



## **Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED**

**Date:** January 17, 2012

**To:** Council Member Lisa Goodman, Community Development Committee

**Referral to:** Council Member Betsy Hodges, Ways and Means/Budget Committee

**Subject:** **2011 Metropolitan Council Livable Communities Demonstration Account (LCDA) Grants**

### **Recommendation:**

- 1) Accept and appropriate Metropolitan Council Livable Communities Demonstration Account (LCDA) grants of \$488,170 for the Emanuel Housing project, \$400,000 for the ArtCube/Artspace project, \$433,771 for the Currie Park Lofts project, and \$100,000 in pre-development funds for the West Bank Station Development Parcel project; authorize execution of Grant and Sub-recipient Agreements.
- 2) Amend the 2011 General Appropriation Resolution by increasing the Community Planning & Economic Development Agency Fund 01600–Other Grants-State and Local (01600-8900220) by \$1,321,941 (distributed as noted above).
- 3) Amend the 2011 General Appropriation Resolution by increasing the Community Planning & Economic Development Agency Fund 01600–Other Grants-State and Local (01600-8900320) by \$100,000 (distributed as noted above).
- 4) Increase the 2011 Revenue Budget for the Community Planning & Economic Development Agency Fund 01600–Other Grants-State and Local (01600-8900900-321513) by \$1,421,941 (distributed as noted above).
- 5) Authorize appropriate City staff to execute such agreements as may be necessary to implement the Metropolitan Council Livable Communities Demonstration Account (LCDA) grants with the Metropolitan Council; RS Eden; Artspace; Fine Associates (or affiliated entities).

### **Previous Directives:**

- On June 17, 2011, the City Council authorized submission of six (6) grant applications (Emanuel Housing, Corcoran Triangle, ArtCube, Spirit on Lake, Currie Park Lofts, and West Bank Station Development Parcels).
- For the Emanuel Housing project, the City Council has previously awarded Affordable Housing Trust Funds and Low Income Housing Tax Credits.

- For the Artspace project, in 2010 the City Council awarded exclusive development rights to Artpace for the Washington Ave frontage of 800 Washington Ave.
- For the Currie Park Lofts project, the Council has previously authorized acceptance of a number of Hennepin County and Metropolitan Council grants to the project, as well as a 2006 AHTF award.
- For the West Bank Station Development Parcel project, the approved Cedar-Riverside small area plan anticipates development of some of the excess ROW surrounding the station area.

### Department Information

Prepared by: Amy Geisler, Senior Project Coordinator, (612) 673-5266	
Approved by: Charles T. Lutz, Interim Director, CPED	_____
Thomas A. Streitz, Director, Housing Policy & Development	_____
Presenters in Committee: Amy Geisler, CPED, Housing Policy & Development	
Funding Source and Appropriation	
Language Reviewed by Development Finance:	_____

### Financial Impact

- Action requires an appropriation increase to the Capital Budget or Operating Budget  
 Dept Name: Community Planning & Economic Development – 8900220 and 8900320  
 Fund Name: 01600 - Other Grants-State and Local  
 Amount: \$1,421,941
- Action provides increased revenue for appropriation increase  
 Dept Name: Community Planning & Economic Development - 8900900  
 Fund Name: 01600 - Other Grants-State and Local  
 Amount: \$1,421,941
- Action is within the Business Plan
- Request provided to the Finance Department

### Community Impact

- Neighborhood Notification: Neighborhood review of grant-funded projects is one criterion in the selection of applications to forward to the Met Council.
- City Goals: A Safe Place to Call Home; Livable Communities, Healthy Lives
- Sustainability Targets: Affordable Housing Units; Air Quality; Bicycle Lanes and Paths; Permeable Surface.
- Comprehensive Plan: Section 4.1: Minneapolis will encourage reinvestment along major urban corridors as a way of promoting growth in all neighborhoods. Section 4.9: Minneapolis will grow by increasing its supply of housing. Section 4.10: Minneapolis will increase its housing that is affordable to low and moderate income households. Section 4.11: Minneapolis will improve the availability of housing options for its residents. Section 4.15: Minneapolis will carefully identify project sites where housing redevelopment or housing revitalization are the appropriate responses to neighborhood conditions and market demand.

### Supporting Information – 2011 LCDA Awards

On December 14, 2011, the Metropolitan Council awarded Livable Communities Demonstration Account (LCDA) development grants to the Emanuel Housing project (\$488,170), the ArtCube/Artspace project (\$400,000), the Currie Park Lofts project (\$433,771), and pre-development funds for the West Bank Station Development Parcel project (\$100,000). Staff is now requesting City Council authorization to accept and appropriate the LCDA grant awards, and to enter into any necessary related agreements.

## **Grant Application and Award Process**

The Livable Communities Demonstration Account was established by the Livable Communities Act [Minnesota Statutes Chapter 473.25, (b)]. The Demonstration Account provides funds to development or redevelopment projects that connect development with transit, intensify land uses, connect housing and employment, provide a mix of housing affordability, and provide infrastructure to connect communities and attract investment. Application is open to cities participating in the Local Housing Incentives Program of the Livable Communities Act, on behalf of proposals in their communities.

There was considerable competition for LCDA funds this year. The Metropolitan Council received 36 applications competing for a total of \$9 million. Ultimately, the Metropolitan Council approved 14 LCDA Development grants totaling \$8,447,000 and 6 Pre-Development grants totaling \$553,000. These totals include \$1,421,941 (or 16%) to the City of Minneapolis. As in past years, Minneapolis projects ranked well compared to applications from other cities in the metropolitan area. Two projects (Corcoran Triangle and Spirit on Lake) scored high enough to receive funding, but were excluded in order to remain under the 40% cap that applies to awards for Minneapolis and St. Paul. Currie Park Lofts was also only partially funded due to the cap.

### **Project Summaries**

Emanuel Housing (RS Eden). Emanuel Housing is a 101-unit supportive housing project to be located at 822 S Third Street, near the Downtown East LRT Station. The project will serve very low-income individuals, many of whom are currently homeless and/or disabled. The building will also include space for the Council on Crime and Justice and Minnesota Health Care for Homeless Veterans. LCDA funding will be used for stormwater improvements and other site preparation work.

ArtCube/Artspace (Artspace). Artspace is proposing to construct a new building on the Washington Avenue frontage of the City-owned liner parcel across from the Guthrie Theater. The project will include 61 live-work units of affordable rental housing for artists and 12,000 square feet of first floor retail/office space. LCDA funding will be used for stormwater and other site improvements.

Currie Park Lofts (Fine Associates). Currie Park Lofts will include 260 mixed-income rental units along with first-floor commercial space. The project is located along 15<sup>th</sup> Ave S at 6<sup>th</sup> St S, near the West Bank LRT station. LCDA funding will be used for site preparation and stormwater improvements.

West Bank Station Development Parcels (CPED). LCDA funding will be used for title and survey work necessary to facilitate development of excess right-of-way near the West Bank.

### **LCDA Grant Application Processing and Administration Fees**

In early 2011, the City Council authorized the collection of LCDA application and administration fees, beginning with the 2011 application round. Per City Council approval, a \$750 fee was collected for all five LCDA Development applications that were submitted to the Met Council. Additionally, all three LCDA Development applications that received awards will be subject to a 3% administrative fee, which will be due at the time a subrecipient agreement is executed with the developer.