

Committee Report

Community Development Committee



Committee Meeting Date: September 5, 2023

For the Metropolitan Council: September 13, 2023

Business Item: 2023-206

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

Proposed Action

That the Metropolitan Council:

1. Award six (6) Livable Communities Act Pre-Development Grants totaling \$898,600 as shown in Table 1 below.
2. 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	Brooklyn Center Opportunity Site Round One – Resurrecting Faith	\$300,000
Minneapolis	Unity Building	\$150,000
Minneapolis	The CORA	\$150,000
Saint Louis Park EDA	Affordable Commercial SLP	\$90,000
Saint Paul	694 and 680 Minnehaha Ave E (Hamm’s Brewery II)	\$200,000
Saint Paul	796 Stewart Ave (Little Mod)	\$8,600

Summary of Community Development Committee Discussion/Questions

Planning Analyst Hannah Gary presented the funding recommendation. Gary responded to Council Members’ questions about how scoring and per-city funding limits translate into award recommendations, how the advance payment option may be used, how grant money flows through projects, and priorities for DBE and/or MCUB contractors. Council Members expressed interest in learning more about several projects including the financing model of the St. Louis Park EDA project, the co-living model for Saint Paul Little Mod, and how previous awards related to the Brooklyn Center project. Council Members raised questions about geographic distribution and per-city funding limits that will be discussed at the upcoming workshop on October 2.

Representatives from The CORA in Minneapolis, Affordable Commercial in Saint Louis Park, and Hamm’s Brewery expressed their appreciation for Council support.

The Committee approved the proposed action unanimously at their regularly scheduled Committee meeting.

Business Item

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Funding Recommendations for 2023 Round Two 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, Planning Analyst, Livable Communities (651) 602-1633
Division/Department: Community Development / Regional Planning

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Background

The 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. 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 July 21, 2023, the Council received 12 applications for Round Two of LCA Pre-Development funding. The City of Brooklyn Center, the City of Little Canada, the City of Minneapolis, the City of South Saint Paul, the St. Louis Park EDA, 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 (including Pre-Development and Policy Development grants together). 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.

Twelve 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: Project Outcomes, Project Process, and Project Team. Of the 12 applications submitted, 11 met the minimum score to be eligible for funding; of these, six (6) 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	Applications Meeting Minimum Score	Applications Recommended for Funding
LCA Pre-Development Round Two	12	11	6

Table 3. Scoring Summary

Applicant	Project	Points	Amount Requested	Amount Recommended
Saint Paul	694 and 680 Minnehaha Ave E (Hamm's Brewery II)	28.5	\$200,000	\$200,000
Brooklyn Center	Brooklyn Center Opportunity Site Round One – Resurrecting Faith	27.5	\$300,000	\$300,000
Minneapolis	The CORA	27.5	\$150,000	\$150,000
Minneapolis	Unity Building	27	\$150,000	\$150,000
Minneapolis	Zarah	26	\$150,000	\$0
Minneapolis	Swank Eatery	25	\$150,000	\$0
St. Louis Park	Affordable Commercial SLP	25	\$90,000	\$90,000
Saint Paul	796 Stewart Ave (Little Mod)	24.5	\$100,000	\$8,600
Minneapolis	SFH917	23.5	\$150,000	\$0
St. Louis Park	Minnetonka Blvd Housing	23.5	\$185,000	\$0
South Saint Paul	2023 LCA Pre-Development – Round Two	23	\$179,000	\$0
Little Canada	2705 Rice	16.5	\$37,000	\$0

Total Recommended **\$898,600**

Total Available \$1,000,000

Total Remaining \$101,400

Projects Not Recommended for Funding

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

2705 Rice St. Evaluation

Applicant: City of Little Canada

Determination: Did not meet minimum score, not eligible for funding

Rationale:

- The project did not include how stated objectives would be achieved
- Engagement process or goals were not outlined, and stakeholders were not clearly

identified

ZaRah

Applicant: City of Minneapolis

Determination: Limited fund availability

Rationale:

- Maximum award amount for the city was reached with projects that scored higher

Swank Eatery

Applicant: City of Minneapolis

Determination: Limited fund availability

Rationale:

