



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

Date: February 17, 2015

To: Council Member Lisa Goodman, Chair, Community Development & Regulatory Services Committee

Referral to: Council Member John Quincy, Chair, Ways & Means Committee

Subject: **2014 Metropolitan Council Livable Communities Demonstration Account (LCDA) and Livable Communities Demonstration Account - Transit Oriented Development (LCDA-TOD) Pre-Development Grant Awards**

Recommendation:

1) Accept and appropriate Metropolitan Council LCDA grants of \$1,250,000 for the MoZaic East project and \$500,000 for the Broadway Flats project, and a Metropolitan Council LCDA-TOD Pre-Development Grant of \$100,000 for the Glendale Redevelopment project.

2) Amend the 2015 General Appropriation Resolution by increasing the Community Planning & Economic Development Agency Fund 01600–Other Grants-State and Local (01600-8900220) appropriation by \$600,000 and the Community Planning & Economic Development Agency Fund 01600-Other Grants-State and Local (01600-8900320) by \$1,250,000).

3) Increase the 2015 Revenue Budget for the Community Planning & Economic Development Agency Fund 01600–Other Grants-State and Local (01600-8900900-321513) by \$1,850,000.

4) Authorize appropriate City staff to execute such agreements as may be necessary to implement the LCDA grants and LCDA-TOD Predevelopment grant with the Metropolitan Council, Ackerberg Group, Rose Development, and Minneapolis Public Housing Authority (or affiliated entities).

Prepared by: David Frank, Director of Transit Development

Approved by: D. Craig Taylor, Executive Director, CPED _____

Charles T. Lutz, Deputy Director, CPED _____

Presenter in Committee: David Frank, Director of Transit Development

Funding Source and
Appropriation
Language Reviewed by
Development Finance:



Previous Directives:

On April 25, 2014, the City Council authorized submission of two LCDA grant applications to the Metropolitan Council (MoZaic East and Broadway Flats), and on November 14, 2014, the City Council authorized submission of an LCDA-TOD Pre-Development grant application to the Metropolitan Council (Glendale Townhomes).

Financial Impact

- Action requires an appropriation increase to the Operating Budget
Dept Name: Community Planning & Economic Development – 8900220
Fund Name: 01600 - Other Grants-State and Local
Amount: \$600,000
Dept Name: Community Planning & Economic Development – 8900230
Fund Name: 01600 - Other Grants-State and Local
Amount: \$1,250,000
- Action provides increased revenue for appropriation increase
Dept Name: Community Planning & Economic Development - 8900900
Fund Name: 01600 - Other Grants-State and Local
Amount: \$1,850,000
- Grant administration fees will be generated from the MoZaic East and Broadway Flats projects.
- The local match for the LCDA-TOD Pre-Development grant will come from City funds in the form of staff time.
- Action is within the Business Plan.
- Request provided to the Finance Department.

Community Impact

- Neighborhood Notification: All listed projects have undergone neighborhood review.
- 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 – 2014 LCDA and LCDA-TOD Pre-Development Awards

On January 14, 2015 the Metropolitan Council awarded LCDA grants to the MoZaic East project (\$1,250,000) and the Broadway Flats project (\$500,000), as well as an LCDA-TOD Pre-Development grant to the Glendale Redevelopment project (\$100,000). Staff is now requesting City Council authorization to accept and appropriate the LCDA and LCDA-TOD Pre-Development grant awards, and to enter into any necessary grant, loan, and related agreements.

Grant Application and Award Process

The Metropolitan Council provides funding to development projects through their Livable Communities Demonstration Account (LCDA), the Transit Oriented Development (TOD) program, and the Tax Base Revitalization Account (TBRA) for environmental cleanup. LCDA and LCDA-TOD funded projects 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. LCDA grants have no geographic requirements, while TOD funds may only be awarded to projects that meet proximity requirements to transit. Funds are intended to be used for projects that demonstrate innovative and new ways to achieve and implement these statutory objectives. Cities may submit applications for projects to be undertaken directly by the City, or may sponsor applications submitted by private developers.

In 2014, the Metropolitan Council received 10 applications to the LCDA program. The Council awarded 8 LCDA grants totaling \$7,500,000, including \$1,750,000 (or 23%) to the City of Minneapolis. Both submitted City applications were funded. Also in 2014, the Metropolitan Council received 3 applications to the Fall LCDA-TOD Pre-Development program. The Council awarded 3 LCDA-TOD Pre-Development grants totaling \$220,000, including \$100,000 (or 45%) to the City of Minneapolis. The one submitted City application was funded.

Project Summaries – LCDA Awards

MoZaic East (Ackerberg Group, \$1,250,000 award), 2900 Fremont Ave S. This project replaces a surface parking lot with a mixed-use office building that will include a 179,000 square-foot office building; approximately 7,000 square feet of commercial/retail space; two levels of underground parking; a plaza expansion; increased through-site pedestrian connections and interior bicycle amenity space. The activities supported by this grant will improve pedestrian and bicycle connections through better lighting and safety features; add art on the eastern portion of the site; strengthen the web of electric car charging stations through the addition of 20 public spaces that will serve the community.

Broadway Flats (Rose Development, \$500,000 award), 2200 West Broadway. The project is a four-story, mixed-use redevelopment consisting of 19,000 square feet of retail on the ground floor with up to 103 units of affordable rental housing on three floors above. The rental focus is workforce housing serving transit dependent smaller households near public transit. The project will have underground parking, exclusively for residents. Retail will be served by both front and rear entrances promoting foot traffic and 'eyes on the street.' An innovative shared use parking agreement with a neighboring church makes efficient use of the land and preserves church land for future housing needs.

Project Summary – LCDA-TOD Pre-Development Award

Glendale Redevelopment (Minneapolis Public Housing Authority, \$100,000 award), 2700 University Ave SE. This project is 14.5 acres bounded generally by 27th Avenue SE on the west, Interstate 94 on the south and University Avenue on the north. Glendale Townhomes is a traditional public housing development consisting of 184 affordable family units in 28 buildings. The Minneapolis Public Housing Authority, in cooperation with CPED, is proposing to redevelop the entire 14.5 acres into a nationally recognized, culturally and economically diverse, sustainable, and amenity rich mixed-income and mixed-use neighborhood. MPHA and CPED are seeking services to determine three alternative redevelopment plans for the Glendale site achieving these goals.

Amending the 2015 General Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended as follows:

- a) Increasing the appropriation in the Department of Community Planning & Economic Development Agency Fund 01600–Other Grants-State and Local (01600-8900220) appropriation by \$600,000 and the Community Planning & Economic Development Agency Fund 01600-Other Grants-State and Local (01600-8900320 by \$1,250,000).
- b) Increasing the 2015 Revenue Budget for the Community Planning & Economic Development Agency Fund 01600–Other Grants-State and Local (01600-8900900-321513) by \$1,850,000.