



January 1997

Regional
Report

**Metropolitan
Livable
Communities
Fund**

**Report to the
Minnesota State
Legislature**

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The mission of the Metropolitan Council is to provide leadership in the effective planning of regional growth and redevelopment, and in the delivery of quality regional services.

The Metropolitan Council coordinates regional planning and guides development in the seven-county area through joint action with the public and private sectors. The Council also operates regional services, including wastewater collection and treatment, transit and the Metro HRA – an affordable-housing service that provides assistance to low-income families in the region. Created by the legislature in 1967, the Council establishes policies for airports, regional parks, highways and transit, sewers, air and water quality, land use and affordable housing, and provides planning and technical assistance to communities in the Twin Cities region.

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Summary

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This is the first annual report to the Minnesota Legislature on the Metropolitan Livable Communities Fund, established by the 1995 Livable Communities Act (Minnesota Statutes, Sections 473.25 through 473.254). The report covers the first year of the Metropolitan Council's administration of the fund.

The fund has three accounts:

- The **Tax Base Revitalization Account (TBRA)** helps cities pay for cleanup of polluted land and make it available for commercial and industrial redevelopment.
- The **Livable Communities Demonstration Account (LCDA)** funds projects that demonstrate how development can be designed to use land and services more efficiently and promote community. Projects seek to do so through more compact, higher-density, transit-oriented development with a mix of residential and commercial buildings, a range of housing types and costs, and walkable streets.
- The **Local Housing Incentives Account (LHIA)** expands housing opportunities through grants to eligible municipalities.

The legislation requires the Council to prepare and submit an annual report to the Legislature on the fund, including "the amount of money in the fund, the amount distributed, to whom the funds were distributed and for what purposes, and an evaluation of the effectiveness of the projects in meeting the policies and goals of the Council. The report may make recommendations to the legislature on changes to this act."

Fund Distribution

The amount of money available in the Livable Communities Fund in 1996 was \$12.1 million--\$6.5 million from tax levy sources in the TBRA Account, \$4.6 million from tax levies in the LCDA account, and \$1 million from solid waste bond proceeds in the LHIA Account. The Metropolitan Council awarded all but \$25,500 of the \$12.1 million budgeted in the fund as follows:

- **Tax Base Revitalization Account:** 17 grants totaling \$6.5 million to help clean up nearly 100 acres of polluted land in eight communities.
- **Livable Communities Demonstration Account:** Eight grants totaling \$4,574,500 for economic and community development projects in seven communities.
- **Local Housing Incentives Account:** Eight grants totaling \$1 million for affordable housing projects in seven communities.

The report includes a summary of each funded project and a financial summary, included as Attachment A.

How Projects Support Council Policies

Projects funded through the Tax Base Revitalization Account will generate over \$2.7 million in increased annual net tax capacity, supporting the Council's policy goals in the areas of reinvestment and redevelopment and regional economic vitality. Recycling land back into productive use strengthens the economic vitality of the region.

Eight Livable Communities Demonstration Account projects present models that demonstrate how land and services can be used more efficiently, supporting the regional growth strategy to ensure orderly development and limit sprawl. The projects also support Council policies in the areas of reinvestment and redevelopment, expanding affordable and life-cycle housing choices in the region, preserving the environment and linking environmental features into regional redevelopment. The projects combine regional transit investments with land use strategies to encourage links between jobs and transportation, help reduce travel demand through land-use strategies, and assist in strengthening the sense of community. They demonstrate innovative projects in different parts of the region that can be replicated.

Projects awarded Local Housing Incentives Account grants will result in more new affordable multifamily housing in suburbs and outlying towns in the region, promoting the Council's policy to expand affordable and life-cycle housing options in the region. Funded projects include 446 rental units, of which 198 will be affordable to low- and moderate-income families (\$27,300 - \$43,680 for a four-person family, in 1996 dollars). Two funded projects that will rehabilitate or replace substandard single-family housing in older parts of the region will promote council policies to foster reinvestment in the region's older areas, bolstering confidence in them as good places to live and invest in a home.

Interagency and Community Participation in Administering the Fund

Interagency or community participation is a feature of the Council's administration of all three funding accounts. The Tax Base Revitalization Program is coordinated with, and some projects also funded through, the Department of Trade and Economic Development's Contaminated Site Cleanup Program. The Minnesota Pollution Control Agency's staff reviews TBRA applications to verify that proposed cleanup activities will be done cost-effectively.

Applications for Livable Communities Demonstration Account funding are reviewed by a 15-member Livable Communities Advisory Committee with expertise in development and redevelopment, finance, local and county government, private foundation work, urban design and transportation, to ensure that proposed projects receive scrutiny in these areas, and that the projects selected meet the program's objectives.