- Maximum award amount for the city was reached with projects that scored higher

SFH917

Applicant: City of Minneapolis

Determination: Limited fund availability

Rationale:

- Maximum award amount for the city was reached with projects that scored higher

2023 LCA Pre-Development – Round Two

Applicant: City of South Saint Paul

Determination: Limited funds, project did not score high enough to receive funding

Rationale:

- Not being funded due to limited funds
- Other projects scored higher on process to identify need for project

Minnetonka Blvd. Housing

Applicant: City of Saint Louis Park

Determination: Limited funds, project did not score high enough to receive funding

Rationale:

- Not being funded due to limited funds
- Other projects scored higher on process to identify need for project

Projects Recommended for Funding

A summary of each of the recommended funding awards is on the following pages.



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Brooklyn Center
Project Name: Brooklyn Center Opportunity Site Phase I – Resurrecting Faith
Project Location: 5900 Shingle Creek Pkwy
Council District: 8 – Anjuli Cameron

Project Detail	
Project Overview	The project is a component of a larger redevelopment effort on the Brooklyn Center Opportunity Site, an 80-acre site that is undergoing a planned redevelopment with several development partners. This project is campus-style development of a Conference/Business Center, 24-Hour Child Care Center, Therapy Wellness Center, and Rental Barber/Beautician Suites.
Support for Award	<ul style="list-style-type: none"> • Intentional co-location of uses particularly affordable childcare near affordable housing. • Focus on entrepreneurs and culturally representative businesses and services.
Funding	
Requested Amount	\$300,000
Previous LCA funding	TOD Development: \$2,000,000 for portion of this phase Application in for LCDA Development
Use of Funds	
\$300,000	TOTAL
\$300,000	Grant Activity: Architectural Design Deliverable: Fit planning schematic design services for design development and construction documents for the Conference/Event Center, 24-Hour Childcare Center, Therapy Offices, and Barber/Beautician rental suites. The deliverable will include both design development and construction documents.



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Minneapolis
Project Name: Unity Building
Project Location: 401 E Lake Street
Council District: 6 - Lilligren

Project Detail	
Project Overview	The Unity Building will replace two dilapidated mixed-use commercial buildings with a new four-story commercial building celebrating the African and Latine immigrant traditions of Lake Street. The project creates economically accessible office space in a majority BIPOC community.
Support for Award	<ul style="list-style-type: none"> • The project is adding new uses to an area and bringing additional activity to the project site. • There is a focus on supporting local business owners who have connections to the project area on Lake Street.
Funding	
Requested Amount	\$150,000
Previous LCA funding	TBRA Cleanup: \$296,500 Current TOD Development application
Use of Funds	
\$150,000	TOTAL
\$5,000	Grant Activity: Development of Travel Demand Management Plan Deliverable: Travel demand management plan for event center
\$135,000	Grant Activity: Architectural design Deliverable: Full tenant improvement architectural plans (permits, construction, entitlements, and licensing) <i>*Fees for permit, entitlement, and licensing are not eligible</i>
\$10,000	Grant Activity: Alternative energy systems, passive building design concept planning or landscape planning Deliverable: Final sustainable design options for tenants and documentation of assistance provided



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Minneapolis
Project Name: The CORA
Project Location: 1106 26th Ave SE, 2025 E. Hennepin Ave, 1104, 1108, 1112 25th Ave SE
Council District: 7 - Osman

Project Detail	
Project Overview	The proposed development for the 0.62-acre site is a five-story mixed-use building with 90+ residential units located on East Hennepin Avenue in the Southeast Como neighborhood. There is 3800 sq. ft. of first floor retail/office space divided into 3-4 units. This intergenerational housing community will be divided into two equal sections. All units will be limited to households with incomes 30-60% AMI, with one section for residents of any age and the other section will be reserved for residents aged 62 and older.
Support for Award	<ul style="list-style-type: none"> • Project is increasing density on the site by providing affordable housing and offering financial services for residents. • Strong community connection and engagement process
Funding	
Requested Amount	\$150,000
Previous LCA funding	None
Use of Funds	
\$150,000	TOTAL
\$25,000	Grant Activity: Market or Feasibility Study to develop and evaluate development scenario(s) Deliverable: Final financial analysis and proforma evaluation, assessment of the long-term affordability model
\$20,000	Grant Activity: Development of project-specific or district-wide Stormwater Management Plan Deliverable: Stormwater management plan
\$90,000	Grant Activity: Architectural design Deliverable: Final Architecture, Civil Engineering, and Landscape Architecture plans/designs
\$15,000	Grant Activity: Design Workshops/Community Engagement Deliverable: Final community and neighborhood impact statement



