

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

Date: February 16, 2010

To: Council Member Lisa Goodman, Community Development Committee

Referral to: Council Member Betsy Hodges, Ways and Means/Budget Committee

**Subject: 2009 Metropolitan Council Livable Communities Demonstration  
Account (LCDA) Grants**

### **Recommendation:**

- 1) Accept and appropriate Metropolitan Council Livable Communities Demonstration Account (LCDA) grants of \$74,000 for the Gateway Lofts project, and \$869,000 for the Capri Block project; authorize execution of Grant and Sub-recipient Agreements.
- 2) Amend the 2010 General Appropriation Resolution by increasing the Community Planning & Economic Development Agency Fund 01600–Other Grants-State and Local (01600-8900220) by \$943,000 (\$74,000 for Gateway Lofts; \$869,000 for Capri Block).
- 3) Increase the 2010 Revenue Budget for the Community Planning & Economic Development Agency Fund 01600–Other Grants-State and Local (01600-8900900-321513) by \$943,000 (\$74,000 for Gateway Lofts; \$869,000 for Capri Block).
- 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 and Alliance Housing (or affiliated entity).

### **Previous Directives:**

- In August, 2009, the City Council authorized submission of three (3) grant applications (Gateway Lofts, the Capri Block, and Riverview Apartments) to the Metropolitan Council Livable Communities Demonstration Account (LCDA) program. Riverview Apartments was withdrawn by the applicant subsequent to Council action.
- The City Council has previously approved \$997,000 in Affordable Housing Trust Funds (AHTF) and \$30,000 in Non-Profit Admin funds to Gateway Lofts. The City Council has also approved a number of actions related to the Capri Block, including approval of a number of land sales, authorization for land acquisition, acceptance of a Tax Base Revitalization Grant (TBRA) of \$47,500 from the Metropolitan Council for the Delisi Building, and approval of modifications to the West Broadway Redevelopment Plan.

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Approved by: Thomas Streitz, Director, Housing Policy & Development \_\_\_\_\_  
Charles T. Lutz, CPED Deputy Director \_\_\_\_\_

Presenters in Committee: Wes Butler, Manager, Housing Policy & Development

**Reviews**

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

**Financial Impact**

- X No financial impact
- X Action requires an appropriation increase to the Capital Budget \_\_\_\_\_ or Operating Budget X
- X Action provides increased revenue for appropriation increase
- X Action is within the Business Plan

**Community Impact**

- Neighborhood Notification: n/a

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.

Sustainability Targets: Affordable Housing Units; Air Quality; Bicycle Lanes and Paths; Permeable Surface.

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 it 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: n/a

- Living Wage/Business Subsidy Agreement Yes \_\_\_\_\_ No X
- Job Linkage Yes \_\_\_\_\_ No X
- Other: n/a

**Background/Supporting Information**

On January 13, 2010, the Metropolitan Council awarded Livable Communities Demonstration Account (LCDA) grants to Gateway Lofts (\$74,000) and the Capri Block (\$869,000). Staff is now requesting City Council authorization to accept and appropriate the LCDA 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.

There was less competition for LCDA funds this year, compared to previous years. Metropolitan Council staff and the Livable Communities Advisory Committee reviewed 10 eligible applications requesting a total of \$5,789,718. Approximately \$4 million was available. On January 13, 2010, the Metropolitan Council approved seven (7) LCDA grants totaling \$3,016,718, including \$943,000 (or 31.26%) to the City of Minneapolis. Gateway Lofts ranked first among all LCDA projects awarded LCDA funds from the Metropolitan Council, and the Capri Block ranked sixth.

**Project Summaries - LCDA**

Capri Block Redevelopment (CPED). The Capri Block Redevelopment seeks to complete property acquisitions on the block occupied by the Capri Theater and the Delisi building on West Broadway at Penn Avenue. The redevelopment itself is envisioned to contain a mix of housing and commercial uses. LCDA funding was awarded for site acquisition and demolition.

Gateway Lofts (Alliance Housing). Alliance Housing is proposing a high-density, mixed-income residential project on West Broadway near the Minneapolis border with Robbinsdale. The project is proposed to contain 46 units of housing, including five (5) at market rate. LCDA funding was awarded for stormwater management improvements, demolition, bike racks, a bus shelter, construction of an outdoor patio, and related engineering work.

City Rank	Project	Ward	Requested	Awarded
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1	Capri Block	5	\$869,000	\$869,000
2	Gateway Lofts	5	\$126,400	\$74,000
3	Riverview Apartments*	12	\$0	\$0
	<b>TOTAL</b>		<b>\$995,400</b>	<b>\$943,000</b>

*\*withdrawn by the applicant*

**Amending the 2010 General Appropriation Resolution.**

Resolved by The City Council of the City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by:

- 1) Increasing the appropriation for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900220) by \$943,000.
- 3) Increasing the revenue source for Community Planning & Economic Development agency Fund 01600-Other Grants-State and Local (01600-8900900-321513) by \$943,000.