



**Request for City Council Committee Action
From the Department of Intergovernmental Relation
Office of Grants and Special Projects**

Date May 24, 2004
To Lisa Goodman, Chair, Community Development Committee
Referral to Ways and Means Committee

**Subject Applications for Grant Funding from the 2004 Metropolitan Council
Livable Communities Demonstration Account (LCDA)**

Recommendation: Endorse the following grant applications to the Metropolitan Council for LCDA Development Funds, and direct staff to priority rank the applications using the process described below:

Project <i>(alphabetical)</i>	Location	Applicant	Application Amount
Agape Affordable Housing	3018 Emerson Avenue N.	Agape Child Development Center; Agape Development LLC	\$ 400,000
Cecil Newman Apartments	701-729 Emerson Ave N.	Cecil Newman Apartments Limited Partnership	\$ 250,000
Community is Our Strength	1530 East Franklin Avenue	Minneapolis American Indian Center; Crowley, White & Associates	\$ 500,000
Heritage Park	Near North Side	CPED	\$1,500,000
Lindquist Apartments	1927-1935 W. Broadway Ave	RS Eden	\$ 350,000
Midtown Exchange - 1928 Rental & For-sale Housing	Lake & Chicago	Sherman Associates	\$1,500,000
Midtown Exchange - Workforce Housing	11 th Ave S. & 29 th St. E.	Project for Pride in Living	\$ 350,000
Total			\$4,850,000

Previous Directives: none

Prepared or Submitted by: Peter J. O'Toole, Planner II, 612-673-5456

Approved by: John Moir, City Coordinator _____

Presenters in Committee (name, title): Peter J. O'Toole

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

- ___ Action requires an appropriation increase to the Operating Budget
- ___ Action provides increased revenue for appropriation increase
- ___ Action requires use of contingency or reserves
- ___ Other financial impact (Explain):

___ Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (use any categories that apply)

Neighborhood Notification
City Goals
Comprehensive Plan
Zoning Code
Other

Background/Supporting Information: [<http://www.metrocouncil.org/services/livcomm.html>]

"Eligible Applicants are those cities participating in the Local Housing Incentives Program of the Livable Communities Act, on behalf of proposals in their communities. Cities submitting more than one application per funding cycle must prioritize them.

Legislative Authority and Purpose:

"Livable Communities Demonstration Account (LCDA) Development Grants -- Available in 2004: \$7,500,000. The Livable Communities Demonstration Account was established by the Livable Communities Act [Minnesota Statutes Chapter 473.25,(b)]. The Demonstration Account provides funds to development or redevelopment projects that 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."

Program Goals:

- Accommodate regional growth while using regional systems and land efficiently,
- Increase transportation choices,
- Appropriately mix land uses,
- Increase the variety of housing types and costs,
- Leverage private investment.
- For Development Communities: facilitate reinvestment - infill, adaptive reuse and redevelopment.
- For Developing Communities: support staged development, and centers with convenient access to transportation and transportation corridors

Funding Goals:

- Develop land uses linked to the local and regional transportation systems.
- Connect housing and centers of employment, education, retail and recreation uses
- Develop a range of housing densities, types and costs.
- Abate, prevent or remove point and nonpoint source pollution, and maximize groundwater recharge through surface water infiltration
- For Development Communities: Maintain, renew and improve infrastructure, buildings and land to provide developments that integrate land uses.
- For Developing Communities: Accommodate growth, support centers along corridors, encourage connected land patterns for new development, and encourage the development of communities where shopping, jobs and a variety of housing choices co-exist by design.

LCA Committee Evaluation and Selection Process:

The Livable Communities Advisory Committee will evaluate and score proposals according to the evaluation and selection criteria and make funding recommendations to the Metropolitan council through its Community Development Committee.

The Committee will select, following a first-phase [staff] evaluation, a group of applications to proceed to the second phase in the evaluation process and be considered for funding.

To be recommended by the advisory committee for funding (phase two evaluation), proposals must score 60 or more points (of a possible 90) from the selection criteria, or be supported by a two-thirds vote of the committee. The committee will also assess the readiness of projects for funding in 2004, and appropriateness of the funding request. Housing incentive points (of a possible 10) will be applied separately.

Proposals will be evaluated in the context of the site, geographic area and community. This will recognize the unique and diverse characteristics of project's location and geographic location in the region.

Evaluation Criteria:

1. Uses land efficiently.
2. Develops land uses linked to the local and regional transportation systems
3. Connects housing and centers of employment, education, retail, recreation uses
4. Develop a range of housing densities, types and costs
5. Abates, prevents or removes point and nonpoint source pollution, and maximizes groundwater recharge through surface water infiltration.

