

Committee Report

Community Development Committee



Committee Meeting Date: June 3, 2024

For the Metropolitan Council: June 12, 2024

Business Item: 2024-146

Funding Recommendations for 2024 Round One 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

Proposed Action

That the Metropolitan Council:

1. Award seven (7) Livable Communities Act Pre-Development Grants totaling \$1,000,000 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
City of Brooklyn Center	Pre-Development Immigrant Opportunity Center - Center for Asian and Pacific Islanders (CAPI)	\$296,000
City of Falcon Heights	Amber Flats Affordable Housing	\$204,000
City of Minneapolis	PennWood Village and Community Market	\$50,000
City of Minneapolis	New Nicollet	\$75,000
City of Minneapolis	Swank Eatery	\$75,000
City of St. Paul	1570 White Bear Ave. (Gloryville)	\$225,000
City of St. Paul	1036 Marshall (Rondo CLT)	\$75,000

Summary of Community Development Committee Discussion/Questions

Planning Analyst Hannah Gary presented the funding recommendations. Council Members had questions about the levels of specificity in project outcomes for Pre-Development applications as well as the number of suburban applications being submitted. Council Members also expressed support for the projects being recommended for funding. The motion passed unanimously.

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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 2024 LCA Pre-Development guidelines, criteria, and evaluation process as part of the Annual Livable

Communities Act Fund Distribution Plan ([Business Item 2024-41](#)) on February 14, 2024. The 2024 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 22, 2024, the Council received eight applications for Round One of LCA Pre-Development funding. The City of Brooklyn Center, the City of Falcon Heights, the City of Minneapolis, and the City of Saint Paul all submitted applications. A staff evaluation concluded that seven of the eight applications met eligibility requirements. One project from the City of Brooklyn Center was not eligible for review. Project details are included in the attached project summaries as well as rationale for the ineligible Brooklyn Center project.

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 2024 Fund Distribution Plan, the Council has two rounds of LCA Pre-Development funding in 2024 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 2024 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.

Review Process

The Council issued a notice of funding availability in February 2024 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.

Eight 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 and Project Process. Of the eight applications submitted, seven were eligible for review. All seven met the minimum score to be eligible for funding; of these, all seven (7) are being recommended for awards based on scoring and funding availability. The City of Minneapolis supports and finds value in both the Swank Eatery and the New Nicollet projects and will be splitting their remaining awarded funding between the two projects. The results of the staff evaluation are shown in Table 3.

Table 2. Application Summary

Grant Category	Submitted Applications	Applications Eligible for Review	Applications Meeting Minimum Score	Applications Recommended for Funding
LCA Pre-Development Round One	8	7	7	7

Table 3. Scoring Summary

Applicant	Project	Points	Amount Requested	Amount Recommended
St. Paul	1036 Marshall (Rondo CLT)	28	\$75,000	\$75,000
St. Paul	1570 White Bear (Gloryville)	28	\$225,000	\$225,000
Minneapolis	PennWood Village and Community Market	27	\$50,000	\$50,000
Minneapolis	New Nicollet	26	\$150,000	\$75,000
Brooklyn Center	Pre-Development Immigrant Opportunity Center - Center for Asian and Pacific Islanders (CAPI)	24	\$296,000	\$296,000
Falcon Heights	Amber Flats Affordable Housing	22	\$300,000	\$204,000
Minneapolis	Swank Eatery	22	\$150,000	\$75,000

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:

Brooklyn Center Community Center

Applicant: City of Brooklyn Center

Determination: Not eligible for review

Rationale:

- This is a capital project for the City of Brooklyn Center rather than a private project with public subsidy. Currently LCA does not support public capital projects.

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 Saint Paul
Project Name: 1570 White Bear Ave (Gloryville)
Project Location: 1570 White Bear Ave
Council District: 13 – Chai Lee

Project Detail	
Project Overview	Gloryville is a mixed-use development with affordable rental housing and 25,130 total square feet of commercial/retail space. The City's HRA selected this project to be developed on a City-owned parcel through a formal RFP process. This currently vacant site will provide affordable housing and employment opportunities for residents in the area. The project also intends to provide services for residents and will have units set aside for people with disabilities.
Use of Funds	
Award Amount	Uses & Deliverables
\$205,000	Architectural Design: Design development plans Development of stormwater management plan: Final stormwater management plan Market & Feasibility study: Final market study and feasible financial model Soil Testing: Geotechnical testing and report
\$20,000	Project management and/or developer mentoring: Results of project management and consultant meetings



