



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

Date: June 18, 2013
To: Council Member Lisa Goodman, Community Development Committee

Subject: CPED'S STATE & REGIONAL REDEVELOPMENT GRANT APPLICATIONS and AWARDS – 2012 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 2012 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

2012 Results

CPED's State & Regional Redevelopment Grant Applications and Awards – 2012 Funding Rounds report lists the redevelopment grants applied for and awarded during 2012 funding rounds. This report does not track grants applied for and awarded to METP and Planning (other than Legacy funds), or Federal grant funds. In early 2012, Metropolitan Council rolled out new Transit Oriented Development Grants (TOD) complimenting their traditional Livable Communities Program LCDA and TBRA grant products. Minneapolis projects competed extraordinarily successfully in the two LCDA TOD and TBRA TOD grant rounds.

In 2012, grant applications totaling over \$36.9 million yielded awards in excess of \$25.31 million. Ninety nine (99) grant applications were submitted on behalf of fifty two (52) separate projects; seventy three (73) grants were awarded to forty one (41) 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 (Corridors of Opportunity, Environmental Response Fund, Transit Oriented Development); the Metropolitan Council (Livable Communities Demonstration Account (LCDA and LCDA TOD), Local Housing Incentives Account (LHIA), Livable Communities Predevelopment, and Tax Base Revitalization Account (TBRA and TBRA TOD); Minnesota Department of Employment and Economic Development (DEED) (Contamination Cleanup and Investigation Grant Programs and Redevelopment Grants); and State of Minnesota (Historic Preservation Legacy Grant Program).

CPED Trends – State and Regional Redevelopment Grants

During the 2009 through 2012 funding rounds, grant awards totaled over \$55.92 million. Eight (8) state and regional grant programs provided the greatest amount of redevelopment grant funding for Minneapolis projects, totaling \$54,413,372 awarded over four years:

Grant Program:	Grant funds awarded 2009- 2012:
Metropolitan Council Livable Communities Demonstration Account (LCDA and LCDA TOD)	\$12,249,941
Metropolitan Council Tax Base Revitalization Account (TBRA and TBRA TOD)	\$11,973,297

Grant Program (cont.):	Grant funds awarded 2009- 2012:
MN Department of Employment & Economic Development (DEED) Contamination Investigation and Cleanup	\$11,872,734
Hennepin County Environmental Response Fund (ERF)	\$8,819,490
Hennepin County Transit Oriented Development (TOD)	\$4,605,000
Metropolitan Council Local Housing Incentives Account (LHIA)	\$2,150,000
MN Department of Employment & Economic Development (DEED) Redevelopment	\$1,492,910
MHFA Community Revitalization (CRV)	\$1,250,000
Total Grant Awards – Major Programs	\$54,413,372

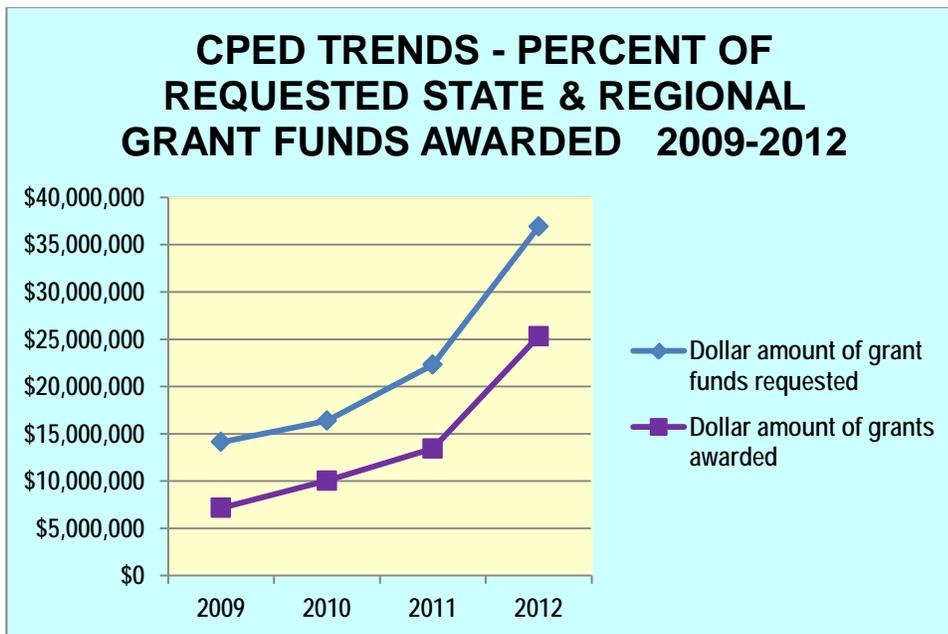
The City has also been successful in securing funds from new and occasional grant sources, including DEED Construction Mitigation (\$4,600 in 2010), Hennepin County Corridors of Opportunity (\$275,000 in 2012), Living Cities (\$125,000 in 2009), Metropolitan Council Livable Communities Predevelopment (\$100,000 in 2010, 2011 and 2012), and Minnesota State Heritage Preservation Office (\$57,000 in 2009, \$200,000 in 2010, \$150,000 in 2011 and \$403,688 in 2012).