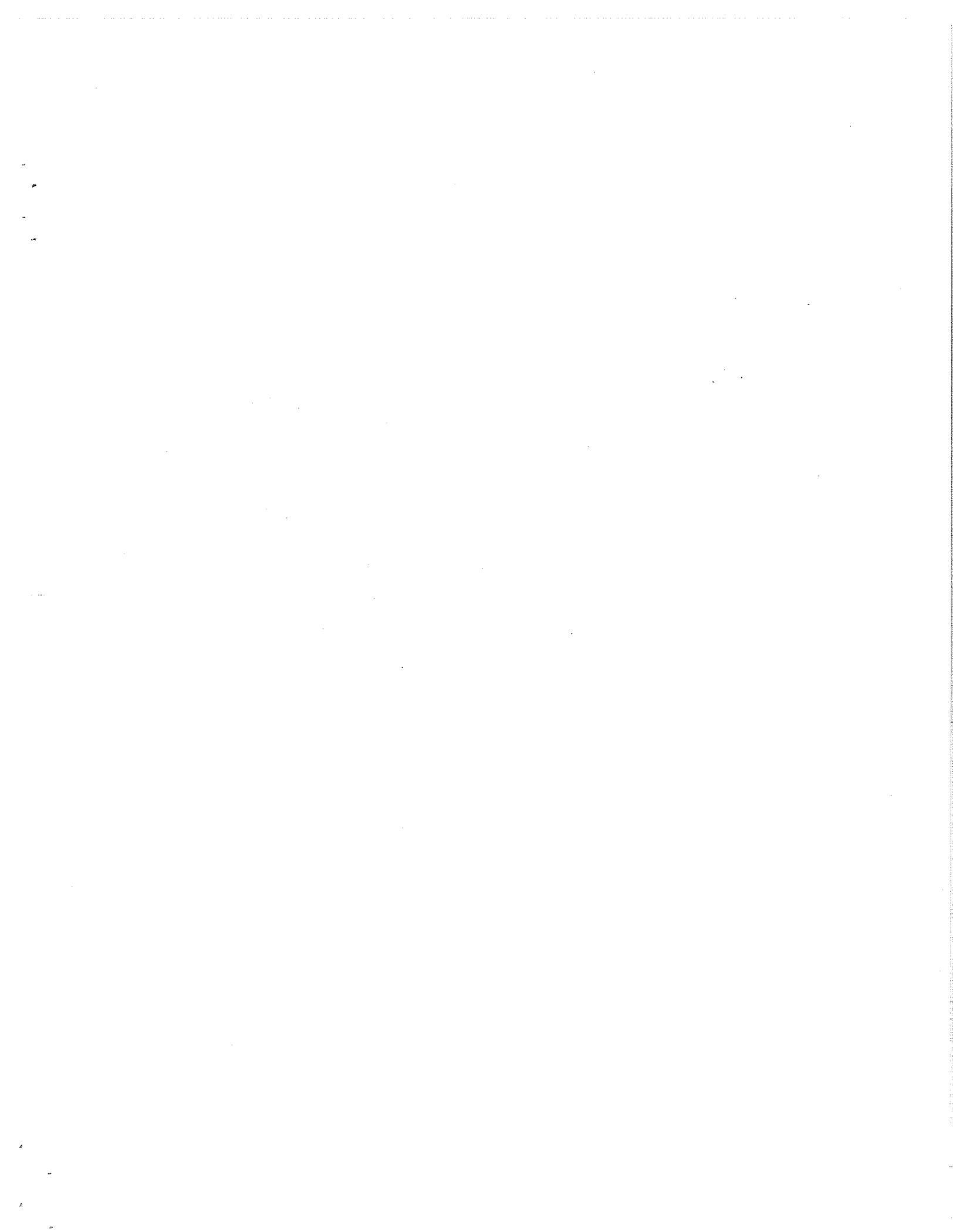
The Metropolitan Council administers the Local Housing Incentives Account through the Metropolitan Housing Implementation Group (MHIG), an organization of all the major housing funders in the region established in 1995 to coordinate and streamline the complex system of delivering housing resources in the metropolitan area. The MHIG developed a single request for proposal and application form so applicants need to apply only once to access any of the funds available during that funding cycle.

Recommendations for Legislative Changes to the Livable Communities Fund

Legislative changes to improve the Tax Base Revitalization Program will be considered by the Council, but have not been formulated as of this date. No legislative changes are recommended for the Livable Communities Demonstration Account or the Local Housing Incentives Account.

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Background and Provisions of the Law

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The fund has three accounts:

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- The **Livable Communities Demonstration Account (LCDA)** funds projects that demonstrate how development can be designed to use land and services more efficiently and promote community. Projects seek to do so through more compact, higher-density, transit-oriented development with a mix of residential and commercial buildings, a range of housing types and costs, and walkable streets.
- The **Local Housing Incentives Account (LHIA)** expands housing opportunities through grants to eligible municipalities.

To receive funds from any of the accounts, cities must voluntarily agree to participate in the Housing Incentives Program established by the Act and work toward affordable housing goals developed in cooperation with the Council.

The legislation requires the Council to prepare and submit an annual report to the Legislature on the fund, including "the amount of money in the fund, the amount distributed, to whom the funds were distributed and for what purposes, and an evaluation of the effectiveness of the projects in meeting the policies and goals of the Council. The report may make recommendations to the legislature on changes to this act."

This report contains the information required by the legislation. In addition, information is included on interagency cooperation and community participation in administering the fund.

Amount of Money In the Fund and Amount Distributed

The amount of money available in the Livable Communities Fund in 1996 was \$12.1 million--\$6.5 million from tax levy sources in the TBRA Account, \$4.6 million from tax levies in the LCDA account, and \$1 million from solid waste bond proceeds in the LHIA Account.

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- **Local Housing Incentives Account:** Eight grants totaling \$1 million for affordable housing projects in seven communities.

Interest earned on the fund and greater than anticipated tax receipts result in a fund balance of \$206,000 as of December 31, 1996. These funds will be included in the 1997 Annual Spending Plan. A detailed funding report is contained in Attachment A.

Distribution and Purposes of Funds

This section briefly describes each project for which funds were awarded, to whom the funds were awarded and for what purposes, and the grant amount.

