



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

**Date:** October 20, 2009

**To:** Council Member Lisa Goodman, Community Development Committee

**Referral to:** Council Member Paul Ostrow, Ways & Means/Budget Committee

**Subject:** Adopt Resolution of Support for the West Broadway Curve Metropolitan Council Livable Communities Act Grant Extension

**Recommendation:**

Approve the attached resolution expressing support of the request for the extension and budget amendment of the Metropolitan Council Livable Communities Program Livable Communities Demonstration Account (LCDA) grant for the West Broadway Curve project.

**Previous Directives:** 1) On February 1, 2008, the City Council accepted and appropriated a Livable Communities Development Account (LCDA) grant for West Broadway Curve in the amount of \$1,325,000. 2) On May 25, 2007, the City Council authorized the submission of a grant application to Metropolitan Council for the West Broadway Curve project. 3) On November 18, 2005, the City Council approved Modification No. 6 to the West Broadway Redevelopment Plan, expanding the project area boundaries and adding objectives to the Plan. 4) On February 5, 2009, the City Council approved Modification No. 7 to the West Broadway Redevelopment Plan. 5) On August 14, 2009, the City Council approved Modification No. 8 to the West Broadway Redevelopment Plan.

**Department Information**

Prepared by: Tiffany Glasper, Senior Project Coordinator (612) 673-5221  
Approved by: Thomas J. Streitz, Director, Housing Policy & Development \_\_\_\_\_  
Presenters in Committee: Tiffany Glasper, Senior Project Coordinator

**Reviews**

- Permanent Review Committee (PRC): Approval n/a Date \_\_\_\_\_
- Civil Rights Approval Approval n/a Date \_\_\_\_\_
- Policy Review Group (PRG): Approval n/a Date \_\_\_\_\_

**Financial Impact**

- The City will offer to relinquish \$694,037 of Livable Communities Demonstration Account (LCDA) grant funds as part of the request for extension of the grant term.

**Community Impact**

- Neighborhood Notification: n/a
- City Goals: A Safe Place to Call Home

- 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**

In December 2007, the Metropolitan Council awarded the City \$1,325,000 from its Livable Communities Demonstration Account (LCDA) grant program for the West Broadway Curve project. The grant funds were requested to help pay for acquisition and demolition activities, site preparation and pedestrian improvements, all in support of redevelopment for Agape Apartments (now known as Broadway Green), a planned 50-unit, mixed-income rental housing project with underground parking on The West Broadway Curve. The City has made steady progress on site assembly using both LCDA grant funds and Higher Density Corridor Housing program funds. To date, CPED has acquired thirteen (13) of the twenty-one (21) parcels along the West Broadway Curve, with an additional seven properties expected to close by the end of 2009. CPED expects the developer of Agape Apartments to begin applying for project financing in late 2009 and into 2010, with a construction start in late fall of 2011 and project completion by December 31, 2012.

The LCDA grant expires on December 31, 2009. Due to unforeseen changes in the housing market, particularly in North Minneapolis, and the overall effect of the national economic crisis, the Agape Apartments project has been delayed, and CPED will not be able to complete the grant-funded activities before the grant expires. CPED has requested that the grant be extended to December 31, 2012. In July 2008 and August 2009, the Metropolitan Council enacted new procedures related to extension of LCDA grants. Because the City is requesting a 3-year extension of the grant term, the Metropolitan Council now requires the City Council to adopt a resolution of support for the grant project and extension. The Metropolitan Council also requires all grant-funded and project activities to be completed by the end of the grant term. CPED does not expect to be able to complete all of the site preparation and pedestrian-related improvements by the end of the requested grant term and has offered to relinquish grant funds awarded to construct these improvements. There will also be cost savings in the demolition budget. Therefore, CPED has offered to relinquish \$694,037 of the LCDA grant, reducing the grant award from \$1,325,000 to \$630,963.

## **Resolution of Support for the West Broadway Curve Metropolitan Council Livable Communities Act Grant Extension**

WHEREAS, in 2007 the City of Minneapolis received a Livable Communities Demonstration Account grant in the amount of \$1,325,000 (SG007-118) to acquire and demolish buildings on the project site associated with the redevelopment of the West Broadway Curve and to pay for certain site preparation costs and pedestrian improvements (hereinafter referred to as "the grant" and "the grant activities").

WHEREAS, the original expiration date of the 2007 Livable Communities Demonstration Account grant (SG007-118) is December 31, 2009.

WHEREAS, due to unforeseen changes in the housing market, particularly in North Minneapolis, and the overall effects of the national economic crisis, the City has been forced to delay the start of the redevelopment project and the City of Minneapolis is unable to complete the project activities associated with the grant by December 31, 2009.

WHEREAS, the City of Minneapolis nonetheless has since January 2008, using both grant and City resources, acquired eight (8) properties in the project area and currently owns thirteen (13) of the twenty-one (21) parcels along the West Broadway Curve, with an additional seven (7) properties expected to close by the end of 2009.

WHEREAS, the City of Minneapolis expects the developer of the end-use of the property being acquired, Agape Apartments project, to begin applying for project financing in late 2009 and into 2010, with a construction start in late fall of 2011 and project completion by December 31, 2012.

WHEREAS, the City of Minneapolis has offered to relinquish \$694,037 of Livable Communities Demonstration Account grant funds related to site preparation activities and pedestrian improvements.

WHEREAS, the City of Minneapolis is requesting that the balance of the 2007 Livable Communities Demonstration Account grant (SG007-118) be extended to December 31, 2012.

WHEREAS, the Metropolitan Council has placed on its Community Development Committee agenda of November 2, 2009, consideration of the request of the City of Minneapolis for extension of the West Broadway Curve Livable Communities Demonstration Account grant and modification of the grant budget.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS that the Minneapolis City Council expresses its full support of the requested Livable Communities Program grant extension and budget amendment for the West Broadway Curve Project, and expresses confidence that site acquisition and demolition activities will be completed by January 31, 2010, and that the West Broadway Curve Project will be substantially completed by December 31, 2012.