

# City of Minneapolis Request for Committee Action

**To:** Community Development & Regulatory Services  
**Date:** 4/19/2016  
**Referral:** Ways & Means  
**From:** Community Planning & Economic Development  
**Lead Staff:** Shalaunda Holmes, Senior Project Coordinator  
**Presented by:** Shalaunda Holmes, Senior Project Coordinator  
**File Type:** Resolution  
**Subcategory:** Grant

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**Subject:**

Applications For Grant Funding from the 2016 Metropolitan Council Livable Communities Demonstration Account (LCDA) and Livable Communities Demonstration Account Transit Oriented Grants.

**Description:**

1. Passage of Resolution authorizing submission and priority ranking of 2016 grant applications to the Metropolitan Council Livable Communities Demonstration Account (LCDA) for Commons at Penn Phase II, West Broadway Phase II and Sabathani Senior Housing.
2. Passage of Resolution authorizing submission and priority ranking of 2016 grant applications to the Metropolitan Council Transit Oriented Development (TOD) grant programs for L&H Station Phase I, Olson Towne Homes and Great River Landing.

**Previous Actions:**

The City Council considers submission of LCDA and TOD applications to the Metropolitan Council on an annual basis.

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**Ward/Address:**

All Wards

**Background/Analysis:**

COMMUNITY IMPACT & COMPREHENSIVE PLAN

All applicants were asked to provide information on the status of neighborhood review of their development projects. The projects recommended in this report support the City's values, goals and strategic directions and meet the following Policies within the City's Comprehensive Plan:

Section 1.5 – Promote growth and encourage overall city vitality by directing new commercial and mixed-use development to designated corridors and districts.

Section 1.13 – Support high density development near transit station in ways that encourage transit use and contribute to interesting and vibrant places.

Section 3.2 – Support housing density in location that are well connected by transit, and are close to commercial, cultural and natural amenities.

Section 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 has announced the availability of funding to support development projects throughout the metropolitan area through two programs: the Livable Communities Demonstration Account (LCDA) and the Transit Oriented Development (TOD) program. Funded projects should 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. Funds are intended to be used for development 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.

For 2016, the Metropolitan Council will make available LCDA development grants typical non-construction, development costs. For the entire metropolitan area, this is \$7.5 million available for LCDA development grants. Of this total, the cities of Minneapolis and St. Paul are eligible to compete for 40% (which is \$3 million, though the full Metropolitan Council may exceed this percentage in its final approval).

The 2016 program guidelines for this program were not published by the pre-application due date, so City staff has used 2015 program information and conversations with Met Council staff as a basis for this report.

The Metropolitan Council announced the availability of \$5 million in TOD program funding for transit oriented development activities in identified “TOD Areas.” The TOD program has two sub accounts: LCDA-TOD (grants similar to regular LCDA), and TBRA-TOD (grants similar to regular Tax Base Revitalization Account (TBRA)). For TBRA-TOD, the MetCouncil will make available \$2 million. For LCDA TOD, the Met Council will make available \$5 million for the entire metro area. If the Met Council receives grant requests exceeding that amount, no more than one-half of that amount may be awarded to any single city, and no more than 75% of that amount may be awarded to Minneapolis and St. Paul combined.

The 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 the TOD grant program is to help communities 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 encourages more transit ridership.

#### METROPOLITAN COUNCIL APPLICATION REVIEW PROCESS

City Staff will submit applications to the Metropolitan Council based upon the project ranking approved by the City Council. Pre-applications will be due to the Met Council in May, with final applications due in July.

A Metropolitan Council staff evaluation team will review and score eligible LCDA and LCDA TOD proposals using TOD grant criteria and guidelines. Based on the 2015 process, 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 October/November 2016. Awards are expected to be considered by the full Council in November/December 2016.

#### CITY APPLICATION REVIEW PROCESS

Based upon the expected application deadlines for both the LCDA and TOD programs, and the fact that projects may apply to only one program, City staff released a Call for Applications for projects interested in applying to either funding source.

A team of staff from various CPED divisions reviewed each application submitted and provided comments on project readiness and compatibility with the grant programs. The team scored each application according to the program criteria set forth by Met Council and City priority, including readiness. CPED Executive management was given the opportunity to review the scoring applications with regards to project readiness and City priority and provided comments and guidance.

In this round, The City received a total of 15 applications. Each city may submit up to three applications for each source, which must be ranked according to priority before submission to the Metropolitan Council. The City is recommending sponsoring six (6) grant applications totaling \$8,029,770.