Tax Base Revitalization Account

Round One Grants, Awarded June 1996

Midwest Motor Site, Roseville (2778 Cleveland Ave.). Clean hazardous waste, asbestos and petroleum associated with previous trucking operations. An obsolete building contains asbestos and soil contamination resulting from underground and surface releases of problem materials. Redevelop the site with an office, showroom, warehouse or other light industrial use building. Grant award: \$218,604

Ideal Security Hardware Site, Roseville (2621 Fairview Ave.). Clean hazardous materials associated with a metals cleaning and painting operation from the soil and allow the volatile contaminants to evaporate. Redevelop the site with an office building. Grant award: \$373,000

Lewis Nut and Bolt Site, Hennepin County (504++ Malcolm Ave. S.E., Minneapolis). Clean hazardous waste, asbestos and petroleum from the buildings and soils of this industrial site. Redevelop the site for office/warehouse use. Grant award: \$837,980

LTRI Site, Lauderdale (2531 W. Summer). Clean hazardous waste and asbestos from the buildings and soils of this former electricity generation site. Redevelop the site and the adjoining property at 3520 Broadway for commercial or printing business use. Grant award: \$658,450

Bolger Publishing Site, Lauderdale (3301 Como Ave. S.E.). Clean hazardous waste from soils associated with a former machine tool and die operation. Redevelop for new press and warehouse space. Grant award: \$256,000

Tyler St. Apartments, Hastings (1st and 2nd Sts.) Clean hazardous waste from soils associated with previous sheepskin tanning and auto repair operations. Redevelop with condominiums. Grant award: \$85,121

Union Scrap Site, Minneapolis (1500++ N. Washington Ave.) Clean hazardous waste from soils associated with previous metal and battery salvage operations. Redevelop for light industrial use. Grant award: \$190,709

Riverview West Site, St. Paul (Plato and Robert Sts.) Clean hazardous waste associated with previous residential, industrial, scrap iron and battery crushing uses. Redevelop for light manufacturing and parking. Grant award: \$154,500

Milwaukee Depot Site, Minneapolis (300 Washington Ave.) Remove asbestos from the former depot. Renovate the building for restaurant, pub and hockey rink use. Grant award: \$262,000

Courtyard Apartments Site, Brooklyn Park (6500++ Zane Ave. N.) Remove asbestos prior to demolition of the deteriorated structure. Redevelop for business use. Grant award: \$500,000

Maple Island Creamery Site, Stillwater (Main St.) Remove asbestos from the existing structure. Expand and renovate the structure for grocery, hardware and office use. Grant award: \$266,500

Round Two Grants, Awarded December 1996

Williams Hill Site, St. Paul (Mississippi St. and University Ave. E.; western downtown end of the Phalen Corridor). Clean metals and petroleum derivatives from soils on three previously owned sites used for salvage, junkyard and asphalt plant operations. Redevelop as a light industrial business park. Grant award: \$714,500

4820 W. Excelsior Ave. Site, St. Louis Park. Remove asbestos prior to demolition of an obsolete office and parking garage. Use for parking and open space until development occurs as part of the larger planned Town Center development. Grant award: \$179,500

Schnitzer/Watkins Site, Minneapolis/St. Paul (2703 Territorial Rd. and 3243 S.E. 4th St.) Remove lead and PCB's from the former Schnitzer Metal site and asbestos, PCB's, batteries, fluorescent lights and soil contaminated with petroleum derivatives and lead from the former Watkins Motor Lines Inc. site. Use the combined sites for an 85,000 square foot office building and an underground parking facility for United States Satellite Broadcasting (USSB), a subsidiary of Hubbard Broadcasting Co. Inc. Two grant awards: totaling \$1,275,001 (one each to Minneapolis and St. Paul).

Block 43 Site, Minneapolis (northeast corner of Washington and Plymouth Aves.) Clean petroleum and lead soil contamination primarily associated with auto salvage and scrap facilities. Light industrial use is proposed with one of two options--a multi-tenant light industrial building or expansion of nearby businesses. Grant award: \$345,507

Maple Island Creamery Site, Stillwater (Main St.). Remove additional asbestos discovered in the existing structure (this project also received an award in funding round one). Expand and renovate the structure for grocery, hardware and office use. Grant award: \$182,628

Livable Communities Demonstration Account

Note: A detailed funding summary for demonstration projects is included in Attachment B.

Round One Grants, Awarded March 1996.

West Ridge Market, Minnetonka. (northwest quadrant of 1-394 and Co. Rd. 73 intersection). A new development with 400 housing units, including Hollman family housing units; retail; parks and community spaces. It is located adjacent to a regional transit center. The Demonstration Account award will fund pedestrian linkages within the development and to the transit station; renovate a neighborhood park, and develop a community plaza and pavilion. Grant award: \$770,000

Phalen Village, St. Paul (eastern end of Phalen corridor, East Side). A new compact, mixed-use residential and commercial, transit-oriented neighborhood center, located near a natural wetland with links to Lake Phalen. Demonstration Account funding will acquire a declining shopping center in the location of a wetland, restore the wetland, and assist with assembling sites for a relocated grocery store and commercial development. Grant award: \$650,000

Lake Street and Fourth Avenue South, Minneapolis. A project to improve infrastructure to stimulate private investment; create employment and training opportunities for local residents; develop nine affordable apartments; and address safety and security issues. Demonstration Account funding will replace a bridge; add lighting, bus shelter and right-of-way improvements; develop an incubator for food-product businesses; help rehabilitate a building for housing, a restaurant and theater; and help create an employment and learning center, and a recreation field for youth. Grant award: \$740,000

St. Louis Park City Center. A project to create a 25-year development phasing plan for a new, compact town center to function as a local, municipal and regional destination for work, shopping, and recreation. The Demonstration Account award funded a community design process to develop the specifics of a phasing plan, market data and financial packaging, a local transit circulator study, and land use tools to ensure plan implementation. Grant award: \$139,000

Round Two Grants, Awarded December 1996

Villages on the Ponds, Chanhassen (adjacent to downtown Chanhassen). A development with 300+ housing units, commercial and office uses, a relocated church and school, and open recreation space; with a transit facility at its core. Demonstration Account funds will pay for a portion of sidewalks, small pedestrian plazas and connections, lighting, boulevard plantings and a boardwalk across the village pond. Grant award: \$500,500