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: Saint Louis Park EDA
Project Name: Affordable Commercial SLP
Project Location: 4300 36th 1/2 St
Council District: 8 - Cameron

Project Detail	
Project Overview	The St. Louis Park EDA is partnering with Partnership in Property Commercial Land Trust (PIPCLT) on an initiative to create long-term affordable commercial spaces in the city of St. Louis Park. The EDA purchased an 8,300 SF commercial building off Excelsior Boulevard with the intent of subdividing it into 4 to 7 separate commercial spaces. 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"> • The project is creating affordable commercial space for historically underrepresented communities as a wealth building model. • Need for the project was identified by the community the project is intending to serve, and the project team is representative of that community.
Funding	
Requested Amount	\$90,000
Previous LCA funding	LCA Pre-Development: \$109,000
Use of Funds	
\$90,000	TOTAL
\$30,000	Grant Activity: Design Workshops/Community Engagement Deliverable: Documentation of public engagement and business workshops including dates of activities and description of how the information from the sessions will inform the project going forward.
\$60,000	Grant Activity: Market or Feasibility Study to develop and evaluate development scenario(s) Deliverable: Final financial model for condominium business spaces under a land trust



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Saint Paul
Project Name: 796 Stewart Ave (Little Mod)
Project Location: 796 Stewart Ave
Council District: 14 - Carter

Project Detail	
Project Overview	The proposed development is a co-living project, combining community and sustainability. This concept features several individually leased private bedroom/bathroom suites surrounding a high-quality, intentionally designed communal kitchen and living area. The project is net-zero with two dwelling units, each with a communal kitchen/living space and 6 bedroom suites (12 total) on a residential urban infill lot within a short walk to a high frequency transit corridor.
Support for Award	<ul style="list-style-type: none"> • Focus on environmental sustainability in project design and local near transit. • Significantly increasing the density of the site and adding a new housing type to the project area.
Funding	
Requested Amount	\$100,000
Previous LCA funding	None
Use of Funds	
\$8,600	TOTAL
\$8,600	<p>Grant Activity: Market or Feasibility Study to develop and evaluate development scenario(s)</p> <p>Deliverable: Financial feasibility analysis showing 10-year financial proforma utilizing market study rental data; Project financial structure options; Market study showcasing demographic review, competitive market review, and recommendations to help determine demand</p>



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Saint Paul
Project Name: 694 and 600 Minnehaha Ave E (Hamm’s Brewery II)
Project Location: 694 and 600 Minnehaha Ave E
Council District: 13 - Lee

Project Detail	
Project Overview	A new construction building that is one component of JB Vang’s multi-phase redevelopment of the 4.88-acre former Hamm’s Brewery Complex. The proposed East End Apartments will provide affordable housing options with a focus on family-friendly rental unit mix and multiculturally sensitive design. The building also includes a carve out for ownership row houses.
Support for Award	<ul style="list-style-type: none"> • Larger unit sizes in affordable units with inclusion of deeply affordable units and ownership units. • Family needs considered including areas for bulk food storage and large multi-cultural gatherings.
Funding	
Requested Amount	\$200,000
Previous LCA funding	TBRA SEED: \$74,741; LCA Pre-Development: \$275,000
Use of Funds	
\$200,000	TOTAL
\$125,000	Grant Activity: Architectural design Deliverables: Design Development Plans for new construction phase of development (East End Apartments), including culturally specific site design and planning to reflect East Side communities.
\$15,000	Grant Activity: Market or Feasibility Study to develop and evaluate development scenario(s) Deliverable: Feasibility/Market Study for new construction phase (East End Apartments) to determine project feasibility, including a housing mix that increases housing choice and demand for new construction affordable housing units with access to parking
\$60,000	Grant Activity: Soil testing on project site to determine feasible land uses (not related to contamination) Deliverable: Geotechnical borings report to determine the feasibility of land uses for new construction phase of development

