

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

**Date:** October 7, 2008  
**To:** Council Member Lisa Goodman, Community Development Committee  
**Subject:** **Authorization of Application for Franklin Station Project to Metropolitan Council for Land Acquisition for Affordable New Development (LAAND) Program**

**Recommendation: Approve submittal of City of Minneapolis application for the Franklin Station Project to the Metropolitan Council for the Land Acquisition for Affordable New Development (LAAND) Program and authorize appropriate City officers to sign LAAND Initiative Acknowledgements Form**

**Previous Directives:** On December 23, 2005 the City Council approved application by Seward Redesign to the Metropolitan Council Hiawatha Corridor Land Assembly Fund for the Franklin Station Project. On April 14, 2006 the City Council approved application by Seward Redesign to the Hennepin County Transit-Oriented Development Program for the Franklin Station Project.

Prepared by: Mark Garner, Senior Project Coordinator, (612) 673-5037 Approved by: Charles T. Lutz, Deputy CPED Director Presenters in Committee: Mark Garner, Senior Project Coordinator
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**Financial Impact**

- No financial impact
- Action is within the Business Plan

**Community Impact**

- Neighborhood Notification - Not applicable.
- City Goals – A safe place to call home, One Minneapolis, Connected communities, Enriched environment, Premier destination.
- Sustainability Targets – Affordable housing units – increases number of affordable rental units; downtown transportation mode split - increases number of housing units along Hennepin County Transit Corridors.
- 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 area appropriate responses to neighborhood conditions and market demand; and Section 4.18 Minneapolis will encourage both a density and mix of land uses in

Transit Station Areas that both support ridership for transit as well as benefit from its users.

- Zoning Code – The project will comply.
- Living Wage/Business Subsidy Agreement      Yes                      No X
- Job Linkage    Yes                      No X
- Other

### Supporting Information

In June, 2008, the Minnesota Housing Finance Agency, Metropolitan Council (METC) and the Family Housing Fund issued a request for proposals for the jointly-funded Land Acquisition for Affordable New Development (LAAND) initiative. LAAND loans are interest free loans for property acquisition that must be repaid when the property is developed.

Seward Redesign submitted an application to the LAAND Program in the amount of \$500,000 for the Franklin Station Project, a large-scale phased redevelopment proposal for the site of the former Bystrom Bros. manufacturing firm located on the east side of the Hiawatha LRT near Cedar and Franklin Avenues. This development project is consistent with City policy supporting transit-oriented development at this site. The Franklin Station Project is also linked with joint CPED and Public Works efforts to reconfigure several roadways and intersections to improve multimodal transportation and facilitate redevelopment that would make better use of the light rail investment.

Eligible applicants to the new LAAND program include nonprofit organizations as well as local units of government and their housing and development agencies. However, the Metropolitan Council portion of the funding allocated to the LAAND Program is only available to fund projects by local units of government. The Metropolitan Council has requested that the City sign a Metropolitan Council LAAND Initiative Acknowledgement that confirms that the City is the applicant for the LAAND funding available from the METC and that the City can comply with program requirements.

To ensure that this redevelopment proposal is eligible for the broadest array of funding sources through the LAAND program, this report requests City Council approval to notify the Metropolitan Council that the City of Minneapolis is the applicant for the Franklin Station Project for the Metropolitan Council's funding that is available under the LAAND initiative. The application is in the amount of \$500,000. Approval of this report will also authorize appropriate City staff to sign the Metropolitan Council LAAND Initiative Acknowledgment for this project and compete for this available funding.