



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: June 7, 2005

To: Council Member Lisa Goodman, Community Development Cmte
Council Member Barbara Johnson, Ways and Means/Budget Cmte

Prepared by: Kevin Dockry, Senior Project Coordinator, Phone 612-673-5075

Presenter in Committee: Kevin Dockry, Senior Project Coordinator

Approved by: Chuck Lutz, Deputy CPED Director _____

Subject: **Applications for Grant Funding from the 2005 Metropolitan Council Livable Communities Demonstration Account (LCDA)**

RECOMMENDATION: That the City Council approves the attached resolution:

1. Authorizing submission and priority ranking of up to five (5) grant applications to the Metropolitan Council Livable Communities Demonstration Account (LCDA); and
2. Authorizing appropriate City staff to execute such agreements as may be necessary to implement the Metropolitan Council Livable Communities Demonstration Account (LCDA) Grant Program.

Previous Directives: none

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- 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 (Summarize below)

Ward(s): 2, 3, 5, 6, 8 and 10

Neighborhood Notification: Not applicable.

City Goals: Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

Comprehensive Plan: Sections 4.9 and 4.10: Minneapolis will grow by increasing its supply of housing and will increase the housing that is affordable to low and moderate income households.

Zoning Code: Not applicable.

Living Wage/Job Linkage: Not applicable.

Background/Supporting Information

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.

The Metropolitan Council has \$8.31 million available for 2005 Development Grants. Application is open to cities participating in the Local Housing Incentives Program of the Livable Communities Act, on behalf of proposals in their communities.

Several program changes have occurred in 2005. Starting this year, no more than five applications may be submitted by a single city in any application cycle. Cities submitting more than one application per cycle (year) must prioritize them according to the city's internal priorities.

Program Goals

Program goals for all communities are to:

- 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; and
- Developed Communities: Invest Council resources to facilitate reinvestment—infill, adaptive reuse and redevelopment.

Funding Goals

Funding goals are to support projects that will help meet these goals for all communities:

- 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; and
- Developed Communities: Maintain, renew and improve infrastructure, buildings and land to provide developments that integrate land uses.

Use of Funding

Funding will assist with infrastructure and other hard costs for projects that are ready or will be ready within a year for construction. Funds may be used primarily for infrastructure, site preparation and construction costs. Funded project components must directly contribute to completion of a built or finished project, and reflect the goals of the program.

Distribution of Funds

The Livable Communities Advisory Committee may recommend up to 40 percent of the total funds available in a grant cycle for projects located in Minneapolis and St. Paul. The Metropolitan Council reserves the right to subsequently consider awarding more than 40 percent of the total available funds in the grant cycle to projects located in Minneapolis and St. Paul.

Local Resolution

A resolution from the applicant city in support of application(s) must be submitted. This resolution must 1) authorize the grant application(s), 2) identify the need for LCDA funding, such that the project could not occur in the foreseeable future “but-for” LCDA funds, and 3) prioritize the applications according to the city’s internal priorities, if a city is submitting more than one application.

Livable Communities Advisory 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 17-member LCAC includes local government officials; local government economic and community development staff; experts in development and finance, land use design, land use and transportation.

City Applications

In 2004, two Minneapolis projects (Chicago Lofts at Midtown Exchange and Heritage Park) were awarded LCDA funds totaling \$1,200,000. In 2005, the City has been requested to sponsor 13 projects totaling \$ 7,559,000.

The priorities reflected in this staff report are based upon LCDA program criteria and city policies and are consistent with criteria applied over the past several years. A 4-person staff review committee reviewed and ranked the applications according to the following criteria:

Criteria	Maximum Points
<i>Uses land efficiently</i>	6
<i>Links to local and regional transportation systems</i>	6
<i>Connects housing, employment, education, retail and recreation</i>	5
<i>Develops a range of housing densities, types and costs</i>	8
<i>Prevents, controls or removes pollution</i>	7
<i>Tools to ensure successful outcomes</i>	13
<i>Community support</i>	4
<i>Developability and readiness</i>	5
<i>Financing</i>	6
<i>Demonstration Project and "But For" Assistance</i>	10
<i>City Priority</i>	20
<i>Unspent Prior Years LCDA Funding</i>	-10
TOTAL POINTS	90

Applying the above criteria results in the following suggested ranking:

Rank	Project	Applicant	Ward	Address
1	Heritage Park	CPED	5	VanWhite Memorial Blvd
2	Midtown Exchange Greenway Condos	PPL	8	2900 11 th Ave So
3	Ripley Gardens	CCHT	5	300 Queen Ave No
4	Midtown Exchange 1928 Bldg. Housing	Sherman Associates	8	2929 Chicago Ave So
5	Higher Density Corridor Housing Acquisition Program	CPED	City wide	Citywide
6	Karamu West	NRRC	5	Penn and Plymouth
7	Agape Housing	Legacy Mgmt & Development	5	2000 West Broadway
8	3310 Nicollet Condominiums	Lyndale Neighborhood Development Corp.	10	3310 Nicollet Ave So
9	Lindquist Apartments	RS Eden	5	1935 West Broadway
10	Pokegema	American Indian Community Development Corp.	6	2112 14 th Ave So
11	Franklin Portland Phase III ("Wellstone")	CCHT	6	1931 Portland Ave
12	38 th & Nicollet ("38")	The Lander Group	8	38 th and Nicollet
13	Currie Park Lofts	Fine Associates	2	502 15 th Ave So