Of the four years spanning 2009 through 2012, 2012 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. Metropolitan Council introduced new TOD components of its LCDA and TBRA Livable Communities grant programs in 2012 and conducted two grant rounds, and Hennepin County provided grant funds through its new Corridors of Opportunity grant program. Looking forward, Metropolitan Council will conduct only one TOD funding round in 2013. During the 2013 session, the Legislature reauthorized the funding mechanism that supports the Hennepin County ERF grant program, for an additional 15 years.

Applications & Awards:	2008	2009	2010	2011
Number of grants applied for	69	60	87	99
Number of grants awarded	34	41	58	73
Percent of requested grants awarded	49.3%	68.3%	66.7%	73.7%
Dollar amount of grant funds requested	\$14,119,810	\$16,369,757	\$22,299,248	\$36,900,657
Dollar amount of grants awarded	\$7,157,772	\$10,032,502	\$13,423,767	\$25,314,619
Percent of requested grant funds awarded	50.7%	61.3%	60.2%	68.6%

The amount and percentage of requested funds awarded in 2012 grew dramatically from 2011 to 2012. Grantors focused on projects demonstrating a high level of readiness to proceed, and Minneapolis projects scored well. Many of the projects funded in 2012 will add to the City's supply of affordable housing.

As is evident in the graph below, state and regional redevelopment grants provide an important source of revenue for CPED projects. From 2009 through 2012, the amount of grant funds both requested and awarded shows a steeply inclining trend. This can largely be explained by the introduction of new TOD grant products by both Hennepin County and Metropolitan Council, as well as the number and relative competitiveness of projects submitted for funding by the City of Minneapolis.



This table shows the amounts requested and awarded, by grant program, for the years spanning 2009 through 2012:

**CPED TRENDS - STATE AND REGIONAL GRANTS
REQUESTED & AWARDED 2009-2012**

REQUEST BY GRANT PROGRAM	2009	2010	2011	2012
DEED Construction Mitigation	\$0	\$10,000	\$0	\$0
DEED Contam Cleanup/Investigation	\$2,489,030	\$1,543,760	\$4,928,188	\$5,671,314
DEED Redevelopment	\$1,514,063	\$664,972	\$0	\$5,557,916
Hennepin County Corridors of Opportunity				\$275,000
Hennepin County ERF	\$4,038,031	\$3,147,172	\$3,713,240	\$2,070,603
Hennepin County TOD	\$3,033,673	\$4,905,832	\$4,342,015	\$3,688,000
Living Cities	\$125,000	\$0	\$0	\$0
Met Council LCDA	\$995,400	\$2,501,900	\$2,794,880	\$7,696,100
Met Council LHIA	\$575,000	\$0	\$825,000	\$750,000
Met Council Predevelopment	\$0	\$100,000	\$100,000	\$100,000
Met Council TBRA	\$566,613	\$2,272,121	\$4,975,925	\$9,541,036
MHFA Community Revitalization	\$0	\$750,000	\$0	\$1,100,000
MN SHPO	\$783,000	\$474,000	\$620,000	\$450,688
TOTAL REQUESTED	\$14,119,810	\$16,369,757	\$22,299,248	\$36,900,657
AWARD BY GRANT PROGRAM	2009	2010	2011	2012
DEED Construction Mitigation		\$4,600	\$0	\$0
DEED Contam Cleanup/Investigation	\$1,634,518	\$1,500,443	\$4,410,689	\$4,327,084
DEED Redevelopment	\$321,938	\$290,472	\$0	\$880,500
Hennepin County Corridors of Opportunity				\$275,000
Hennepin County ERF	\$2,786,316	\$1,876,837	\$2,154,937	\$2,001,400
Hennepin County TOD	\$545,000	\$815,000	\$1,945,000	\$1,300,000
Living Cities	\$125,000	\$0	\$0	\$0
Met Council LCDA	\$943,000	\$2,288,900	\$1,321,941	\$7,696,100
Met Council LHIA	\$575,000	\$0	\$825,000	\$750,000
Met Council Predevelopment	\$0	\$100,000	\$100,000	\$100,000
Met Council TBRA	\$170,000	\$2,206,250	\$2,516,200	\$7,080,847
MHFA Community Revitalization	\$0	\$750,000	\$0	\$500,000
MN SHPO	\$57,000	\$200,000	\$150,000	\$403,688
TOTAL AWARDED	\$7,157,772	\$10,032,502	\$13,423,767	\$25,314,619

ATTACHMENT A

**CPED'S STATE & REGIONAL REDEVELOPMENT GRANT
APPLICATIONS & AWARDS – 2012 FUNDING ROUNDS**