Selection Criteria:

1. Developability and Readiness
 - Grounded in market realities with developer interest or commitment
 - Implementation tools in place
 - Funding commitments in place to ensure construction start or further progress within a year
2. Appropriateness of funding and funded elements
 - One or more components for which funding are requested reflect LCDA program goals
 - One or more components, if funded, will provide a catalyst or key element of the project to move it forward to implementation
 - Consideration given to projects previously funded by LCDA

The following is a description of the projects as submitted by the applicants:

Agape Affordable Housing: Agape Child Development Center, Welsh Companies, and Legacy Management and Development Corporation will acquire city and private lots to develop 18 affordable in-fill units at 3018, 3022, and 3024 Emerson Ave N. The project will utilize its location on public transportation corridors to provide access for residents to employment centers/services. The project is organized around existing childcare capacity/support services assisting women to escape poverty and abuse. Six units will be two bedroom apartments and twelve will be three bedroom. 28% of the units will be at 50% AMI and 72% of the units are at 60% AMI.

Cecil Newman Apartments: LMDC along with its partner, NRRC propose the acquisition, rehabilitation and preservation of Cecil Newman Apartments located at 701-729 Emerson Avenue North in Minneapolis. All residents will be temporarily relocated during the rehabilitation phase and all residents will be invited back once their units are rehabilitated.

Cecil Newman Apartments is a 100%, project based Section 8 development featuring 64 - one, two and three bedroom apartment homes. Cecil Newman Apartments was built in the late 1960's and is now in need of substantial rehabilitation. We have committed funding from the City of Minneapolis (AHTF, NRP), MHFA and assuming existing debt (FHF, MCDA) in the amount of \$3,213,000. The Partners are requesting funding from Metro Council of \$250,000 to assist in closing the funding gap for this project. The project is scheduled to close Fall of 2004 with rehabilitation commencing immediately after closing.

Community is Our Strength: With its "Community of Strength" capital campaign, Minneapolis American Indian Center will address the problems that plague its building, while adding to the general revitalization of the Franklin Avenue corridor. The facility will be greatly renovated on the interior to create greater space for programs as well as increasing economic opportunity within its walls. In addition, a number of improvements to the exterior of the building designed for aesthetic quality as well as community safety will be implemented.

Heritage Park: Heritage Park is requesting \$1,500,000 in LCDA funding for public infrastructure and open space improvements which are critically needed to establish a sustainable neighborhood in the heart of the region's urban core. Heritage Park will be a 900-unit mixed-income, mixed-density, and culturally diverse neighborhood with life cycle and affordable housing near established job centers and transit corridors. This once isolated and amenity-poor neighborhood will be reconnected to the region's economic, educational, and cultural/recreational centers by bikeways, trails, and streets. The housing, being constructed on stable soils, is positioned around an open space and innovative stormwater management system being built on problematic soils.

Lindquist Apartments: This project is a mixed-use development, providing 26 affordable (30% & 50% AMI), sober, supportive rental units for at-risk youth, and agency headquarters for RS Eden. Located on the Northwest Transportation Corridor, residents will rely on the Metropolitan bus system. The project will also bolster the economy by bringing 40+ jobs and, in partnership with area agencies, by helping 24 young people enter the work force. It will act as an anchor to make this section of West Broadway safer, more vibrant, and more hospitable, and neighborhood residents and businesses see it as a good fit with planning priorities of West Broadway Area Coalition.

Midtown Exchange - 1928 Rental & For-sale Housing: Midtown Exchange is the redevelopment of the existing Sears building into three main components – the corporate headquarters of Allina, a "Global Market" retail development, and housing. This application is for the housing component, which consists of 223 one and two bedroom rental units and 88 for sale condominiums. This is a top housing and economic development priority for the City of Minneapolis. Development of the project will benefit residents by providing more affordable housing choice linked to quality health services and employment opportunities, as well as excellent proximity to transportation, public facilities, school system, commercial, retail and entertainment

Midtown Exchange - Workforce Housing: Within the larger Midtown Exchange project, 53 for-sale townhouses and condos on the southwest corner of 11th Avenue and 29th Street will wrap around two sides of the proposed parking ramp. The residential units soften the appearance of a 6-story parking ramp next to the existing residential neighborhood. 21 two-story townhouses, with street access and 32 one-level condominiums range in size from 800 to 1400 square feet. One leg of the building faces the Midtown Greenway. As "Workforce Housing", at least 25% of the units will be marketed to households with incomes at or below 80% of median.