Franklin Avenue Project, Minneapolis. (Chicago Avenue to Bloomington Avenue). A project to revitalize an eight-block area of Franklin Avenue as the main street of the Phillips neighborhood. Improvements in areas of physical access for able and disabled persons, mobility and safety will be combined with marketing and strategies to attract private investment. The Demonstration Account award will fund a portion of a traffic redesign, traffic "calming" and streetscape project, and assist with other improvements to aid access of residents to the area for employment, training, and cultural opportunities; and fund a business recruitment plan. Grant award: \$725,000

Cornerstone Program, Roseville. This project will develop models to redesign and renovate aging or outdated commercial strip corners, and redesign housing to meet needs of growing families who otherwise might move out of the community. Demonstration account funding will fund redesign work, a portion of sidewalk, pedestrian path and bus shelter construction, and promotional materials. Grant award: \$270,000

Downtown Robbinsdale. A project to rebuild Robbinsdale's downtown and make it more compact; make transit connections from downtown to a major employer (North Memorial Health Care Center in Robbinsdale), and to shopping and recreation areas; and provide life-cycle housing. Demonstration Account funding will assist site development of underground parking in a senior housing and retail building, develop safe shelters and platforms at a new MCTO transit center, and help acquire and develop sites for larger family homes for growing families. Grant award: \$780,000

Local Housing Incentives Account

Multifamily Round One Grants, Awarded June 1996

Note: Funding programs require housing to be affordable at varying income levels, for example 50 percent of median family income in the region. In the descriptions below, the percents identified are equivalent to the following 1996 regional income levels for a family of four: 30 percent of median, \$16,380; 50 percent of median, \$27,300; 60 percent of median, \$32,760; 80 percent of median, \$43,680. Median 1996 regional income was \$54,600.

Hastings Family Townhomes, Hastings. Acquire land and construct 31 two- and three-bedroom townhouses targeted for families. All units will be affordable to households at 50 percent of median income. Rents will range from \$477 to \$541. Total anticipated development cost is approximately \$3.1 million. Grant award: \$170,000.

East Creek Carriage Homes, Chaska. Acquire land and construct a 39-unit townhouse development. Fourteen of the units will be affordable to households at 30-60 percent of median income. The units are targeted for large families, offering two, three and four-bedroom units. Included are five units provided under the Hollman vs. Cisneros settlement with the City of Minneapolis. Rents will range from \$489 to \$789. Total anticipated development cost is approximately \$3.25 million. Grant award: \$130,000.

Crown Ridge, Minnetonka. Acquire land and construct a three-story, 64-unit elevator apartment building with underground parking. Fourteen of the units will be affordable to households at 50 percent of median and 42 units will be affordable to households at 60 percent of median. Will include six Hollman family public housing units. Rents will range from \$454 to \$817. Total anticipated development cost is approximately \$5.6 million. Grant award: \$100,000.

Minnetonka Mills, Minnetonka. Acquire land and construct eight two-story townhouse buildings containing 37 units. Twenty-one of the units will be affordable to households at 50 percent of median, with the remainder affordable to households at 60 percent of median income. Six public housing units provided under the Hollman settlement are included. The units are targeted for larger families offering two, three and four-bedroom units. Rents will range from \$350 to \$800. Total anticipated development cost is approximately \$4.1 million. Grant award: \$25,000.

Multifamily Round Two Grants, Awarded November 1996

Parkside Apartments, Cottage Grove. Renovate a 12-year-old, 72-unit apartment complex. The proposed rehabilitation will make the living environment healthier and safer while helping the project to remain affordable. The complex serves low-income families with incomes from 30 to 50 percent of median income. Forty percent of the households are federal Section 8 rental assistance participants. Rents range from \$608 to \$693. Total anticipated development cost is approximately \$635,000. Grant award: \$125,000.

Shadow Grove Apartments, Maple Grove. Construct 40 affordable two- and three-bedroom units targeted for families. Thirty units will be affordable to households at 50 percent of median; ten units will be affordable to households at 30 percent of median. Six "Hollman" public housing units are planned. Rents will range from \$368 to \$710. The total anticipated development cost is approximately \$15

million. The project is part of a 34-acre "life-cycle development" which will include 82 townhomes and a 25-unit three-story building for frail elderly. It will also include a retail center and an office site. Grant award: \$125,000.

Single-Family Grants, Awarded December 1996

Bloomington. Fund the following activities in the city's Community Enhancement Program, all designed to serve buyers with incomes less than 80 percent of the area median: 1) provide funds to assist in the acquisition and demolition of substandard homes and construct eight to 10 single-family homes for buyers with incomes less than 80 percent of area median. Most of the homes will be purchased for \$40,000 to \$60,000 and be replaced with structures costing \$115,000 or less. 2) Assist with financing for purchase/rehabilitation or refinance/rehabilitation of seven to 10 single-family homes. The average cost of acquiring these homes is approximately \$75,000 with an average rehabilitation cost of \$30,000. 3) Provide no interest loans for rehab on affordable single-family homes within the city's Community Neighborhood Areas. Total anticipated development cost for this project is \$1.5 million. Grant award: \$225,000.

South St. Paul - Acquire five or six blighted properties and demolish or rehabilitate the properties to help meet the goals of the city's new housing program, "Rediscover South St. Paul." The total anticipated development cost for this project is \$310,000. The program's objectives are 1) attack blighting influences in the city's oldest neighborhood by rehabilitating or replacing housing units, and 2) prevent the percentage of owner-occupied units from decreasing in this area due to the inability of current owner-occupants to sell dilapidated properties to new owners who will improve them. Grant award: \$25,000.

Effectiveness of Funded Projects in Meeting the Policies and Goals of the Council

The projects funded through the Livable Communities Fund promote and support the Council's *Regional Blueprint* and growth strategy in a variety of ways.

