



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

Date: November 3, 2014

To: Council Member Lisa Goodman, Chair, Community Development & Regulatory Services Committee

Referral to: Council Member John Quincy, Chair, Ways and Means/Budget Committee

Subject: Application for Grant Funding from the 2014 Metropolitan Council Livable Communities Demonstration Account - Transit Oriented Development Predevelopment Grant

Recommendation:

Approve the attached resolution authorizing submission of a predevelopment grant application to the Metropolitan Livable Communities Demonstration Account Transit Oriented Development (LCDA TOD) grant program as discussed within this report.

Previous Directives:

The City Council considers submission of LCDA and LCDA TOD applications to the Metropolitan Council on an annual basis.

Prepared by: Carrie Flack, Senior Project Coordinator, CPED Residential Finance
Approved by: Catherine A. Polasky, Economic Development Director _____
Charles T. Lutz, Deputy Director, CPED _____
Presenters in Committee: Carrie Flack, CPED Residential Finance

Financial Impact

No financial impact

Community Impact

Neighborhood Notification: MPHA continues to engage with Prospect Park regarding Glendale Townhomes.

City Goals: Living Well, One Minneapolis, Great Places, and a City That Works.

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

Comprehensive Plan: 1.5 - Promote growth and encourage overall city vitality by directing new commercial and mixed-use development to designated corridors and districts; 1.13: Support high density development near transit stations in ways that encourage transit use and contribute to interesting and vibrant places; 3.2: Support housing density in locations that are well connected by transit, and are close to commercial, cultural and natural amenities; 3.6: Foster complete communities by preserving and increasing high-quality housing opportunities suitable for all ages and household types.

Supporting Information

The Metropolitan Council recently announced the availability of \$250,000 in funding for a fall round, the second funding round in 2014, to support development projects throughout the metropolitan area through the Livable Communities Demonstration Account - Transit Oriented Development Pre Development (LCDA TOD) program.

Funded projects should 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. Funds are intended to be used for projects that demonstrate innovative and new ways to achieve and implement these statutory objectives.

The TOD program will leverage the region's public investment in its transit infrastructure by focusing on proposals which are located in the following areas:

- Within a DEED designated Transit Improvement Area (TIA) or area eligible for TIA designation;
- within a one-quarter mile radius along designated high frequency local bus lines; or
- within a one-half mile radius of a bus stop or station on designated high-frequency express routes.

The purpose of this funding is to help LCDA-participating communities to implement transit oriented development which demonstrates how increasing density around transit stations can reduce dependence on automobile ownership, vehicular traffic, and associated parking requirements which would otherwise be necessary to support a similar level of more traditional development and also encourage more transit ridership.

Metropolitan Council Application Review Process

A Metropolitan Council staff evaluation team will review and score eligible LCDA TOD proposals using TOD grant criteria and guidelines. Based on the 2014 process, applications must score 45 or more points out of a possible 75 points on the Step One criteria to advance to the Step Two evaluation process. These criteria include:

- The proposal's ability to produce affordable housing;
- The proposal's ability to create or preserve employment opportunities;
- The degree to which the proposal is visible from the station area and the intensity of future use of the site;
- Established funding partnerships;
- The proposal's demonstration value and potential to provide area-wide benefits;
- The proposal's ability to be catalytic to attracting private sector investment; and
- Project readiness and anticipated timeframe of development.

Pre-Development/Site Investigation recommendations will be presented to the Met Council on December 15th with awards anticipated in January 2015.

Project Summary - LCDA TOD Pre Development Application

Glendale Townhomes Pre Development – Schematic Design (requesting \$100,000). This project is 14.5 acres bounded generally by 27th Avenue SE on the west, Interstate 94 on the south and University Avenue on the north. Glendale Townhomes is a traditional public housing development consisting of 184 affordable family units in 28 buildings. The Minneapolis Public Housing Authority in cooperation with CPED, is proposing to redevelop the entire 14.5 acres into a nationally recognized, culturally and economically diverse, sustainable, and amenity rich mixed-income and mixed-use neighborhood. MPHHA and CPED are seeking services to determine three alternative redevelopment plans for the Glendale site achieving these goals and plans to provide the 25% match. CPED will also contribute to the match with in-kind staff work.



Glendale Townhomes

**RESOLUTION
OF THE
CITY OF MINNEAPOLIS**

By Goodman

Identifying the need for livable communities transit oriented development funding and authorizing applications for grant funds.

Whereas, the City of Minneapolis ("City") is a participant in the Metropolitan Livable Communities Act ("LCA") Local Housing Incentives Program for 2014 as determined by the Metropolitan Council, and is therefore eligible to apply for LCA Livable Communities Demonstration Account and Tax Base Revitalization Account Transit Oriented Development (collectively, "TOD") funds; and

Whereas, the City has identified proposed projects within the City that meet TOD purposes and criteria and are consistent with and promote the purposes of the Metropolitan Livable Communities Act and the policies of the Metropolitan Council's adopted metropolitan development guide; and

Whereas, the City has the institutional, managerial and financial capability to adequately manage an LCA TOD grant; and

Whereas, the City certifies that it will comply with all applicable laws and regulations as stated in the grant agreement; and

Whereas, the City acknowledges Livable Communities TOD grants are intended to fund projects or project components that can serve as models, examples or prototypes for TOD development or redevelopment elsewhere in the region, and therefore represents that the proposed projects or key components of the proposed projects can be replicated in other metropolitan-area communities; and

Whereas, only a limited amount of grant funding is available through the Metropolitan Council's Livable Communities TOD initiative during each funding cycle and the Metropolitan Council has determined it is appropriate to allocate those scarce grant funds only to eligible projects that would not occur without the availability of TOD grant funding; and

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the City finds that it is in the best interests of the City's development goals and priorities for the proposed projects to occur at the sites indicated in the grant applications at this particular time.

Be It Further Resolved that the City finds that the TOD project components for which Livable Communities TOD funding is sought (a) will not occur solely through private or other public investment within the reasonably foreseeable future; and (b) will occur within the term of the grant award (two years for Pre-Development grants, and three years for Development grants) only if Livable Communities TOD funding is made available for these projects at this time.

Be It Further Resolved that the City authorizes its Department of Community Planning and Economic Development to submit on behalf of the City applications for Metropolitan Council Livable Communities TOD grant funds for the TOD project components identified in the applications and upon acceptance of any awards by the City Council its Finance Officer or designee to execute such agreements as may be necessary to implement the projects on behalf of the City.