The six applications to be recommended are listed in the table below and were the top 6 ranking projects. It includes the program (LCDA or TOD) in which staff believes projects would be most competitive. A full ranking summary is included as an attachment for your information.

**2016 LCDA Application Ranking Recommendation**

Rank	Project	Applicant	Ward	LCDA Request
1	Commons @ Penn Phase II	Building Blocks	5	\$ 1,103,320
2	West Broadway Curve Phase II	Sherman Associates	5	\$ 1,108,000
3	Sabathani Senior Housing	Sabathani Community Center	8	\$ 1,400,000
	<b>Total Request</b>			<b>\$ 3,611,320.00</b>

**2016 LCDA TOD Application Ranking Recommendation**

Rank	Project	Developer	Ward	TOD Request
1	L&H Station Phase I	L&H Station LLC	9	\$ 1,600,000
2	Olson Towne Homes	Community Housing Development Corp.	5	\$ 1,750,000
3	Great River Landing	Beacon Interfaith Hsg. Collaborative	5	\$ 1,068,450
	<b>Total Request</b>			<b>\$ 4,418,450.00</b>

PROJECT SUMMARIES – LCDA RECOMMENDED APPLICATIONS

**Commons at Penn Phase II** – 2200 Golden Valley Road (CGG LLC, requesting \$1,103,320). The proposed project is 30 mixed income housing units (6 market rate) for families with commercial retail and programming space. The proposed building will have four stories of three and four bedroom units and the first floor will contain 14,000 sq. ft. of commercial space providing new amenities to the neighborhood. Building Blocks who do mentoring based programming will be the service provider. They are requesting funds for land acquisition, stormwater improvements, place making enhancements and pedestrian scale lighting for safety and aesthetics.

**West Broadway Curve Phase II** – 1820-1920 West Broadway Ave (Sherman Associates Development LLC, requesting \$1,108,000). The proposed project is 69 mixed income apartments and row style housing units within one building and 20 market rate townhome rental units in five buildings. They are requesting funds to incorporate design elements that celebrate the local community, including large green spaces, plaza/gathering spaces, community gardens, bike racks, transit accessibility with the creation of a bus shelter and public art.

**Sabathani Senior Housing** – 310 East 38<sup>th</sup> Street (Sabathani Community Center, requesting \$1,400,000). The proposed project is 50 units of age re-restricted, independent senior housing, and serving households at or below 50% of area median income. Sabathani provides services through their Senior Center with existing programs designed for individuals to maintain their homes. They are requesting funds to implement a playground area, public area and/or walking path around the campus, drop off area that provides a connection between the new housing and the existing community center.

PROJECT SUMMARIES – TOD RECOMMENDED APPLICATIONS

**L&H Station Phase I** – 2225 East Lake Street (L & H Station LLC, requesting \$1,600,000). The proposed project is 114 units of workforce housing, affordable to households with incomes at or below 80% of the area median income. It will include a green roof (over underground parking) serving as a stormwater management system and resident amenity, a large patio adjacent to the street and will create linkages between the neighborhood and transit stops. They are requesting

funds for the acquisition of air rights over the Hennepin County underground parking for the housing development.

**Olson Towne Homes** – 461 Girard Terrace (Community Housing Development Corporation, requesting \$1,750,000). The proposed project preserves 92 project based assisted units and creates 30 new affordable workforce family units through a land swap with Minneapolis Public Housing Authority (MPHA) and the vacation of an underutilized street. They are requesting funds to prepare the site for development and address the unstable soils created by the Bassett Creek flood plan as well as onsite storm water management, street construction and various place making elements.

**Great River Landing** – 815 5<sup>th</sup> Street N (Beacon Interfaith Housing Collaborative, requesting \$1,068,450). The proposed project is 72 efficiency units affordable to households at 30% of the area median income and below in a six story building. Better Futures Minnesota, who primarily serves high-risk men of color employs a unique service model of integrated care focused on employment, will be the service provider. They are requesting funding for remaining land acquisition, utility extensions, stormwater management and soil corrections.

**Financial Review:**

**No financial impact.**

**Attachments:**

1. Ranking Summary of All Applications
2. 2016 LCDA Resolution
3. 2016 TOD Resolution
4. 2015 LCDA and LCDA TOD Pre- Application Guide
5. City of Minneapolis 2016 LCDA and LCDA TOD Grant Ranking Tool