

Committee Report

Community Development Committee



Committee meeting date: September 3, 2024

For the Metropolitan Council: September 11, 2024

Business Item: 2024-234

Funding Recommendations for 2024 Round Two Livable Communities Act Pre-Development Grants

Proposed action

That the Metropolitan Council:

1. Award seven (7) Livable Communities Act Pre-Development Grants totaling \$1,050,000 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 Minneapolis	Remnant	\$150,000
City of Minneapolis	The Resolute	\$150,000
St. Louis Park EDA	Loeffler Crossing Predevelopment	\$293,500
City of Richfield	Penn Station	\$100,000
City of St. Paul	East Side Tennis & Community Center	\$100,000
City of St Paul	Hamm's Brewery Redevelopment West End	\$200,000
City of Blaine	Blaine Manufactured Home Replacement Need & Feasibility Assessment	\$56,500

Summary of Community Development Committee Discussion/Questions

Senior Planner Marcus Martin presented the staff report to the Committee. The Committee asked for more information about the prior pre-development awards to current application sites in Richfield and St Paul. The Committee also requested an elaboration of the evaluation score and clarification of the partial funding amount recommended for the project in Blaine. Multiple Committee members noted their support for preservation of manufactured housing as part of the solution to our regional need for affordable housing.

The Community Development Committee unanimously approved the recommendation at its meeting on September 3, 2024

Business Item

Community Development Committee



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Funding Recommendations for 2024 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: Marcus Martin, Senior Planner, Livable Communities (651) 602-1054
Division/Department: Community Development / Regional Planning

Proposed Action

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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 Metropolitan Council Communities Act Fund Distribution Plan ([Committee Report 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 July 22, 2024, the Council received nine applications for Round Two of LCA Pre-Development funding from the following five communities: Blaine, Minneapolis, Richfield,

Saint Louis Park, and Saint Paul. All nine applications meet eligibility requirements.

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. If not awarded in the LCA Policy development category, the balance of funding available may be used for Pre-Development awards. 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

There is \$1,000,000 available for LCA Pre-Development plus a \$50,000 balance available from the Policy Development grant categories for a total of \$1,050,000 for this funding cycle. 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.



Review Process

The Council issued a notice of funding availability in February 2024 after adopting the Annual Livable Communities Fund Distribution Plan. Additional notices were sent in June and July. 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. Nine 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. All nine requests met the minimum score to be eligible for funding; of these, seven (7) are being recommended for awards based on scoring, funding availability and limits per city. 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 2	9	9	9	7

Table 3. Scoring Summary

Applicant	Project	Points	Amount Requested	Amount Recommended
Minneapolis	Remnant	26	\$150,000	\$150,000
Minneapolis	The Resolute	25	\$150,000	\$150,000
St Louis Park EDA	Loffler Crossing Pre-Development	25	\$293,500	\$293,500
Richfield	Penn Station	24	\$100,000	\$100,000
St Paul	East Side Tennis & Community Center	22	\$100,000	\$100,000
Minneapolis	SFH 700 Building	22	\$150,000	\$0
St Paul	Hamm's Brewery Redevelopment West End	22	\$200,000	\$200,000
Minneapolis	Humboldt Triangles	21	\$114,520	\$0
Blaine	Blaine Manufactured Home Replacement Need & Feasibility Assessment	20	\$175,000	\$56,500

Total Recommended **\$1,050,000**

Total Available \$1,050,000

Total Remaining \$0



Projects Not Recommended for Funding

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

SFH 700 Building

Applicant: City of Minneapolis

Determination: Limited funding availability, city maximum award reached

Rationale:

1. The city's maximum award limit of \$300,000 in Round Two was allocated to higher priority projects

Humboldt Triangles

Applicant: City of Minneapolis

Determination: Limited funding availability, city maximum award reached

Rationale:

2. The city's maximum award limit of \$300,000 in Round Two was allocated to higher priority projects

Projects Recommended for Funding

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



Livable Communities Project Summary

Grant #	SG-
Type	LCA Pre-Development
Applicant	City of Blaine
Project Name	Blaine Manufactured Home Replacement Need and Feasibility Assessment
Project Location	Restwood Road and Naples Street, Blaine
Council District	10 - Peter Lindstrom

Project Detail	
Project Overview	Assessment of building conditions, costs, and financing options to prioritize replacement of an estimated 190 homes out of 851 existing manufactured homes to remain affordable for existing residents.
Previous LCA Funding	\$0
Use of Funds	
Award Amount	Uses & Deliverables
\$56,500	<p>Physical needs assessment: Assessments of up to 190 manufactured homes built prior to 1984 by a trained building inspector.</p> <p>Community Engagement: Copies of engagement materials prepared; Summaries of planned engagements held and/or surveys, and responses received.</p> <p>Feasibility Study: Documentation of costs for manufactured home replacement, sources of financing or funding, and financing scenarios.</p>



Livable Communities Project Summary

Grant # SG-
Type LCA Pre-Development
Applicant City of Minneapolis
Project Name Remnant
Project Location 4164 Aldrich Ave North Minneapolis
Council District 7 - Yassin Osman

