



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

Date: July 10, 2012
To: Council Member Lisa Goodman, Community Development Committee

Subject: CPED'S STATE & REGIONAL REDEVELOPMENT GRANT APPLICATIONS and AWARDS – 2011 FUNDING ROUNDS; REDEVELOPMENT GRANT TRENDS

Recommendation: Receive and file this annual report.

Prepared by: Paula Mazzacano	
Approved by: Charles T. Lutz, Deputy Director CPED	_____
Jeffrey Streder, Director Development Finance	_____
Presenters in Committee: Paula Mazzacano (612 673-5129)	

Financial Impact

No financial impact

Community Impact

City Goals: The projects funded during 2011 will help forward these City goals: A safe place to call home (homelessness eliminated; youth... in school, involved, inspired and connected to an adult); Jobs and economic vitality (businesses – big and small – start here, stay here; thrive here; strong commercial corridors, thriving business corners; proactive business development in key growth areas); Livable communities, healthy lives (thoughtful neighborhood design with density done right; high-quality affordable housing for all ages and stages in every neighborhood; active lifestyles: walkable, bikeable, swimmable; plentiful arts, cultural and recreational opportunities); Many people, one Minneapolis (family-friendly opportunities and amenities abound).

Sustainability Targets: These grant funds will help the City realize its sustainability targets to create affordable housing at several income levels and remediate brownfield sites for redevelopment.

Supporting Information

2011 Results

CPED's State & Regional Redevelopment Grant Applications and Awards – 2011 Funding Rounds report lists the redevelopment grants applied for and awarded during 2011 funding rounds. Grant funds for two of the awarded projects, Hennepin County West Broadway Hub, and Marshall Street Boat Basin, were turned back to the grantors. This report does not track grants applied for and awarded to METP and Planning (other than Legacy funds), or Federal grant funds.

In 2011, grant applications totaling almost \$22.3 million yielded awards in excess of \$13.42 million. Eighty seven (87) grant applications were submitted on behalf of forty five (45) separate projects; fifty eight (58) grants were awarded to thirty six (36) separate projects (some projects received multiple grant awards). Details can be found on Attachment A.

Projects awarded grant funds will help the City realize four of its goals:

- A Safe Place to Call Home
- Jobs and Economic Vitality
- Livable Communities, Healthy Lives
- Many People, One Minneapolis

Grantors include: Hennepin County (Environmental Response Fund, Transit Oriented Development); the Metropolitan Council (Livable Communities Demonstration Account, Local Housing Incentives Account, Livable Communities Predevelopment, and Tax Base Revitalization Account); Minnesota Department of Employment and Economic Development (DEED) (Contamination Cleanup and Investigation Grant Programs); and State of Minnesota (Historic Preservation Legacy Grant Program).

CPED Trends – State and Regional Redevelopment Grants

During the 2008 through 2011 funding rounds, grant awards total over \$43.93 million. Eight (8) state and regional grant programs provided the greatest amount of redevelopment grant funding for Minneapolis projects, totaling \$42,440,660 awarded over four years:

Grant Program:	Grant funds awarded 2008- 2011:
Hennepin County Environmental Response Fund (ERF)	\$8,824,123
MN Department of Employment & Economic Development (DEED) Contamination Investigation and Cleanup	\$8,714,473
Metropolitan Council Livable Communities Demonstration Account (LCDA)	\$6,574,582
Metropolitan Council Tax Base Revitalization Account (TBRA)	\$5,601,050

Grant Program (cont.):	Grant funds awarded 2008- 2011:
Hennepin County Transit Oriented Development (TOD)	\$4,785,000
MN Department of Employment & Economic Development (DEED) Bioscience Business Development Public Infrastructure	\$3,500,000
MN Department of Employment & Economic Development (DEED) Redevelopment	\$2,781,432
Metropolitan Council Local Housing Incentives Account (LHIA)	\$1,660,000
Total Grant Awards – Major Programs	\$42,440,660

The City has also been successful in securing funds from new and occasional grant sources, including Council for Excellence in Government (\$5,000 in 2008), DEED Construction Mitigation (\$4,600 in 2010), Living Cities (\$125,000 in 2009), Metropolitan Council Livable Communities Predevelopment (\$100,000 in 2010 and \$100,000 in 2011), Minnesota Housing Community Revitalization \$750,000 in 2010), and Minnesota State Heritage Preservation Office (\$57,000 in 2009, \$200,000 in 2010, and \$150,000 in 2011).