Projects funded through the Tax Base Revitalization Account, which will result in nearly 100 acres of polluted "brownfields" cleaned for redevelopment and over \$2.7 million in increased annual net tax capacity, will further the Council's policy goals in the areas of reinvestment and redevelopment and regional economic vitality. Recycling land back into productive use strengthens the economic vitality of the region.

Eight Livable Communities Demonstration Account projects present models that demonstrate how land and services can be used more efficiently, supporting the regional growth strategy to ensure orderly development and limit sprawl. The projects also support Council policies in the areas of reinvestment and redevelopment, expanding affordable and life-cycle housing choices in the region, preserving the environment and linking environmental features into regional redevelopment. The projects combine regional transit investments with land use strategies to encourage links between jobs and transportation, help reduce travel demand through land-use strategies, and assist in strengthening the sense of community. They demonstrate innovative projects in different parts of the region that can be replicated.

Projects awarded Local Housing Incentives Account grants will result in more new affordable multifamily housing in suburbs and outlying towns in the region, promoting the Council's policy to expand affordable and life-cycle housing options in the region. Funded projects include 446 rental units, of which 198 will be affordable to low- and moderate-income families (\$27,300 - \$43,680 for a four-person family, in 1996 dollars). Two funded projects that will rehabilitate or replace substandard single-family housing in older parts of the region will promote council policies to foster reinvestment in the region's older areas, and renew confidence in them as good places to live and invest in a home.

The section below has more information about how the projects funded in the three accounts promote and support the Council's policy goals in these areas:

Encourage Economic Growth, Increase Productivity and Jobs

Tax Base Revitalization Account

By increasing tax base in older parts of the region where polluted land is located, economic growth in these locations will be significantly boosted. As noted above, more than \$2.7 million increase in annual net tax capacity will be realized from the reuse of 96 acres of cleaned-up land. More than \$77 million in private investment is involved in these projects, and 1,630 new jobs paying an average annual wage of \$12.36 will be created.

Foster Reinvestment and Redevelopment in Distressed Parts of the Region

This policy stresses revitalization of distressed areas in the region's urban core, with a focus on improving and supporting local business.

The Blueprint policy calls for the core to be a major focus of reinvestment. The urban core is located generally along the central transportation corridor of the region stretching from the St. Paul Phalen Corridor on the east to the higher density neighborhoods and job centers north and south of downtown Minneapolis.

Tax Base Revitalization Account

Seven of 16 funded projects are located in the core, in Minneapolis and St. Paul. These projects will result in revitalization, increased tax base and new jobs in these areas. Making cleaned sites available provides locations for businesses that might otherwise locate elsewhere in the region, or outside the region.

Livable Communities Demonstration Account

Three of the eight funded projects are located in the urban core: Phalen Center in St. Paul, Lake Street and 4th Avenue in Minneapolis, and Minneapolis' Franklin Avenue Project.

The Phalen Center project in St. Paul will revitalize a declining area by creating a new mixed-use residential and commercial, transit-oriented neighborhood center; and will create natural amenities to encourage private investment.

The Lake Street and Fourth Avenue project in Minneapolis will improve infrastructure (a new bridge, lighting, bus shelter and right-of-way improvements) to bolster an aging neighborhood and stimulate private investment; create employment and training opportunities for local residents; provide affordable housing; and address safety and security.

Minneapolis' Franklin Avenue Project will improve access to and the image of the Franklin Avenue area, improve job training and education opportunities, and expand business activity and private investment.

Reinvestment policy also supports strengthening confidence in older areas of the region.

Livable Communities Demonstration Account

Roseville's "Cornerstone Project" will improve neighborhood services and amenities in outdated and commercial strip corners, and expand housing options for families.

The projects to revitalize Robbinsdale's downtown, and to create a town center in St. Louis Park, also will strengthen confidence in these older parts of the region.

These projects demonstrate a number of different ways to revitalize the region's older areas.

Local Housing Incentives Account

Two funded projects, in Bloomington and South St. Paul, will rehabilitate or replace substandard single-family housing, bolstering confidence in them as good places to invest in a home.

Expand Life-cycle Housing Opportunities and Housing Choices Throughout the Region

Policy emphasizes increasing housing density so the region can meet housing needs for 40 years or beyond.

Livable Communities Demonstration Account

Several Demonstration projects emphasize life-cycle and affordable housing options: West Ridge Market in Minnetonka, Chanhassen's Villages on the Ponds, and Robbinsdale's downtown.

West Ridge Market in Minnetonka will include over 400 townhouses, condominiums, rental apartments and apartments for seniors. Included are six public housing units provided under the Hollman vs. Cisneros lawsuit settlement. This housing will be provided at a net residential density of 22.5 units per acre, considerably higher than typical suburban densities.

Villages on the Ponds in Chanhassen will provide 168 owner-occupied units, half of which will sell for \$120,000 or less, and 154 rental apartments, 35 percent of which will rent at affordable level of \$683 for a two-bedroom. Like the Minnetonka project, the housing in Villages on the Ponds will be built at higher than typical densities in a suburban location. Net housing densities will range from 11.4 units per acre in

the area where commercial and office are also located, and 14.5 units per acre in an all-residential area. This compares to average residential density in Chanhassen of 6.5 units per acre.

Robbinsdale's downtown revitalization project includes renovating buildings for housing (combined with retail) in a compact downtown setting, to contain 57 senior apartments in one of the buildings and 20-40 market-rate units in another. In addition, 20-25 townhomes for "empty-nest" families will be built. The Robbinsdale project also involves acquiring lots to build larger homes, expanding options for growing families.

Roseville's Cornerstone Project will broaden life-cycle housing options in this first-ring suburb.

St. Louis Park's town center project, now in the pre-development stage, is expected to include additional life-cycle housing options.

Minneapolis' Lake Street and 4th Avenue project will include nine affordable apartments in a needed location.

