

Committee Report

Community Development Committee



Committee Meeting Date: December 4, 2023

For the Metropolitan Council: December 13, 2023

Business Item: 2023-292

Funding Recommendations for 2023 Livable Communities Demonstration Account Transit Oriented Development Grants

Proposed Action

That the Metropolitan Council:

1. Award four Livable Communities Demonstration Account Transit-Oriented Development grants totaling \$4,863,750 as shown Table 1 below.
2. Authorize the Executive Director of Community Development 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
City of Minneapolis	Native American Community Clinic Housing	\$2,000,000
City of Richfield	Aster Commons	\$1,000,000
City of Saint Paul	892 7th Street East	\$975,000
City of Saint Paul	2441 University Ave W	\$888,750

Summary of Community Development Committee Discussion/Questions

Robbinsdale Mayor Bill Blonigan, the Livable Communities Advisory Committee (LCAC) Chair, and Senior Planner Stephen Klimek presented the staff's report to the Community Development Committee. Council Member Carter shared appreciation for the LCAC and highlighted that these are ideal examples of support to communities for their needs across issues including housing, arts, and supportive services.

Council Member Dolkar asked for additional information on a presentation slide related to the LCA support across the development spectrum and whether community benefit agreements were part of these or other projects. Klimek shared additional background on how the seven different LCA grant programs align with various development needs between regulatory frameworks, project planning and design, remediation and environmental, and construction. Klimek also shared that community benefit agreements were not part of the projects included in this funding recommendation, but they have been a part of past LCA funded projects and that community engagement is a key component of scoring for applications. It was additionally noted that community benefit agreements are an eligible activity that can be funded through the LCA Pre-Development grant program.

Council Member Lilligren commented that the Livable Communities Act funds the Committee and Council award are some of the most discretionary dollars the Council has to allocate and there is an annual cycle to impact the guidelines and projects funded.

Council Member Johnson asked if applicant cities need to select whether they submit projects to LCDA or LCDA-TOD at the time of application, and what the funding limit guidance was between each program. Klimek confirmed that applicants must select the funding program at the time of

application, and that TOD has a total per-city award limit of \$2,000,000 and that LCDA has a limit of up to 40% of funding for the cities of Minneapolis and Saint Paul together and 60% for non-urban core cities. Council Member Johnson followed up to confirm that the LCDA-TOD program is primarily serving the urban core cities and which transit providers are accounted for in eligible areas. Klimek shared that the 2023 applicants were primarily urban core cities and noted that 2022 was a record funding year for LCDA-TOD in amount of funding, number of cities, and geographic distribution between community designations. Klimek confirmed that Metro Transit is the primary provider represented in TOD eligible areas but the service frequency of suburban transit providers is also used and creates some eligible park and ride sites. Council Member Johnson commented on the continued need to provide awards to cities outside the urban core, especially as the transit network continues to expand. Council Member Carter highlighted the need to ensure awards are distributed across communities and reinforced the continued need to provide proactive assistance to communities.

Council Member Lilligren expressed thanks to the LCAC and the applicants, and invited representatives of the recommended projects to introduce themselves. Staff from the City of Richfield and City of Saint Paul as well as project team members from 2441 Arts, Native American Community Clinic, and 892 E 7th each addressed the Committee about their projects.

The Committee unanimously approved the proposed actions in the report.



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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

Pursuant to the Livable Communities Act (LCA), the Council 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 2023 Livable Communities Act Fund Distribution Plan ([Business Item 2023-48](#)) on February 22, 2023. The approved Fund Distribution Plan allocates a total of \$5.3 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 four of the seven submitted applications.

Rationale

On August 14, 2023, the Council received seven applications for LCDA-TOD Development grant funding from four cities with a total request of over \$8.2 million. The City of Bloomington, City of Minneapolis, City of Richfield, and 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, \$5.3 million dollars are available for LCDA-TOD Development grants, and the maximum combined award limit per city is \$2 million. The LCAC funding recommendation will award 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 \$4,863,000 in grant awards. The LCAC is recommending that the remaining \$436,250 of available funding be allocated to the LCDA program for additional grant awards. 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]ligning 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 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.



Review Process

The Council issued a notice of funding availability in March 2023 after adopting the 2023 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.

