



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

Date: January 30, 2007

To: Council Member Lisa Goodman, Community Development Committee

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

**Subject: Accept and Appropriate Metropolitan Council Livable Communities Demonstration Account (LCDA) Grants of \$341,341 for the Currie Park Lofts and Station Place project, \$934,523 for the Longfellow Station project, and \$1,334,523 for the Van Cleve Court project; Accept and Appropriate Metropolitan Council Livable Communities Local Housing Incentives Account (LHIA) Grant of \$100,000 for City of Lakes Community Land Trust; and authorize execution of Grant and Sub-recipient Agreements.**

### **Recommendation:**

1) Accept and appropriate Metropolitan Council Livable Communities Demonstration Account (LCDA) Grants of \$341,341 (Currie Park Lofts and Station Place), \$934,523 (Longfellow Station), and \$1,334,523 (Van Cleve Court); accept and appropriate \$100,000 Metropolitan Council Livable Communities Local Housing Incentives Account (LHIA) Grant for City of Lakes Community Land Trust.

2a) Amend the 2007 General Appropriation Resolution by increasing the Community Planning & Economic Development Agency Fund 600 – Other Grants - State and Local (0600-890-8952) by \$2,610,387 (\$341,341 Currie Park Lofts and Station Place; \$934,523 Longfellow Station; and \$1,334,523 Van Cleve Court; 2b) Amend the 2007 General Appropriation Resolution by increasing the Community Planning & Economic Development Agency Fund 600 – Other Grants - State and Local (0600-890-8953) by \$100,000 (City of Lakes Community Land Trust).

3) Increase the 2007 Revenue Budget for the Community Planning & Economic Development Agency Fund 600 – Other Grants - State and Local (0600-890-8490-3215/13) by \$2,710,387 (\$341,341 Currie Park Lofts and Station Place; \$934,523 Longfellow Station; \$1,334,523 Van Cleve Court); and \$100,000 (City of Lakes Community Land Trust).

4) Authorize appropriate City staff to execute such agreements as may be necessary to implement the Metropolitan Council Livable Communities Demonstration Account (LCDA) grants with the Metropolitan Council, Capital Growth Real Estate (or affiliated entity), Fine Associates (or affiliated entity) contingent upon satisfactory resolution of access easement issues as outlined in the City Council action dated March 10, 2006, and Project For Pride In Living (or affiliated entity), and the Metropolitan Council Livable Communities Local Housing Incentives Account (LHIA) grant with City of Lakes Community Land Trust (or affiliated entity).

**Previous Directives:**

- In June, 2006, the City Council authorized submission of five (5) grant applications (SEMI University Research Park, Currie Park Lofts/Station Place, Snelling Avenue Extension/46<sup>th</sup> Street Town Square, Van Cleve Court and Longfellow Station project) to the Metropolitan Council Livable Communities Demonstration Account (LCDA) program.
- The City Council has approved Affordable Housing Trust Fund (AHTF) funding for each project and Congestion Mitigation and Air Quality (CMAQ) funding for Currie Park Lofts/Station Place and Longfellow Station.

Prepared by: Kevin Dockry, Senior Project Coordinator (612) 673-5075 Paula Mazzacano, Financial Analyst (612) 673-5129
Approved by: Elizabeth Ryan, Director, Housing Policy & Development _____ Jack Kryst, Director, Development Finance _____ Charles T. Lutz, CPED Deputy Director _____
Presenters in Committee: Kevin Dockry (612) 673-5075

**Reviews**

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

**Financial Impact**

- Action requires an appropriation increase to the \_\_\_ Capital Budget or X Operating Budget
- Action provides increased revenue for appropriation increase
- Action is within the Business Plan
- Request provided to the Finance Department when provided to the Committee Coordinator

**Community Impact**

- Neighborhood Notification – The project proposals have been reviewed by the official neighborhood organization representing the area in which the project is located.
- City Goals - A Safe Place to Call Home – In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city’s infrastructure will be well-maintained and people will feel safe in the city.

Connected Communities – In five years, Minneapolis will be a connected collection of sustainable urban villages where residents will live within walking distance of what they need or of public transit; there will be a connected network of transportation options; streets will be destinations; a mix of unique small businesses will be thriving; and Minneapolis’ neighborhoods will have unique identities and character.