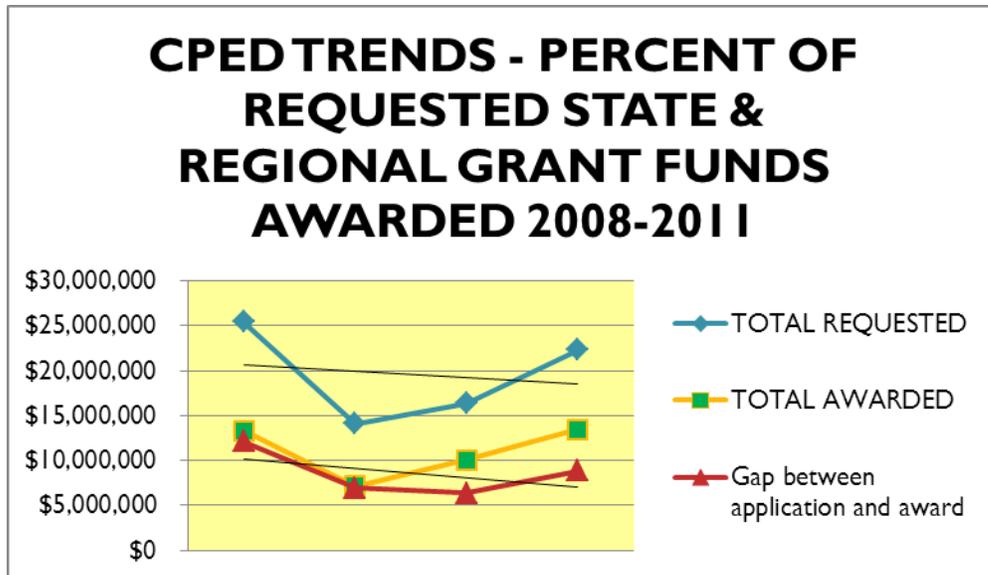
Of the four years spanning 2008 through 2011, 2011 saw the most activity in terms of both the number of grants applied for and funds awarded. Minneapolis projects continue to rank highly with grantors, competing strongly at county, regional and state levels. However, funding for the various grant programs is not assured, or stable from one grant round to the next. Fewer grant funds were available from DEED and Metropolitan Council in 2009, which clearly impacted Minneapolis projects. New grant products will be available from Metropolitan Council in 2012. The “2012 CPED Consolidated Grant Calendar” is included for reference as Attachment B.

Applications & Awards:	2008	2009	2010	2011
Number of grants applied for	71	69	60	87
Number of grants awarded	53	34	41	58
Percent of requested grants awarded	74.6%	49.3%	68.3%	66.7%
Dollar amount of grant funds requested	\$25,450,698	\$14,119,810	\$16,369,757	\$22,299,248
Dollar amount of grants awarded	\$13,318,219	\$7,157,772	\$10,032,502	\$13,423,767
Percent of requested grant funds awarded	52.3%	50.7%	61.3%	60.2%

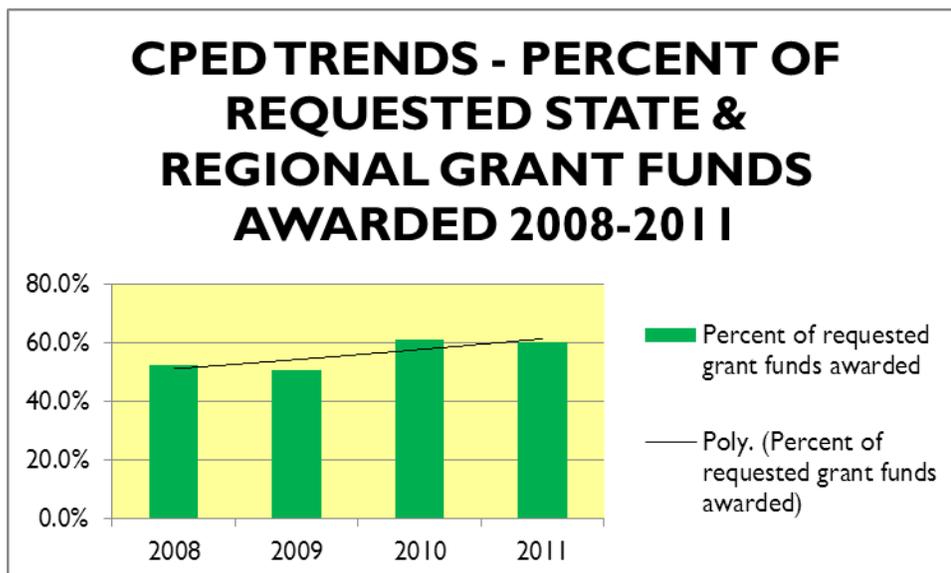
The amount of requested funds awarded in 2011 grew dramatically from 2010. Grantors focused on projects demonstrating a high level of readiness to proceed, and

Minneapolis projects scored well. Many of the projects funded in 2011 will add to the City's supply of affordable housing.

