



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

Date: July 24, 2012

To: Council Member Lisa Goodman, Community Development Committee

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

**Subject: Applications for Grant Funding from the 2012 Round 2  
Metropolitan Council Livable Communities Demonstration Account  
TOD Grants and Tax Base Revitalization Account Contamination  
Cleanup TOD Grants**

### **Recommendation:**

Approve the attached resolution authorizing submission and priority ranking of grant applications to the Metropolitan Council Livable Communities Demonstration Account (LCDA) TOD grants and Metropolitan Council Tax Base Revitalization Account (TBRA) TOD grants as discussed within the report.

### **Previous Directives:**

The City Council considers submission of LCDA and TBRA applications to the Metropolitan Council on an annual basis, and TOD applications as funds are available.

Prepared by: David Frank, Director of Transit Development

Approved by: Charles T. Lutz, Deputy Director, CPED \_\_\_\_\_

Presenter in Committee: Amy Geisler, CPED Multifamily Housing

### **Financial Impact**

No financial impact

### **Community Impact**

Neighborhood Notification: n/a

City Goals: A Safe Place to Call Home; Jobs and Economic Vitality; Eco-Focused; Livable Communities, Healthy Lives; Many People One Minneapolis; A City That Works.

Sustainability Targets: Affordable Housing Units; Air Quality; Bicycle Lanes and Paths; Permeable Surface.

Comprehensive Plan: 1.5 - Promote growth and encourage overall city vitality by directing new commercial and mixed-use development to designated corridors and districts; 1.13:

Support high density development near transit stations in ways that encourage transit use and contribute to interesting and vibrant places; 3.2: Support housing density in locations that are well connected by transit, and are close to commercial, cultural and natural amenities; 3.6:

Foster complete communities by preserving and increasing high-quality housing opportunities suitable for all ages and household types.

### **Supporting Information**

The Metropolitan Council recently announced the availability of \$9 million in funding for transit oriented development (TOD) activities in identified "TOD areas." The Livable Communities (LCA) TOD program will leverage the region's public investment in its transit infrastructure by focusing on proposals which are located in the following areas:

- Within a DEED designated Transit Improvement Area (TIA) or area eligible for TIA designation;
- within a one-quarter mile radius along designated high frequency local bus lines; or
- within a one-half mile radius of a bus stop or station on designated high-frequency express routes.

The purpose of this funding is to assist LCA-participating communities to implement transit oriented development which demonstrates how increasing density around transit stations can reduce dependence on automobile ownership, vehicular traffic, and associated parking requirements which would otherwise be necessary to support a similar level of more traditional development and also encourage more transit ridership.

The Livable Communities TOD program is an extension of the established Tax Base Revitalization Account (TBRA) and Livable Communities Demonstration Account (LCDA) funding. Of the \$9 million available in this second round, \$6 million will be awarded for LCDA eligible activities, and \$3 million will be awarded for TBRA eligible activities. Minneapolis is eligible to compete for 50% of the LCDA TOD funding, or \$3 million. Minneapolis is eligible to compete for 50% of the TBRA TOD funding, or \$1.5 million, and if requests for TBRA TOD funding exceed the available funding in this round, no more than 75% of available funding may be awarded to TOD Projects in Minneapolis and Saint Paul combined. The Met Council has indicated that an additional TOD grant round may take place early next year.

Cities may submit applications for projects to be undertaken directly by the City or may sponsor applications submitted by private developers. The 2012 TOD Grants Application Guide is attached to this report.

### **City Application Review Process**

In this round, the City has been requested to sponsor 10 grant applications totaling \$6.4 million. One submitted application, from Pillsbury Lofts, was subsequently withdrawn. Each city may submit up to three applications, which must be ranked according to priority before submission to the Metropolitan Council.

The CPED Sector teams, along with the assigned CPED project coordinator, reviewed each application and provided comments on overall project readiness and compatibility with the TOD grant program. A cross-CPED staff team scored each application according to criteria based on TOD program requirements and City priority, including readiness. The CPED Directors also participate in scoring applications, with regard to project readiness and City priority.

The recommended project ranking can be found below.