These projects represent different models for expanding affordable and life-cycle housing in the region, and for increasing housing density.

Local Housing Incentives Account

Projects awarded grants from this account will result in new affordable housing--104 rental apartments and 107 townhouses--in Minnetonka, Maple Grove, Chaska and Hastings, helping to expand the supply of affordable housing in needed locations. In addition, 72 rental apartments in Cottage Grove will be rehabilitated, helping to keep them affordable.

Preserve the Natural Environment and Incorporate Environmental Features into the Development and Redevelopment of the Region

Livable Communities Demonstration Account

St. Paul's Phalen Center project is an excellent example of reclaiming a natural resource. A wetland will be restored in the location of a declining shopping center, providing amenities for area residents, and links to Lake Phalen.

Combine Regional Transit Investments with Land Use Strategies to Encourage Links Between Jobs and Transportation

Livable Communities Demonstration Account

Three of the eight demonstration projects are built around regionally-funded transit stations, enabling easy pedestrian access and connections to jobs. These projects include West Ridge Market in Minnetonka, downtown Robbinsdale, and Chanhassen's Villages on the Ponds.

West Ridge Market is located adjacent to and linked by pedestrian paths and a crosswalk to a transit station along 1-394 at Co. Rd. 73 in Minnetonka, near Ridgedale Shopping Center.

In downtown Robbinsdale, a transit station will accommodate suburb-to-suburb connections, and connections to a major employment center, North Memorial Medical Center.

Villages on the Ponds in Chanhassen incorporates a transit facility at its heart, the village core.

The Lake St. and 4th Avenue, and Franklin Avenue projects in Minneapolis will incorporate local transit service. St. Louis Park is exploring a transit hub and circulator service for its town center project.

These projects build on transit investments in ways that make better links between jobs and transportation in the region.

Reduce Travel Demand Through Strategies Such as Promoting Transit, Bicycles, Walking; and Promoting Pedestrian and Transit-Friendly Land Uses.

Tax Base Revitalization Account

Projects funded through the TBRA restore commercial and industrial properties that are situated in close proximity to affordable housing, thereby providing job opportunities that minimize the need for auto transportation.

Livable Communities Demonstration Account

Residents of the 400 homes and apartments located at West Ridge Market, Minnetonka, will have the option of walking to the adjacent transit station to take transit to work or shopping, and to walk to stores within the development itself. The location of Robbinsdale's redevelopment project, in a high-density downtown, will encourage walking, bike and transit trips. Transit riders will have the option of making purchases and conducting business at either end of the trip.

The density and configuration of Villages on the Ponds in Chanhassen will encourage walking and bike trips within the development. Also, the size of the development and its location adjacent to downtown Chanhassen will create potential for reducing auto trips, and combining trips to multiple locations.

St. Louis Park's City Center project has the potential to become a destination for a greatly increased number of work, shopping and recreation trips, and is planned to be served by a transit station and local bus circulator service, enabling good transit access to the city center site. At the same time, people visiting and living in the development will be able to walk or bike to various shopping and recreation destinations within the city center.

Other projects--including Lake St. and Fourth Avenue, Franklin Avenue Project, Phalen Center, and Roseville's Cornerstone Project--will locate more activities and businesses along established local transit routes with frequent transit service. This will increase the potential that these routes will be used for more trips, or to combine trips. Walking or biking to more destinations will also be more feasible.

Potential for reduced auto travel demand in the region is significantly improved through these projects.

Strengthen the Sense of Community

Livable Communities Demonstration Account

All of the demonstration projects provide physical improvements that in various ways help to strengthen a sense of place, foster community identity and a civic infrastructure, create areas where people can connect with residents and activities, and increase personal safety. The projects emphasize an integration of land uses--residential, commercial, office and public spaces--that help create places where people can live, work, shop and play.

Interagency Cooperation and Community Participation in Implementing the Fund

Interagency or community participation is a feature of the Council's administration of all three funding accounts.

The Tax Base Revitalization Program demonstrates a cooperative partnership between the Council and the Department of Trade and Economic Development (DTED) and the Minnesota Pollution Control Agency (MPCA). Council and DTED staff use the same application cycle deadlines and hold joint application workshops. DTED staff assist Council staff in ranking TBRA applications according to the Council's criteria. The Livable Communities Act authorizes TBRA funds as part of local match requirements for DTED's Contaminated Site Cleanup Program, and all projects eligible for both programs have been jointly funded.

Both the TBRA and the DTED programs require "response action plans" from the MPCA for all applicable projects. These plans are required as part of the Voluntary Investigation and Cleanup (VIC) program. MPCA staff review the applications to verify that proposed activities will cost-effectively implement the response action plan submitted by the applicant. Although asbestos cleanup is not currently addressed by the VIC strategy, MPCA staff also review applications involving asbestos cleanup. In addition, MPCA staff members participate in the application workshops.

Applications for the The Livable Communities Demonstration Account funding are reviewed by the 15-member Livable Communities Advisory Committee, which makes funding recommendations to the Metropolitan Council. The committee is made up of representatives with expertise in these areas: local

and county government, development and redevelopment, finance, private foundation work, urban design and transportation. Review of proposals by the committee ensures that the projects receive scrutiny in these areas of expertise, and that the projects selected meet the program's objectives.

The Metropolitan Council administers the Local Housing Incentives Account through the Metropolitan Housing Implementation Group (MHIG), established in 1995 to coordinate and streamline the complex system of delivering housing resources in the metropolitan area. The MHIG includes representatives of the Metropolitan Council, Minnesota Housing Finance Agency (MHFA), the Minneapolis-St. Paul Family Housing Fund, the Minneapolis Public Housing Authority, Corporation for Supportive Housing, Greater Minneapolis Metro Housing Corporation, Local Initiative Support Corporation (LISC), Federal National Mortgage Association (FNMA) and the Department of Housing and Urban Development (HUD). The MHIG represents an unprecedented effort to bring together the major housing resource providers to collaboratively develop a process and tools to provide easy access to and disbursement of a combined pool of housing development dollars. To the Council's knowledge, this form of collaboration has not been attempted elsewhere in the country.