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Saint Paul
Project Name: 1036 Marshall Ave (Rondo CLT)
Project Location: 1036 Marshall Ave
Council District: 14 – Toni Carter

Project Detail	
Project Overview	Rondo CLT is proposing an affordable homeownership infill development in the city of Saint Paul. The project intends to be targeted to families with three-bedroom units and shared greenspace. Additionally, the project team intends to have net-zero design and solar resources to maximize energy efficiency, minimize climate impact, and reduce costs for homeowners. Affordability is guaranteed in perpetuity with a 99-year ground lease.
Use of Funds	
Award Amount	Uses & Deliverables
\$75,000	<p>Architectural Design: Completed architectural design for affordable ownership units</p> <p>Design Workshops/Community Engagement: Documentation of two-three engagement events.</p>



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Minneapolis
Project Name: PennWood Village and Community Market
Project Location: 2125 Glenwood Ave N; 2117 Glenwood Ave N; 306 Penn Ave N; and 300 Penn Ave N
Council District: 7 – Yassin Osman

Project Detail	
Project Overview	The proposed project will turn four parcels into affordable housing and an accessible grocery store for nearby residents. The location is in a federally designated food desert and several grocers and food marts in the area have recently closed. The project intends to target families by creating three- and four-bedroom units in addition to partnering with the Stable Home Stable Schools program through the City of Minneapolis.
Use of Funds	
Award Amount	Uses & Deliverables
\$50,000	<p>Design Workshops/Community Engagement: LISC report, including participant feedback</p> <p>Market or Feasibility Study: Final commercial feasibility analysis and affordable housing pro forma</p> <p>Soil Testing: Reports from soil borings</p>



Livable Communities Project Summary

Grant # SG
Type: LCA Pre-Development
Applicant: City of Minneapolis
Project Name: New Nicollet
Project Location: 10 and 30 Lake Street W
Council District: 6 – Robert Lilligren

Project Detail	
Project Overview	The proposed project will reconnect Nicollet Ave and turn the area into a vibrant mixed-use community hub and add a new public park. The project proposes to add 600-800 new housing units with at least 20% of the units as affordable rentals or 10% as affordable ownership units. Ground floor units will be reserved for commercial uses and could create up to 55 new jobs.
Use of Funds	
Award Amount	Uses & Deliverables
\$75,000	Development Plans: Final market and feasibility studies, plans for massing and stacking, floor plans, parcels, phasing, parking, and access and utility plan



Grant # SG
Type: LCA Pre-Development
Applicant: City of Brooklyn Center
Project Name: Pre-Development Immigrant Opportunity Center - Center for Asian and Pacific Islanders (CAPI)
Project Location: 5950 Brooklyn Boulevard
Council District: 8 – Anjuli Cameron

Project Detail	
Project Overview	CAPI aims to expand its Immigrant Opportunity Center campus by developing the adjacent .84-acre parcel. The envisioned two-story mixed-use retail/commercial space will house CAPI's Financial Opportunity Center, tenant space for BIPOC-led nonprofit partners, community event and training spaces, and a technology and resource center alongside a childcare business incubator.
Use of Funds	
Award Amount	Uses & Deliverables
\$296,000	Architectural Design: Final design concept and construction documents



Grant # SG
Type: LCA Pre-Development
Applicant: City of Falcon Heights
Project Name: Amber Flats Affordable Housing
Project Location: 1644 Larpenteur Ave
Council District: 10 – Peter Lindstrom

Project Detail	
Project Overview	The proposed project will turn a parcel that is currently a parking lot into an all-affordable development with a mix of unit sizes. The project proposes 92 units to be affordable at 60% AMI.
Use of Funds	
Award Amount	Uses & Deliverables
\$204,000	Architectural Design: Final design concepts Development of stormwater management plan: Final stormwater management plan



Livable Communities Project Summary

Grant # SG

Type: LCA Pre-Development
Applicant: City of Minneapolis
Project Name: Swank Eatery
Project Location: 328 W Broadway
Council District: 7 – Yassin Osman

Project Detail	
Project Overview	The proposed project will renovate an existing building and develop a food hall with vendors and an open dining space. The development will also include office space. The project team anticipates this project creating 50 jobs, at least half of which would be living wage. The project team anticipates these jobs going to local residents and incorporating mentoring, job training, and employment for formerly incarcerated individuals.
Use of Funds	
Award Amount	Uses & Deliverables
\$75,000	Sustainable Designs: Alternative energy systems, passive building design concept planning and landscape planning for new site plan Site Plan Development: Final site plans Development of stormwater management plan: Final stormwater management plan Architectural Design: Final designs and results of structural feasibility study