## **2012 Second Round LCDA TOD Applications and Recommended Ranking**

	<b>rank</b>	<b>Project</b>	<b>Applicant</b>	<b>Ward</b>	<b>LCDA Request</b>
	1	Currie Park	Fine Associates	2	993,229
	2	Corcoran Triangle	Wellington	9	505,000
recommended	3	Mill City Quarter	Lupe	7	1,000,000
not recommended	4	L & H Station	L&H Station	9	1,132,000
	5	Junction Flats	Trammell Crow	5	625,000
	n/a	Pillsbury Lofts	Dominium	3	withdrawn
		<b>Total Requests</b>			<b>4,262,000</b>

## **2012 Second Round TBRA TOD Applications and Recommended Ranking**

	<b>rank</b>	<b>Project</b>	<b>Applicant</b>	<b>Ward</b>	<b>LCDA Request</b>
all recommended	1	West Broadway Curve	Common Bond	5	56,533
	2	Mill City Quarter	Lupe	7	810,000
	3	Junction Flats	Trammell Crow	5	548,500
	4	Elan of Uptown	Greystar	10	700,500
		<b>Total Requests</b>			<b>2,115,533</b>

### **Metropolitan Council Application Review Process**

City Staff will submit applications to the Metropolitan Council, based upon the project ranking approved by the City Council. Applications are due August 13, 2012.

A Metropolitan Council staff evaluation team will review and score eligible LCDA TOD and TBRA TOD proposals using TOD grant criteria and guidelines. Applications must score 45 or more points out of a possible 75 points on the Step One criteria to advance to the Step Two evaluation process. These criteria include:

- The proposal's ability to produce affordable housing;
- The proposal's ability to create or preserve employment opportunities;
- The degree to which the proposal is visible from the station area and the intensity of future use of the site;
- Established funding partnerships;
- The proposal's demonstration value and potential to provide area-wide benefits;
- The proposal's ability to be catalytic to attracting private sector investment; and
- Project readiness and anticipated timeframe of development.

Met Council staff will recommend awards to the Council's Community Development Committee in December 2012. Awards are expected to be considered by the full Council in January 2013.

### **Project Summaries - LCDA TOD Development Applications**

**Currie Park Lofts** (Fine Associates, requesting \$993,229), 515 15<sup>th</sup> Ave S. Currie Park Lofts will be a general occupancy, mixed-income, transit-oriented rental housing complex along 15th Ave S., between 4th and 6th St S. It will be next to the Cedar-Riverside station of the Hiawatha LRT line and steps from the West Bank Central Corridor LRT station. It will use the

last large undeveloped parcel in the area, now only used for parking lots. The site has outstanding transit-oriented urban location, in front of Currie Park and with commanding views of the Minneapolis skyline. Its R-6 zoning allows the highest density residential use in Minneapolis, and the Franklin/Cedar-Riverside TOD Master Plan earmarked it for transit-oriented high density housing. The building is a 6-story elevator building which will include 259 residential units, about 6,000 sq ft of neighborhood commercial space and up to 260 stalls of structured parking. Abundant bike racks will be available for the residents, their guests and the commercial spaces users. The project will add needed quality affordable rental housing to Minneapolis. It will have a desirable mix of affordability levels: 20% of the units will be affordable to individuals/households earning 50% or less of the Mean Metropolitan Income (MMI); another 60% will be affordable to individuals/households earning 60% or less of the MMI ("workforce housing"). The remaining units will be at market rate.

**Corcoran Triangle** (Wellington, requesting \$505,000), 31xx 24<sup>th</sup> Ave S. Corcoran Triangle is a 103-unit mixed-income affordable housing development poised to revitalize the intersection of 32nd and Hiawatha on an oddly shaped, triangular parcel. This transit-oriented development, consisting of two, 4-story buildings, will be constructed in an energy-efficient, modern style reflective of recent market-rate developments in Corcoran and along the LRT, but will be accessible to households with a range of incomes. The project will create 103 new workforce housing multifamily units serving a variety of incomes and family sizes. It includes 11 supportive housing units for long term homeless households living with HIV/AIDS. After construction, Corcoran Triangle will elevate the parcel from the least desirable site use – vacant, blighted land – to one of the most desirable uses: high quality, innovative and well-managed rental housing. Further, the project addresses a gap in workforce housing in the Corcoran neighborhood and places units directly along the Hiawatha Light Rail Transit (LRT) line adjacent to multiple services and amenities.

**Mill City Quarter** (Lupe Development, requesting \$1,000,000), 2nd Street South between 3rd Avenue and 5th Avenue. Mill City Quarter will add life cycle housing to the downtown core and provide 250 rental units in a wide mix of service points ranging from independent living to supportive and assisted care. The project consists of two buildings separated by a historic view corridor serving as a connection to the Mississippi River. The west building, to be constructed first, will house first floor retail, likely a pharmacy or grocery store, with 125 units of affordable housing above, marketed to, but not restricted to, senior living. These units will have rents meeting the 50% and 60% MMI requirements for affordable housing. The East Building, will house 125 units of market rate assisted living and memory care housing. Ecumen Social Services has agreed in principle to be the project property manager and the site will be branded as an Ecumen senior care facility. The project will also provide street level connections linking the nearby Hiawatha Light Rail to housing and retail while also interconnecting bike and pedestrian corridors on the River Road, the Stone Arch Bridge and the Mississippi River corridor to the street grid through the historic view corridor between the two buildings. It is anticipated that residents of the proposed redevelopment will be less prone to own automobiles and will be more reliant on alternative modes of transportation. As part of the project, construction of a dedicated bike parking facility, possible with rentals, will be included. The project will also include additional elements that will provide for upgraded stormwater management infrastructure to reduce the burden on the existing infrastructure and provide for a positive impact on the nearby river.