The MHIG group developed a Super Request for Proposal (RFP) to simplify and streamline the process for accessing housing development dollars. The Super RFP includes descriptions and requirements of all funding sources available during a funding cycle, including the Local Housing Incentives Program. The Super RFP is mailed to all communities, developers, housing agencies and others interested in the production of affordable housing. Applicants need to apply only once, using the Super RFP application, to access any of the funds available during that funding cycle. The MHIG has also developed joint project selection criteria as a tool to review proposals and choose award recipients. The joint criteria include the policies articulated in the Council's *Regional Blueprint*, Livable Communities Act and the Governor's Economic Vitality and Housing Initiative.

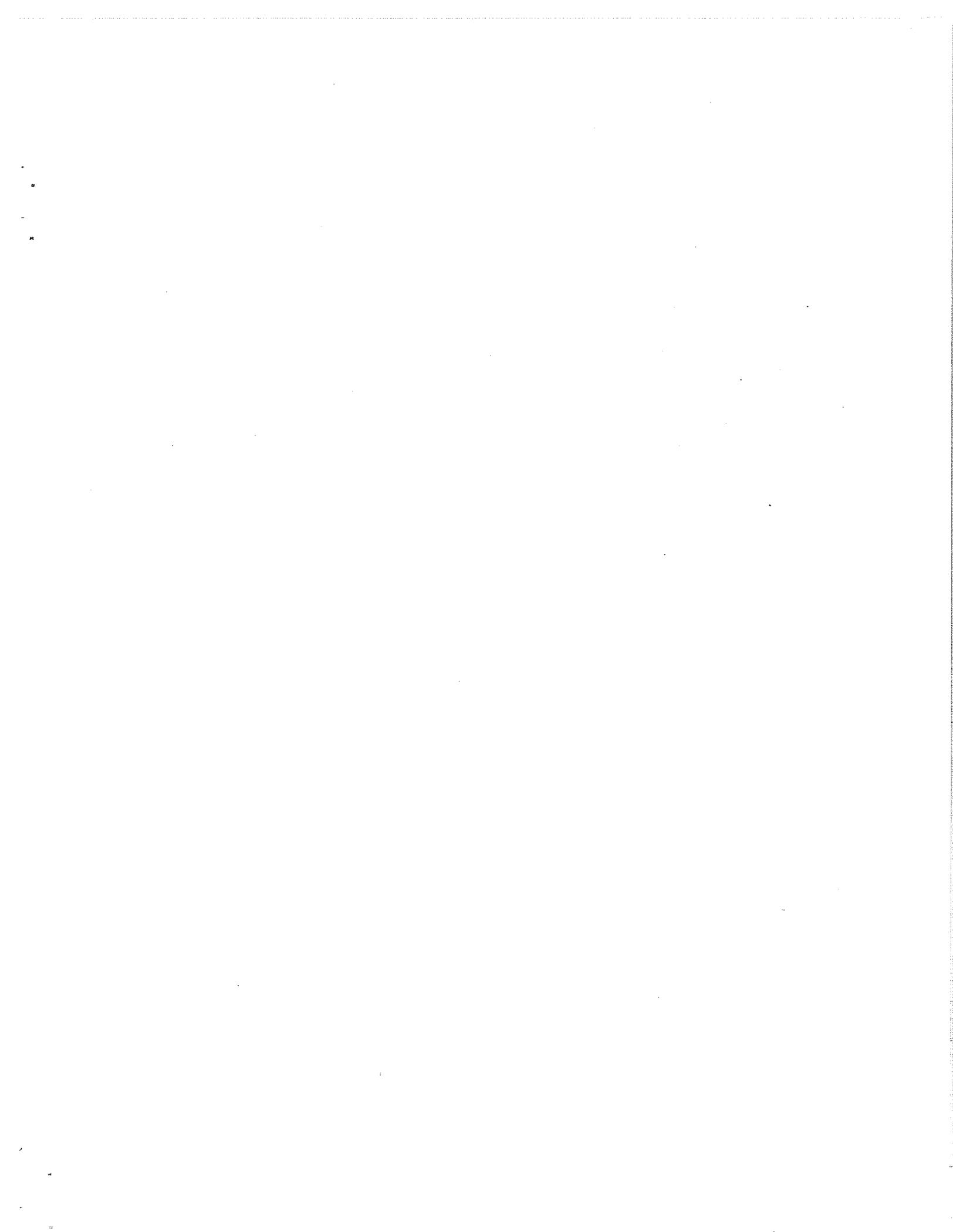
MHIG also created a collaborative project selection process to assist its representatives in making the best funding decisions possible. Representatives from each of the participating MHIG agencies serve on a joint selection committee. The selection committee reviews each proposal, considering the joint selection criteria, individual funder's criteria, as well as any funder's past experience with the applicant, previous funding allocations, familiarity with the project or expertise related to any aspect of the proposal. Funds are then allocated to each proposal based on the outcome of that review and the best match of proposal to funding source. Funding recommendations are brought to each of the appropriate funding boards for final approval.

Recommendations for Legislative Changes

Legislative changes to improve the Tax Base Revitalization Program will be considered by the Council, but have not been formulated as of this date. No legislative changes are recommended for the Livable Communities Demonstration Account or the Local Housing Incentives Account.