Project Detail	
Project Overview	Design and market studies for up to 40 affordable apartments with supportive services and ground level community-focused commercial space. The project will also support workforce development by offering onsite job training services.
Previous LCA Funding	\$0
Use of Funds	
Recommended Award Amount	Uses & Deliverables
\$150,000	<p>Site or Building Design: Architectural, Stormwater, Landscape design, and Public Realm design plans</p> <p>Sustainability/Climate Action Design: Sustainable Building System Design plans including potential for Passive House certification.</p> <p>Conditions Assessments: Geotechnical soil study</p> <p>Impact Studies: Transportation Demand Management plan</p> <p>Financial Studies: Site Appraisal; Feasibility study including identification of key supportive services for prospective residents, local workforce development needs, and potential community-focused commercial services.</p> <p>Community Engagement: Copies of engagement materials prepared; Summaries of planned engagements held, and responses received.</p>



Livable Communities Project Summary

Grant # SG-
Type LCA Pre-Development
Applicant City of Minneapolis
Project Name The Resolute
Project Location 1300 West Broadway Avenue; 2011 Girard Avenue North; 2015 Girard Avenue North (Phase One) and 1314-1410 West Broadway Avenue (Phase Two), Minneapolis
Council District 7 - Yassin Osman

Project Detail	
Project Overview	<p>Engineering and architectural designs for a tenant-owned commercial building supporting 4-5 businesses and two additional buildings with a total of 100 affordable apartments and ground-level commercial space to be developed in two phases.</p> <p>Once complete, development phase one is expected to support 30 jobs and include workforce training space for workshops, seminars and certification courses. Additional employment opportunities are expected in the second development phase.</p>
Previous LCA Funding	\$37,200 TBRA 2020
Use of Funds	
Recommended Award Amount	Uses & Deliverables
\$150,000	Building or Site Design: Structural engineering; mechanical, electrical & plumbing (MEP) plans; and architectural design plans



Livable Communities Project Summary

Grant # SG-
Type LCA Pre-Development
Applicant City of Richfield
Project Name Penn Station
Project Location 6501-25 Penn Avenue South, Richfield
Council District 5 - John Pacheco Jr.

Project Detail	
Project Overview	Architectural design and financing options for 40-45 affordable apartments.
Previous LCA Funding	\$20,859 LCA Pre-Development 2020
Use of Funds	
Recommended Award Amount	Uses & Deliverables
\$100,000	<p>Building or Site Design: Site plan, floor plans, building exteriors and other architectural designs</p> <p>Financial Studies: Development proforma alternatives including identification of sources</p>



Livable Communities Project Summary

Grant # SG-
Type LCA Pre-Development
Applicant Saint Louis Park EDA
Project Name Loffler Crossing Pre-Development
Project Location 3745 Louisiana Avenue South, Saint Louis Park
Council District 8 - Anjuli Cameron

Project Detail	
Project Overview	Design, cost analysis, market studies, and financing options for a transit-oriented development with approximately 170 mixed-income apartments (including units affordable to household earning 30% of the area median income or less) with neighborhood-scale commercial space.
Previous LCA Funding	\$46,500 TBRA investigation 2024
Use of Funds	
Recommended Award Amount	Uses & Deliverables
\$293,500	<p>Building or Site Design: Architectural concept plans and development plans including a site plan identifying transit rider access to the adjacent LRT station; stormwater management plan; land survey</p> <p>Financial Studies: Market study of prospective commercial tenants and multi-family residents; Proforma for up to 3 development designs; Review of potential sources including a TIF analysis.</p> <p>Community Engagement: Copies of engagement materials prepared; Summaries of planned engagements held, and responses received</p>



Livable Communities Project Summary

Grant # SG-
Type LCA Pre-Development
Applicant City of Saint Paul
Project Name East Side Tennis and Community Center
Project Location 1449 Reaney Avenue East, Saint Paul
Council District 13 - Chai Lee

Project Detail	
Project Overview	Concept designs and sustainability studies for a non-profit community center and city park on a 15-acre site. The community center is expected to include multi-purpose space, classrooms and a workforce development opportunity for BIPOC youth retaining 5 full-time equivalent (FTE) jobs and adding 15 new FTE jobs.
Previous LCA Funding	\$61,086 TBRA 2011, 2021 \$106,956 LCA Pre-Development 2018, 2021
Use of Funds	
Recommended Award Amount	Uses & Deliverables
\$100,000	<p>Building or Site Design: Up to 2 site plans and related architectural schematic designs</p> <p>Sustainability/Climate Action Design: Evaluation of sustainable systems and materials to be added and actions supporting environmental conservation and habitat preservation.</p> <p>Community Engagement: Copies of engagement materials prepared; Summaries of planned engagements held, and responses received</p>



Livable Communities Project Summary

Grant # SG-
Type LCA Pre-Development
Applicant City of Saint Paul
Project Name Hamm's Brewery Redevelopment - West End
Project Location 680-694 Minnehaha Avenue East, Saint Paul
Council District 13 - Chai Lee

Project Detail	
Project Overview	Design studies for the adaptive re-use of a former brewery into approximately 89 affordable apartments with studio spaces, workshops, and gallery space and an estimated 30,000 square feet of commercial space for entrepreneurs.
Previous LCA Funding	\$100,000 TBRA investigation 2023 (2 grants) \$475,000 LCA Pre-Development 2023 (2 grants: one of which was for East side of the development only)
Use of Funds	
Recommended Award Amount	Uses & Deliverables
\$200,000	Building or Site Design: Architectural design plans for historic tax credit applications; Refinement of site improvement plans for pedestrian and biking access to nearby public trails