**L & H Station** (L & H Development, requesting \$1,000,000), 2225 East Lake Street. L & H Station is a mixed-use residential, civic and commercial project that represents the best and largest opportunity for transit-oriented development in South Minneapolis. Located at the corner of Lake & Hiawatha, the site is directly adjacent to the Lake Street Station. With its thoughtfully phased design, L&H will promote smart growth and a high quality of life in the East Lake Street/Midtown area, leveraging recent public and private investment along the

transit corridor. The project consists of four separate but potentially concurrent phases, the first of which is the subject of this application, and includes:

- A public Market Plaza that includes major improvements to the Lake Street LRT station and Lake Street access, new infrastructure for the Midtown Farmer's Market, and reconnects the City street grid for pedestrians and bicyclists; and
- a high-quality 125 unit market rate rental housing building.

L&H is oriented toward LRT and bus transit through the development of the public pedestrian plaza that includes enhanced platform access to Lake Street Station and a pedestrian promenade along the Lake Street elevation. A bicycle trail will connect through the site along its eastern edge. Surface parking will be removed from the streetscape and tucked behind/between/under buildings to disassociate the development from personal vehicles and focus orientation on transit and pedestrian alternatives.

**Junction Flats** (Trammell Crow, requesting \$625,000), 643 5<sup>th</sup> St N. Junction Flats is a 182-unit apartment building in the North Loop area of Minneapolis on a 1.37 acre site. The site is currently vacant and deteriorated. Environmental cleanup and demolition of an existing structure is required to construct the six-story building and related parking. The project will incorporate many green features within the building and onsite. Located within walking distance of three LRT stations, many bus routes, dedicated bike lanes and completely sidewalk accessible will support multi-modal transportation uses. Stormwater, currently unmanaged or treated, will be detained and released slowly after suspended solids have settled. Converting this underutilized, dilapidated building into attractive neighborhood housing achieves many city policy objectives. However, for project success, grant resources are necessary.

### **Project Summaries - TBRA TOD Contamination Cleanup Applications**

**West Broadway Curve** (Common Bond, requesting \$56,533), 1926-2022 West Broadway Avenue. West Broadway Curve is a 53 new mixed-income/workforce rental housing units for families at 1926-2022 West Broadway, along the Bottineau Corridor. This three story development is located in zip code 55411 which is defined as a "high need zip code" with the greatest foreclosure need; this area of Minneapolis that was disproportionately affected by the foreclosure crisis due to the prevalence of predatory lending in lower-income neighborhoods. The development addresses the shortage of affordable general occupancy family housing by providing a unit mix that includes two and three bedrooms to attract a variety of households, from couples to large families. Ninety-one percent of the units will be affordable to households earning 50-60% of area median income for an affordability period of 30 years. Five units will be market rate housing. This mixed-income environment will attract a "workforce" target market, including employees at the new Minneapolis Public School headquarters building and the proposed Hennepin County service center just east of the project site on West Broadway.

**Mill City Quarter** (Lupe Development, requesting \$810,000), 2nd Street South between 3rd Avenue and 5th Avenue. Mill City Quarter will add life cycle housing to the downtown core and provide 250 rental units in a wide mix of service points ranging from independent living to supportive and assisted care. The project consists of two buildings separated by a historic view corridor serving as a connection to the Mississippi River. The west building, to be constructed first, will house first floor retail, likely a pharmacy or grocery store, with 125 units of affordable housing above, marketed to, but not restricted to, senior living. These units will have rents meeting the 50% and 60% MMI requirements for affordable housing. The East Building, will house 125 units of market rate assisted living and memory care housing. Ecumen Social Services has agreed in principle to be the project property manager and the site will be branded as an Ecumen senior care facility. The project will also provide street level connections linking the nearby Hiawatha Light Rail to housing and retail while also interconnecting bike and pedestrian corridors on the River Road, the Stone Arch Bridge and the Mississippi River corridor to the street grid through the historic view corridor between the two buildings. It is anticipated that residents of the proposed redevelopment will be less prone to own

automobiles and will be more reliant on alternative modes of transportation. As part of the project, construction of a dedicated bike parking facility, possible with rentals, will be included. The project will also include additional elements that will provide for upgraded stormwater management infrastructure to reduce the burden on the existing infrastructure and provide for a positive impact on the nearby river.