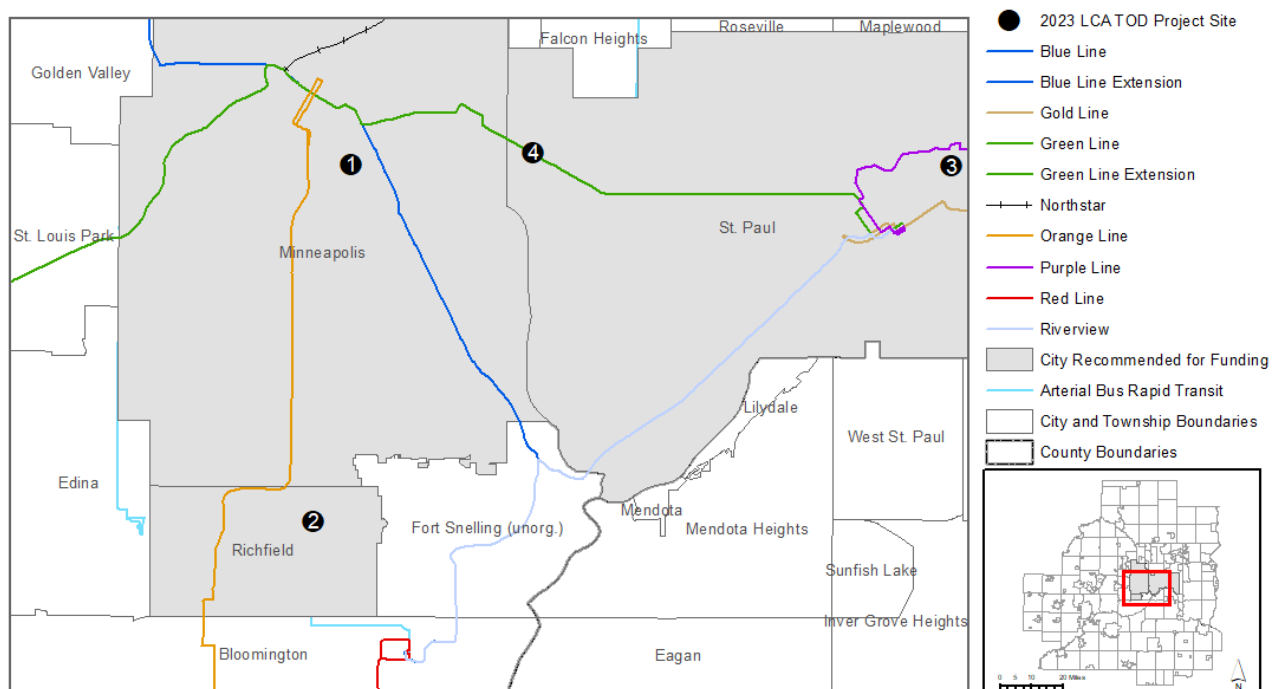
Seven applications were submitted, as shown in Table 2. Council staff conducted a preliminary review of each application and requested revisions for completeness and eligibility. The interdivisional team of Council staff then used Council-approved criteria to evaluate each application in the following 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. Six of the seven 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. The location of communities and project sites recommended for funding awards is shown in Figure 1.

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	7	7	6	4

Figure 1. LCDA-TOD Project Sites and Communities Recommended for Funding



1. Minneapolis: Native American Community Clinic + Housing - 1213 Franklin Avenue East, Minneapolis, MN 55404
2. Richfield: Aster Commons - 6613 Portland Avenue South, Richfield, MN 55423
3. Saint Paul: Project for Pride in Living - 892 East 7th Street, Saint Paul, MN 55105
4. Saint Paul: Film North - 2441 University Avenue West, Saint Paul, MN 55114

Source: Metropolitan Council, Livable Communities 2023

Table 3. LCDA-TOD Scoring Summary – all applications

Applicant	Project	Score	Rank	TOD Amount Requested	Proposed TOD Funding
City of Minneapolis	Native American Community Clinic Housing	84.2	1	\$2,000,000	\$2,000,000
City of Saint Paul	PPL - 892 7th Street East	84.2	2	\$975,000	\$975,000
City of Minneapolis	1301 W Lake St	67.4	3	\$1,750,000	\$0
City of Richfield	Aster Commons	62.0	4	\$1,000,000	\$1,000,000
City of Minneapolis	Unity Building	61.8	5	\$1,375,000	\$0
City of Saint Paul	Film North - 2441 University Ave W	58.8	6	\$888,750	\$888,750
City of Bloomington	1801 American	20.0	7	\$245,000	\$0
				Total Requested	\$8,233,750
				Total Recommended	\$4,863,750
				Total Available	\$5,300,000
				Total Remaining	\$436,250

Projects Not Recommended for Funding

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

1801 American

Applicant: City of Bloomington

Determination: Did not meet minimum Step One score or minimum equity score

Rationale:

- The application did not earn enough points for criteria related to housing affordability, economic opportunity, compact connected development and public realm, and reflectivity and responsiveness of the project team to its community.

1301 W Lake St

Applicant: City of Minneapolis

Determination: City award limit met

Rationale:

- The city’s maximum award limit of \$2,000,000 was allocated to projects that scored more points.
- The Step One review identified strengths in the application across scoring categories particularly in housing affordability.
- The application did not score as competitively on criteria related to economic opportunity and compact connected development in Step One and Step Two.