Project Summaries (alphabetical)

3310 Nicollet Condominiums (Lyndale Neighborhood Development Corp.)

New construction of a 4-story residential building providing 35 units of ownership housing with integrated parking; Twelve (12) units will be affordable at 50% of the Metropolitan Median Income (MMI) and 15 units will be affordable at 80% of the MMI. The project is a result of the Lyndale Neighborhood's vision for a revitalized Nicollet Avenue that includes higher density housing.

38th and Nicollet Condominiums (The Lander Group, Inc.)

Mixed-use, mixed-income project incorporating approximately 6,000 s.f. of retail space, 41 new ownership condominiums and 64 covered parking spaces on the southwest corner of 38th Street and Nicollet Avenue; Eight (8) units will be affordable at 50% of the MMI. The development plans include renovation of a historically significant 2-story building.

Aqape Housing Development (Legacy Management & Development Corp.)

New construction of 59 units of affordable workforce rental housing on West Broadway, one block east of Penn Avenue; Twelve (12) units will be affordable at 50% of the MMI and 47 units will be affordable at 80% of the MMI.

Currie Park Lofts (Fine Assoc./Currie Park Developments, LLC)

Mixed-use, mixed-income project incorporating approximately 10,000 s.f. of retail space, and 327 rental housing units in the Cedar-Riverside Neighborhood; Fifty-seven (57) units will be affordable at 50% of the MMI and 56 units will be affordable at 80% MMI.

Heritage Park (CPED)

Creation of a mixed-income, mixed-density, culturally diverse neighborhood on 143 acres one mile northwest of downtown. Over 900 new housing units will be created. Phases 3 and 4 include 95 rental housing units (affordable and market), a 102-unit elderly public housing facility, and 190 affordable and market rate ownership units.

Higher Density Corridor Housing Acquisition Program (CPED)

Provides funding for acquisition of multifamily housing development sites on or near community, commercial and transit corridors as defined in The Minneapolis Plan; Funds will be used to assemble larger sites for new mixed-income rental and ownership multifamily housing development.

Karamu West (NRRC)

Mixed-use, mixed-income project incorporating approximately 8,760 s.f. of retail space, and 61 ownership housing units along Plymouth Avenue, west of Penn Avenue; Eleven (11) units will be affordable at 50% of the MMI and 21 units will be affordable at 80% MMI.

Lindquist Apartments (RS Eden)

New construction of a 4-story building with housing and support services on the top two floors and a variety of tenant, agency and community program offices and rooms on the lower two floors. The project includes 24 efficiency apartments and 2 one-bedroom

apartments for at-risk youths who are aging out of foster care and corrections. Twenty-four (24) units will be affordable at 50% of the MMI and 2 units will be affordable at 80% MMI.

Midtown Exchange 1928 Building Housing (Sherman Associates)

Project is part of the renovation of the 1 million square foot former Sears facility in south Minneapolis. The mixed-use project includes Allina's corporate headquarters, 219 units of affordable and market rate rental housing, 141 affordable and market rate ownership units, the Global Marketplace and a 128-room full service hotel.

Midtown Exchange Greenway Condos (PPL)

Project is part of the renovation of the 1 million square foot former Sears facility in south Minneapolis. The mixed-use project includes Allina's corporate headquarters, 219 units of affordable and market rate rental housing, 141 affordable and market rate ownership units, the Global Marketplace and a 128-room full service hotel.

Pokegema (American Indian Community Development Corporation)

New construction of 26 units of affordable ownership housing; Thirteen (13) units will be affordable at 50% of the MMI and 11 units will be affordable at 80% MMI. The townhouse-style development includes four-bedroom, two bathroom homes.

Ripley Garden (CCHT)

Redevelopment of the former Ripley Maternity Hospital, including rehabilitation of 3 existing buildings along with the construction of 3 new buildings; sixty new housing units will be created (8 townhouse ownership units and 52 rental apartments). Twenty-six (26) units will be affordable at 50% of the MMI and 4 units will be affordable at 80% MMI.

The Wellstone – Franklin/Portland Phase III (CCHT)

Phase III of the 4 phase Franklin Portland Gateway development project, the Wellstone includes approximately 6,500 s.f. of commercial space along with 59 units of affordable rental housing; Twenty-nine (29) units will be affordable at 50% of the MMI and 30 units will be affordable at 80% MMI.