**Junction Flats** (Trammell Crow, requesting \$548,500), 643 5<sup>th</sup> St N. Junction Flats is a 182-unit apartment building in the North Loop area of Minneapolis on a 1.37 acre site. The site is currently vacant and deteriorated. Environmental cleanup and demolition of an existing structure is required to construct the six-story building and related parking. The project will incorporate many green features within the building and onsite. Located within walking distance of three LRT stations, many bus routes, dedicated bike lanes and completely sidewalk accessible will support multi-modal transportation uses. Stormwater, currently unmanaged or treated, will be detained and released slowly after suspended solids have settled. Converting this underutilized, dilapidated building into attractive neighborhood housing achieves many city policy objectives. However, for project success, grant resources are necessary.

**Elan of Uptown** (Greystar, requesting \$700,500), 2820 Dupont Ave S. Elan of Uptown is the second and third blocks of the Bennett Lumber redevelopment. The project will continue the revitalization of the north side of the Midtown Greenway in the Uptown area of Minneapolis. The vision is inspired by and consistent with the Uptown Small Area Plan. The proposed redevelopment will replace two blocks that are currently the dilapidated remains of the Bennett Lumber Yards. Connections with transit opportunities, including the Midtown Greenway and Route 21 bus will be featured.

**Attachments:**

2012 TOD Grants Application Guide  
Resolution

**RESOLUTION  
OF THE  
CITY OF MINNEAPOLIS**

**By (Council Member's last name)**

**Identifying the need for livable communities transit oriented development funding and authorizing applications for grant funds.**

Whereas, the City of Minneapolis ("City") is a participant in the Metropolitan Livable Communities Act ("LCA") Local Housing Incentives Program for 2012 as determined by the Metropolitan Council, and is therefore eligible to apply for LCA Livable Communities Demonstration Account and Tax Base Revitalization Account Transit Oriented Development (collectively, "TOD") funds; and

Whereas, the City has identified proposed projects within the City that meet TOD purposes and criteria and are consistent with and promote the purposes of the Metropolitan Livable Communities Act and the policies of the Metropolitan Council's adopted metropolitan development guide; and

Whereas, the City has the institutional, managerial and financial capability to adequately manage an LCA TOD grant; and

Whereas, the City certifies that it will comply with all applicable laws and regulations as stated in the grant agreement; and

Whereas, the City acknowledges Livable Communities TOD grants are intended to fund projects or project components that can serve as models, examples or prototypes for TOD development or redevelopment elsewhere in the region, and therefore represents that the proposed projects or key components of the proposed projects can be replicated in other metropolitan-area communities; and

Whereas, only a limited amount of grant funding is available through the Metropolitan Council's Livable Communities TOD initiative during each funding cycle and the Metropolitan Council has determined it is appropriate to allocate those scarce grant funds only to eligible projects that would not occur without the availability of TOD grant funding; and

Whereas, cities may submit grant applications for up to three TOD Demonstration Account projects and up to six TOD Tax Base Revitalization Account projects during each funding cycle, but, using the City's own internal ranking processes, must rank their projects by

priority so the Metropolitan Council may consider those priority rankings as it reviews applications and makes grant awards;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the City finds that it is in the best interests of the City's development goals and priorities for the proposed projects to occur at the sites indicated in the grant applications at this particular time.

Be It Further Resolved that the City finds that the TOD project components for which Livable Communities TOD funding is sought (a) will not occur solely through private or other public investment within the reasonably foreseeable future; and (b) will occur within the term of the grant award (two years for Pre-Development grants, and three years for Development grants, one year for Cleanup Site Investigation grants and three years for Cleanup grants) only if Livable Communities TOD funding is made available for these projects at this time.

Be It Further Resolved that the City ranks the TOD project funding applications according to the City's own internal priorities in the following order:

<b>Priority</b>	<b>TBRA TOD Project Names</b>	<b>Grant Amount Requested</b>
1	West Broadway Curve (Common Bond)	\$56,533
2	Mill City Quarter (Lupe Development)	\$810,000
3	Junction Flats (Trammell Crow)	\$548,500
4	Elan of Uptown (Greystar)	\$700,500

<b>Priority</b>	<b>LCDA TOD Project Names</b>	<b>Grant Amount Requested</b>
1	Currie Park Lofts (Fine Associates)	\$993,229
2	Corcoran Triangle (Wellington)	\$505,000
3	Mill City Quarter (Lupe Development)	\$1,000,000

Be It Further Resolved that the City authorizes its Department of Community Planning and Economic Development to submit on behalf of the City applications for Metropolitan Council Livable Communities TOD grant funds for the TOD project components identified in the applications and to execute such agreements as may be necessary to implement the projects on behalf of the City.