As is evident in the graphs below, state and regional redevelopment grants provide an important source of revenue for CPED projects. From 2008 through 2011, the amount of grant funds both requested and awarded shows a declining trend (hash-marked line). This can largely be explained by the de-funding of the May 2009 TBRA grant round. CPED has been both aggressive and successful in securing grant funds in 2010 and 2011.



The percentage of requested grant funds awarded from 2008 through 2011 shows an increasing trend over the past four years. Although fewer grant funds were available in 2009, the year's performance was still relatively strong.



This table shows the amounts requested and awarded, by grant program, for the years spanning 2008 through 2011:

**CPED TRENDS - STATE AND REGIONAL GRANTS
REQUESTED & AWARDED 2008-2011**

REQUEST BY GRANT PROGRAM	2008	2009	2010	2011
Council for Excellence in Government	\$5,000	\$0	\$0	\$0
DEED Construction Mitigation	\$0	\$0	\$10,000	\$0
DEED Contam Cleanup/Investigation	\$1,743,965	\$2,489,030	\$1,543,760	\$4,928,188
DEED Bioscience Business Devel. Public Infrastructure	\$6,850,000	\$0	\$0	\$0
DEED Redevelopment	\$4,681,216	\$1,514,063	\$664,972	\$0
DEED MN Investment Fund	\$0	\$0	\$0	\$0
Hennepin County ERF	\$2,006,033	\$4,038,031	\$3,147,172	\$3,713,240
Hennepin County TOD	\$4,341,000	\$3,033,673	\$4,905,832	\$4,342,015
Living Cities	\$0	\$125,000	\$0	\$0
Met Council LCDA	\$3,520,741	\$995,400	\$2,501,900	\$2,794,880
Met Council LHIA	\$260,000	\$575,000	\$0	\$825,000
Met Council Predevelopment	\$0	\$0	\$100,000	\$100,000
Met Council TBRA	\$1,542,743	\$566,613	\$2,272,121	\$4,975,925
MHFA Community Revitalization	\$500,000	\$0	\$750,000	\$0
MN SHPO	\$0	\$783,000	\$474,000	\$620,000
TOTAL REQUESTED	\$25,450,698	\$14,119,810	\$16,369,757	\$22,299,248
AWARD BY GRANT PROGRAM	2008	2009	2010	2011
Council for Excellence in Government	\$5,000	\$0	\$0	\$0
DEED Construction Mitigation			\$4,600	\$0
DEED Contam Cleanup/Investigation	\$1,168,823	\$1,634,518	\$1,500,443	\$4,410,689
DEED Bioscience Business Devel. Public Infrastructure	\$3,500,000	\$0	\$0	\$0
DEED Redevelopment	\$2,169,022	\$321,938	\$290,472	\$0
DEED MN Investment Fund	\$0	\$0	\$0	\$0
Hennepin County ERF	\$2,006,033	\$2,786,316	\$1,876,837	\$2,154,937
Hennepin County TOD	\$1,480,000	\$545,000	\$815,000	\$1,945,000
Living Cities		\$125,000	\$0	\$0
Met Council LCDA	\$2,020,741	\$943,000	\$2,288,900	\$1,321,941
Met Council LHIA	\$260,000	\$575,000	\$0	\$825,000
Met Council Predevelopment	\$0	\$0	\$100,000	\$100,000
Met Council TBRA	\$708,600	\$170,000	\$2,206,250	\$2,516,200
MHFA Community Revitalization	\$0	\$0	\$750,000	\$0
MN SHPO	\$0	\$57,000	\$200,000	\$150,000
TOTAL AWARDED	\$13,318,219	\$7,157,772	\$10,032,502	\$13,423,767

ATTACHMENT A

**CPED'S STATE & REGIONAL REDEVELOPMENT GRANT
APPLICATIONS & AWARDS – 2011 FUNDING ROUNDS**

ATTACHMENT B

2012 CPED CONSOLIDATED GRANT CALENDAR