Unity Building

Applicant: City of Minneapolis

Determination: City award limit met

Rationale:

- The city’s maximum award limit of \$2,000,000 was allocated to projects that scored more points.
- The Step One review identified strengths in the application across scoring categories, particularly in economic opportunity for living wage job creation and its compact connected development built form.



- The application did not score as competitively on criteria related to housing affordability and addressing targeted environmental issues.

Projects Recommended for Funding

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

- Native American Community Clinic Housing, Minneapolis
- Aster Commons, Richfield
- 892 E 7th St, Saint Paul
- Film North, Saint Paul

Outcomes Summary

The summary below in Table 4 shows the expected outcomes from the 2023 LCDA-TOD awards in the region, aggregating outcomes from the recommended projects including housing units and jobs.

Table 4. Aggregate Outcomes of LCDA-TOD Projects Recommended for Funding by City

Outcome Area	Expected Amount
Total Housing Units	181
Affordable Housing Units (≤60% Area Median Income for Rental, ≤80% for Ownership)	181
Market Rate Housing Units	0
Total Permanent Jobs (new and preserved)	286
Full-time Jobs	217
Part-time Jobs	69
Living Wage Jobs	208

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 years 2025 - 2027. Table 5 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 5. Affordable Housing Need 2021-2030 and Total Proposed Affordable Units for LCDA-TOD Projects Recommended for Funding by City

City	Housing Units	Total	<30% of AMI	31% to 50% of AMI	51% to 80% of AMI *
City of Minneapolis	Proposed	83	33	42	8
	% of Need	2%	2%	9%	1%
	Total Need	3,499	1,551	494	1,454
City of Richfield	Proposed	38	20	18	0
	% of Need	16%	15%	31%	0%
	Total Need	242	132	58	52
City of Saint Paul	Proposed	60	17	43	0
	% of Need	5%	3%	17%	2%
	Total Need	1,973	832	128	1,013
Total Units Proposed		181	70	103	8
Total Percentage of Need		3%	3%	15%	0.3%
Total Need for Selected Cities		5,714	2,515	680	2,519

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



Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD
Applicant: City of Minneapolis
Project Name: Native American Community Clinic Housing
Project Location: 1213 Franklin Avenue East, Minneapolis, MN 55404
Council District: 6 – Lilligren

Project Detail	
Project Overview	The Native American Community Clinic Housing project will create new affordable housing while integrating the providers physical, mental, and behavioral health services along with administrative space under one roof. Developed in response to an increased demand for health services, the project includes the redevelopment of a 1980s era shopping center with surface parking on an active commercial artery into a new expanded 39,000 square foot medical clinic, 83 units of new affordable housing (30-60% AMI) and a public plaza space. 11 units (8 one-bedrooms and 3 four-bedrooms) will be set aside as supportive housing for individuals and families experiencing homelessness. 9 units (four two-bedroom and five three-bedroom) will be set aside for individuals who qualify for Persons with Disabilities (PWD).
Jobs	132 Total – 2 Part-time 130 Full-time
Living Wage Jobs	116
Total Housing Units	83
Affordable Units	83 Total – 33 @ <30% 42 @ 31-50% 8 @ 51-60%
Anticipated # Beds	174 Total – 20 One BR 42 Two BR 14 Three BR 7 Four+ BR
TOD Metrics	Floor-area ratio: 1.5 Dwelling units per acre: 41 Distance to station/stop: 2441 ft Blue Line – Franklin Ave Station Parking stalls/unit: 0.99 Parking stalls/1,000 sqft commercial: 2.4
Support for Award	<ul style="list-style-type: none"> • A result of strong partnerships and responsiveness to community need, creating increased housing choice and economic opportunity for underserved populations • Transformation of auto-centric site with greater density and intensity, a mix of uses providing essential services, and pedestrian oriented public spaces
Funding	
Requested Amount	\$2,000,000
Previous LCA funds	2022 LHIA \$750,000 2022 TBRA SEED \$5,000
Use of Funds	
\$2,000,000	TOTAL
\$2,000,000	Affordable Housing Construction Deliverable: Construction of 83 units of rental housing



Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD
Applicant: City of Richfield
Project Name: Aster Commons
Project Location: 6613 Portland Avenue South, Richfield, MN 55423
Council District: 5 – Pacheco