- Sustainability Targets - Affordable rental/Affordable ownership housing: anticipate 20 units @ 0-30% MFI; 232 units @ 31-50% MFI; 18 units @ 51-80% MFI.
- 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.
- Zoning Code – All of the projects either comply or will comply with the zoning code.
- Living Wage/Business Subsidy Agreement                      Yes\_\_\_\_\_      No   X
- Job Linkage    Yes\_\_\_\_\_      No   X
- Other – N/A

**Background/Supporting Information**

On December 13, 2006, the Metropolitan Council awarded Livable Communities Demonstration Account (LCDA) grants to Currie Park Lofts and Station Place (\$341,341), Longfellow Station (\$934,523), and Van Cleve Court (\$1,334,523); and a Livable Communities Local Housing Incentives Account (LHIA) grant to City of Lakes Community Land Trust (\$100,000). Staff is now requesting City Council authorization to accept and appropriate the LCDA and LHIA grant awards.

**Grant Application and Award Process**

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. Application is open to cities participating in the Local Housing Incentives Program of the Livable Communities Act, on behalf of proposals in their communities.

In June, 2006, the City Council authorized submission of five (5) LCDA grant applications for the following projects, which are listed in the City’s rank order, to the Metropolitan Council: 1) SEMI University Research Park, 2) Currie Park

Lofts/Station Place, 3) Snelling Avenue Extension/46<sup>th</sup> Street Town Square, 4) Van Cleve Court and 5) Longfellow Station project.

City of Lakes Community Land Trust applied directly to the Metropolitan Council for the Livable Communities Local Housing Incentives Account (LHIA) program funding (the LHIA program does not require direct city application). LHIA grants, however, are made to the City and passed to the applicant via a sub-recipient agreement.

According to the Metropolitan Council, competition for grant funds was intense. Metropolitan Council staff and the Livable Communities Advisory Committee reviewed 30 LCDA applications totaling \$34.8 million. On December 13, 2006, the Metropolitan Council approved ten LCDA grants totaling \$8.8 million, including \$2,610,387 (or 30% of available funding) to the City of Minneapolis (Currie Park Lofts/Station Place, Longfellow Station and Van Cleve Court).

Also on December 13, the Metropolitan Council awarded LHIA grants totaling \$1,560,000 to eight projects, including \$180,000 to the City of Minneapolis for the application submitted by City of Lakes Community Land Trust.

**Project Summaries - LCDA**

**Currie Park Lofts and Station Place (Fine Associates or affiliated entity)**

**\$341,341:** to help make improvements to streets connecting the Cedar-Riverside Light Rail Transit Station with Currie Park and Cedar Avenue, supporting the first phase of a mixed-income housing and retail development at 415/515 15<sup>th</sup> Ave. S. (see Attachment 1).

**Longfellow Station Project (Capital Growth Real Estate or affiliated entity)**

**\$934,523:** to help remove deteriorated grain elevators near the 38<sup>th</sup> Street Light Rail Transit station, which will allow the development of a mixed-use, transit-oriented project at 3815 Hiawatha that includes nearly 300 units of housing, commercial space, structured parking and pedestrian connections. (see Attachment 2).

**Van Cleve Court (Project for Pride in Living or affiliated entity) \$1,334,523:**

to help with improvements on a three-plus acre parcel at 901 13<sup>th</sup> Ave. SE near the University of Minnesota that will be used for mixed-income housing. The development will include townhomes and condominiums, Habitat for Humanity homes and other affordable housing, including supportive housing for single adults. The project also includes on-site social and job services. (see Attachment 3).

City Rank	Project	Ward	Requested	Awarded
1	SEMI/University Research Park	2	\$1,536,000	\$0
2	Currie Park Lofts/Station Place	2	\$1,241,669	\$341,341

3	Snelling Avenue Extension/46th	12	\$2,000,000	\$0
4	Van Cleve Court	2	\$1,433,273	\$1,334,523
5	Longfellow Station Project	12	\$1,564,000	\$934,523
	<b>TOTAL</b>		<b>\$7,774,942</b>	<b>\$2,610,387</b>

**Project Summaries - LHIA**

**City of Lakes Community Land Trust (City of Lakes Community Land Trust or affiliated entity) \$100,000:** to help make six homes in the city more affordable by including the properties in a land trust. The land trust model will provide permanent affordability to households with members who live and work in Minneapolis but who are unable to afford to own a home using conventional means. Homeowners will identify homes for purchase and voluntarily place the houses in the land trust.

<b>Project</b>	<b>Ward</b>	<b>Requested</b>	<b>Awarded</b>
City Of Lakes Community Land Trust	various	\$180,000	\$100,000
<b>TOTAL</b>		<b>\$180,000</b>	<b>\$100,000</b>

Attachment 1: Currie Park Lofts/Station Place Project Data Worksheet

Attachment 2: Longfellow Station Project Data Worksheet

Attachment 3: Van Cleve Court Project Data Worksheet