRah**

Applicant: City of Minneapolis

Determination: Limited funding availability, city maximum award reached

Rationale:

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

### **Rondo CLT**

Applicant: City of Saint Paul

Determination: Limited funding availability

Rationale:

- The project is expected to provide new affordable housing but is in early stages of development and its impacts on environmental sustainability, land use intensity, and equitable development outcomes are less defined than other applications.
- Available funds were allocated to projects that scored more points

### **Panache Cidery**

Applicant: City of South St. Paul

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

Rationale:

- The project is expected to provide moderate intensification of land uses and create new jobs.
- The project did not have a clear or direct approach to achieving equitable outcomes compared to other applications.
- The project did not substantially address environmental sustainability compared to other applications.

### **Minnetonka Blvd Housing**

Applicant: City of St. Louis Park

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

Rationale:

- The project is expected to provide moderate intensification of land uses and create new affordable home ownership opportunities.

### **The CORA**

Applicant: City of Minneapolis

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

Rationale:

- The project provides affordable housing and neighborhood-scale commercial space.
- The project did not have a clear or direct approach to achieving equitable outcomes compared to other applications.



## Projects Recommended for Funding

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

- New Generations LLC, City of Brooklyn Center
- Rice Street Gardens, City of Maplewood
- Rodeo Plaza, City of Minneapolis
- The LOMA, City of Minneapolis
- Affordable Commercial SLP, City of St. Louis Park
- Hamm's Brewery, City of Saint Paul



## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCA Pre-Development  
**Applicant:** City of Brooklyn Center  
**Project Name:** New Generations LLC  
**Project Location:** 1500 69th Ave N, Brooklyn Center, MN 55430  
**Council District:** 8 – Osman

Project Detail	
Project Overview	The Community Corner project is being developed by New Generations and will provide approximately 32 units of permanent supportive housing. All units are affordable at 30% AMI and target veterans who are experiencing homelessness or may have physical or developmental disabilities. The project plans to include commercial space that will provide a workforce center offering vocational rehabilitation, career, and employment services to the community and tenants. Additional commercial space will be provided for youth programming and a youth led coffee shop.
Support for Award	<ul style="list-style-type: none"> <li>• The development includes affordable housing and commercial spaces that will provide targeted supportive services and programs to advance economic opportunity in the community.</li> <li>• The project follows equitable development and community-centered planning principles.</li> </ul>
Funding	
Requested Amount	<b>\$231,000</b>
Previous LCA funding	None
Use of Funds	
<b>\$231,000</b>	<b>TOTAL</b>
\$35,000	<b>Community Engagement</b> Deliverable: Summary of Engagement Activities and Community Benefits Agreement
\$52,000	<b>Site Planning</b> Deliverable: Soil Testing, Site Plans, and Stormwater Management Plans
\$125,000	<b>Building Design</b> Deliverable: Architectural Design and Sustainable Building Design Plans
\$19,000	<b>Project Studies</b> Deliverable: Travel Demand Management Plan, Market Feasibility Study, Site Acquisition Appraisal





## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCA Pre-Development  
**Applicant:** City of Maplewood  
**Project Name:** Rice Street Gardens  
**Project Location:** 1958 Rice Street, Maplewood, MN 55109  
**Council District:** 13 – Lee

Project Detail	
Project Overview	Rice Street Gardens is a proposed acquisition and development by the Rondo Community Land Trust which will include approximately 28 units of homeownership housing, between 110-130 units of multifamily housing, and preservation of a community garden. Rondo CLT will be the landowner and will work with partners including Twin Cities Habitat for Humanity to develop and implement the community vision set forth in the Rice & Larpenteur Alliance Vision plan.
Support for Award	<ul style="list-style-type: none"> <li>• The project will include housing ownership and affordable rental opportunities.</li> <li>• The development has been informed by extensive engagement and advances community priorities including preservation of a community garden.</li> <li>• The proposed development is advancing climate mitigation by targeting a Net Zero certification.</li> </ul>
Funding	
Requested Amount	<b>\$150,000</b>
Previous LCA funding	None
Use of Funds	
<b>\$150,000</b>	<b>TOTAL</b>
\$20,000	<b>Community Engagement</b> Deliverable: Summary of Engagement Activities
\$60,000	<b>Project Studies</b> Deliverable: Site Acquisition Appraisal, Geotechnical Analysis, and Market Feasibility Study
\$70,000	<b>Site Planning</b> Deliverable: Site Plans and Stormwater Management Plans



## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCA Pre-Development  
**Applicant:** City of Minneapolis  
**Project Name:** Rodeo Plaza  
**Project Location:** 2709 E Lake St, Minneapolis, MN 55407  
**Council District:** 6 – Pacheco