Project Detail	
Project Overview	Aster Commons is a new 38 unit deeply affordable multifamily project on Portland Avenue South in Richfield focused on serving young adults living with neurodiverse conditions. Elements of the project intended to support its target community include on-site management and service offices, community room, outdoor patio, and pathways. It includes 20 units at 30% AMI and 18 units at 50% AMI. There are 7 units set aside for High Priority Homeless (HPH) individuals and 6 units set aside for individuals who qualify for Persons with Disabilities (PWD).
Jobs	4 Total – 2 Part-time 2 Full-time
Living Wage Jobs	4
Total Housing Units	38
Affordable Units	38 Total – 20 @ <30% 18 @ 31-50%
Anticipated # Beds	38 Total – 38 One BR
TOD Metrics	Floor-area ratio: 1.06 Dwelling units per acre: 65 Distance to station/stop: 42 ft D-Line - Portland & 66th Street Parking stalls/unit: 0.29 Parking stalls/1,000 sqft commercial: N/A
Support for Award	<ul style="list-style-type: none"> • Expands housing choice in the community with affordable housing for underserved populations, including units for High Priority Homeless and Persons with Disabilities • Increases density and intensity of the site without significant parking, encouraging biking, walkability, and transit use
Funding	
Requested Amount	\$1,000,000
Previous LCA funds	None
Use of Funds	
\$1,000,000	TOTAL
\$1,000,000	Affordable Housing Construction Deliverable: Construction of 38 units of rental housing



Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD
Applicant: City of Saint Paul
Project Name: 892 7th Street East
Project Location: 892 East 7th Street, Saint Paul, MN 55105
Council District: 13 – Lee

Project Detail	
Project Overview	892 East 7th Street is a mixed-use development focused on providing affordable housing to multigenerational and ‘grandfamilies’ in the community. Large unit sizes and multi-bedroom configuration allow flexible living for grandfamilies or kinship families - households in which children reside with, and are being raised by grandparents, other extended family members, and adults with whom they have a close family-like relationship such as godparents and close family friends. The housing is coupled with ground floor community integrated supportive services and community reflective retail partners.
Jobs	75 Total – 0 Part-time 75 Full-time
Living Wage Jobs	75
Total Housing Units	60
Affordable Units	60 Total – 17 @ <30% 43 @ 31-50%
Anticipated # Beds	170 Total – 8 One BR 10 Two BR 28 Three BR 14 Four+ BR
TOD Metrics	Floor-area ratio: 1.41 Dwelling units per acre: 27.27 Distance to station/stop: 2167 ft Purple Line - Arcade Street Parking stalls/unit: 1.4 Parking stalls/1,000 sqft commercial: 2.2
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 community engagement and includes mix of uses reflective of community including services and retail
Funding	
Requested Amount	\$975,000
Previous LCA funds	2021 TOD Pre-Development \$75,000 2022 TBRA Site Investigation \$24,900
Use of Funds	
\$975,000	TOTAL
\$600,000	Affordable Housing Construction Deliverable: Construction of 60 units of rental housing
\$150,000	Renewable Energy Deliverable: Solar PV System
\$100,000	Stormwater Management Deliverable: Stormwater System
\$50,000	Design & Engineering Deliverable: Stormwater Design
\$50,000	Site Preparation Deliverable: Grading and Soil Correction
\$25,000	Placemaking Spaces Deliverable: Public Realm Enhancements



Livable Communities Project Summary

Grant # SG
Type: LCDA-TOD
Applicant: City of Saint Paul
Project Name: Film North
Project Location: 2441 University Avenue West, Saint Paul, MN 55114
Council District: 14 – Carter

Project Detail	
Project Overview	The 2441 Arts Restoration project is a partnership between Film North and D/O Architects Development to transform a former furniture showroom and warehouse into creative office and a nonprofit film studio headquarters. The project will feature a cinema lab space with a 750sqft 54-seat screening room and film classrooms. The project will also create a 'backyard' plaza as a community gathering space with plantings and infrastructure for outdoor film screenings.
Jobs	75 Total – 65 Part-time 10 Full-time
Living Wage Jobs	13
Total Housing Units	0
Affordable Units	0 Total
Anticipated # Beds	0 Total
TOD Metrics	Floor-area ratio: 1.8 Dwelling units per acre: N/A Distance to station/stop: 1153 ft Green Line – Raymond Ave Station Parking stalls/unit: 0 Parking stalls/1,000 sqft commercial: 0.17
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 opportunity and cultural activity in the community • Includes film screening space and provides outdoor public realm amenities for workers, guests, and the community
Funding	
Requested Amount	\$888,750
Previous LCA funds	None
Use of Funds	
\$888,750	TOTAL
\$292,875	Commercial Preservation Rehab Construction Deliverable: Public Plaza & Cinema
\$245,000	Commercial General Construction Deliverable: Cinema
\$200,000	Placemaking Spaces Deliverable: Public Plaza & Public Realm Enhancements
\$62,000	Site Preparation Deliverable: Demolition, Grading, and/or Soil Correction
\$88,875	Architectural & Engineering Deliverable: Cinema & Public Plaza designs