Project Detail	
Project Overview	Rodeo Plaza is the redevelopment of a site on Lake Street within Downtown Longfellow that was destroyed in the civil unrest of 2020. The new mixed-use project is being led by an emerging developer and it intends to include 88 units of housing, approximately 20% of which will be affordable to populations at 50% AMI. Ground floor spaces will include small affordable commercial units with target marketing to Latino community serving businesses.
Support for Award	<ul style="list-style-type: none"> <li>The development includes affordable housing and neighborhood-scale commercial spaces to serve community needs.</li> <li>The development has been informed by community engagement and the project team is from the community being served.</li> </ul>
Funding	
Requested Amount	<b>\$150,000</b>
Previous LCA funding	None
Use of Funds	
<b>\$150,000</b>	<b>TOTAL</b>
\$15,000	<b>Developer Mentoring</b> Deliverable: Development Feasibility and Implementation Plans
\$45,000	<b>Project Studies</b> Deliverable: Feasibility Study
\$45,000	<b>Site Planning</b> Deliverable: Site Plans
\$45,000	<b>Building Design</b> Deliverable: Sustainable Building Design Plans



## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCA Pre-Development  
**Applicant:** City of Minneapolis  
**Project Name:** The LOMA  
**Project Location:** 3246 Nicollet Ave, Minneapolis MN 55438  
**Council District:** 6 – Pacheco

Project Detail	
Project Overview	The LOMA will create 62 affordable, culturally appropriate homes for seniors that come from different cultural backgrounds and may have more than one generation living in a household. The project is being developed by <u>New Generations-VY Management</u> and intends to offer a range of affordable housing including approximately 16 units with income limits at 30% AMI, 42 units at 50% AMI, and 4 units at 60% AMI. Additionally, 7 units will be reserved for people that are experiencing homelessness. Ground floor commercial space will be made affordable and targeted to local BIPOC small business owners. Service providers will be located on site for tenants and offer a range of vocational rehabilitation and job resources.
Support for Award	<ul style="list-style-type: none"> <li>• The development includes affordable housing serving a targeted population and offers neighborhood-scale commercial spaces to serve community needs.</li> <li>• The project transforms an underutilized site with greater density and intensity of uses proximity to high-frequency transit.</li> </ul>
Funding	
Requested Amount	<b>\$150,000</b>
Previous LCA funding	None
Use of Funds	
<b>\$150,000</b>	<b>TOTAL</b>
\$15,000	<b>Developer Mentoring</b> Deliverable: Development Feasibility and Implementation Plans
\$35,000	<b>Community Engagement</b> Deliverable: Summary of Design Workshops and Community Benefits Agreement
\$7,000	<b>Project Studies</b> Deliverable: Market Study
\$40,000	<b>Site Planning</b> Deliverable: Site Plans, Stormwater Management Plans
\$53,000	<b>Building Design</b> Deliverable: Architectural Design and Sustainable Building Design Plans



## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCA Pre-Development  
**Applicant:** City of St. Louis Park  
**Project Name:** Affordable Commercial SLP  
**Project Location:** 4300 36th 1/2 St, St. Louis Park, MN 55416  
**Council District:** 8 – Osman

Project Detail	
Project Overview	The City of St. Louis Park Economic Development Authority (EDA) is partnering with Partnership in Property Commercial Land Trust (PIPCLT) on an initiative to create long-term affordable commercial spaces in the city. The EDA purchased an 8,300 sq. ft. commercial building off Excelsior Blvd with the intent of subdividing it into 4 - 7 separate commercial spaces that will support BIPOC businesses. Once completed, the new spaces would be condominiumized and sold at affordable prices to limited income entrepreneurs under a condominium/land trust arrangement.
Support for Award	<ul style="list-style-type: none"> <li>• The development will provide long-term affordable commercial spaces that will be targeted to support limited income entrepreneurs.</li> <li>• The project will bring more intensity to the site and provide neighborhood-serving businesses and job opportunities.</li> </ul>
Funding	
Requested Amount	<b>\$135,000</b>
Previous LCA funding	None
Use of Funds	
<b>\$44,000</b>	<b>TOTAL</b>
\$44,000	<b>Building Design</b> Deliverable: Architectural Design



## Livable Communities Project Summary

**Grant #** SG  
**Type:** LCA Pre-Development  
**Applicant:** City of Saint Paul  
**Project Name:** Hamm's Brewery  
**Project Location:** 694 - 680 Minnehaha Ave E, St Paul, MN 55106  
**Council District:** 13 – Lee

Project Detail	
Project Overview	This development is an adaptive re-use and new construction of the 4.88-acre former Hamm's Brewery Complex by JB Vang. The project will be home to a multicultural artist and residential hub with a thriving marketplace representative of the St. Paul community. It will provide a wide variety of affordable housing options including rental and ownership units, as well as site improvements designed to facilitate place-making.
Support for Award	<ul style="list-style-type: none"> <li>• The development transforms an underutilized site with greater density and intensity of uses including a culturally specific marketplace.</li> <li>• The project will include housing ownership and affordable rental opportunities.</li> <li>• The proposed development is advancing climate mitigation by reusing an existing building through adaptive reuse.</li> </ul>
Funding	
Requested Amount	<b>\$275,000</b>
Previous LCA funding	2014 TBRA Cleanup \$385,797 2016 TBRA Cleanup \$128,220
Use of Funds	
<b>\$275,000</b>	<b>TOTAL</b>
\$60,000	<b>Community Engagement</b> Deliverable: Summary of Design Workshops and Community Engagement Activities
\$70,000	<b>Site Planning</b> Deliverable: Site Plans, Landscape Plans, Stormwater Management Plans
\$145,000	<b>Building Design</b> Deliverable: Architectural Design