Attachment A

**Funding Report
Livable Communities Fund**



Metropolitan Livable Communities Fund
Income Statement
1/1/96 - 12/31/96

<u>Fund Name</u>	<u>BUDGET</u>	<u>TAXES</u>	<u>OTHER</u>	<u>INTEREST (1)</u>	<u>TOTAL REVENUE</u>	<u>VARIANCE (budget - total rev.)</u>
TBRA	6,500,000	6,526,973		82,201	6,609,174	109,174
LCDA	4,600,000	4,569,570		61,389	4,630,959	30,959
LHIA	1,000,000		1,000,000	40,747	1,040,747	40,747
	<u>12,100,000</u>	<u>11,096,543</u>	<u>1,000,000</u>	<u>184,337</u>	<u>12,280,880</u>	<u>180,880</u>

(1) Interest earnings: Actual 1/1/96 - 11/30/96, estimated for 12/96.

Metropolitan Livable Communities Fund
Balance Sheet
12/31/96

	TBRA fund# 250	LCDA fund# 251	LHIA fund# 252	LCA Totals
Budget/Grant Commitments	6,500,000	4,574,500	1,000,000	12,074,500
Revenues				
tax revenue	6,526,973	4,569,570	0	11,096,543
Other	0	0	1,000,000	1,000,000
interest	82,201	61,389	40,747	184,337
Total Revenue	<u>6,609,174</u>	<u>4,630,959</u>	<u>1,040,747</u>	<u>12,280,880</u>
Uncommitted Balance (1)	<u>109,174</u>	<u>56,459</u>	<u>40,747</u>	<u>206,380</u>
Disbursements	<u>810,256</u>	<u>153,500</u>	<u>200,000</u>	<u>1,163,756</u>
"Cash" Balance	<u>5,798,918</u>	<u>4,477,459</u>	<u>840,747</u>	<u>11,117,124</u>

(1) Uncommitted Balance = Total Revenue - Budget/Grant Commitments

(2) Cash Balance = Total Revenue - Disbursements

Tax Base Revitalization Account
Fund# 250
Awards and Disbursements
1/1/96 - 12/31/96

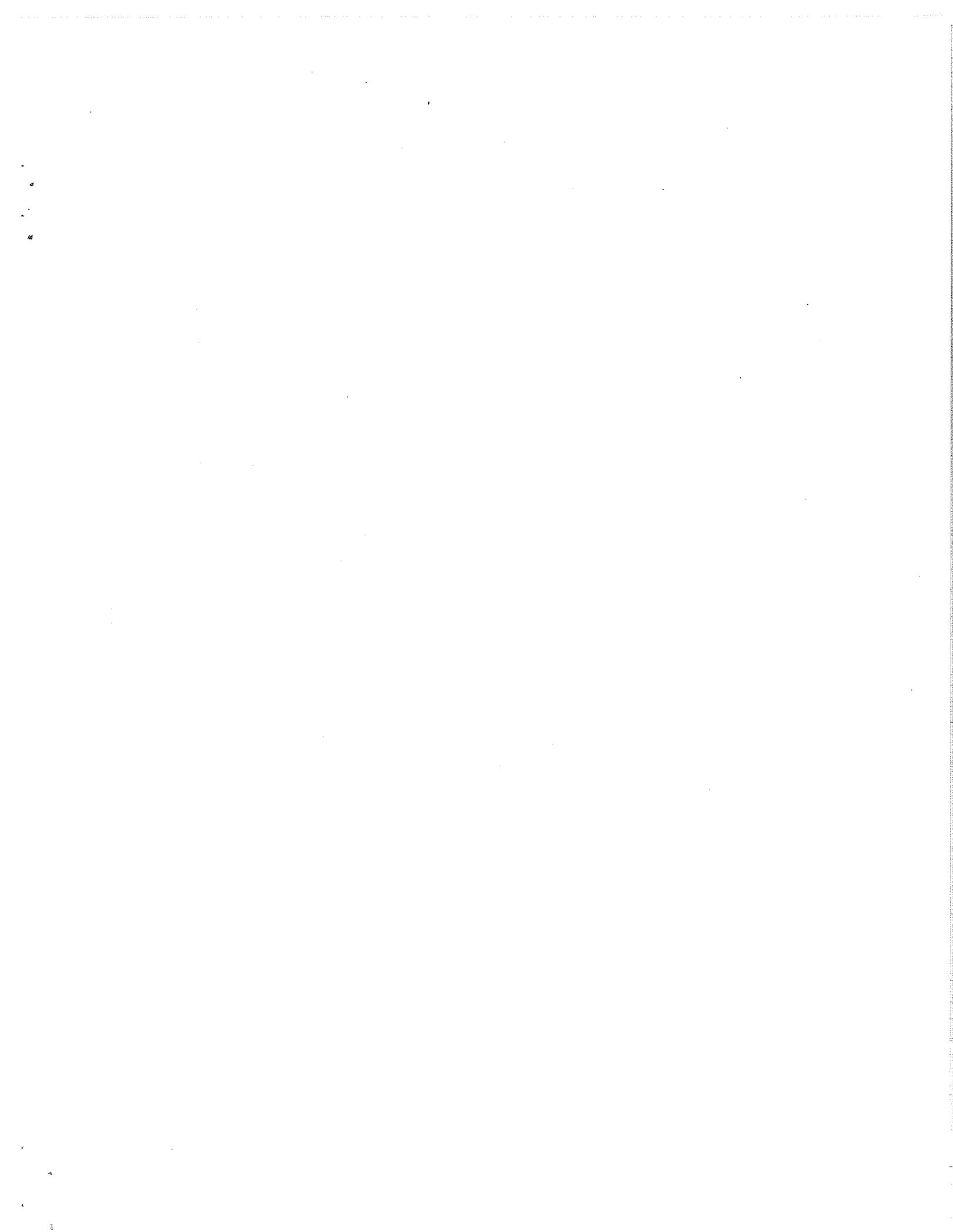
City/Municipality	Project Number	Sub-Grant#	Funding Cycle	Award Amount	Total Disbursements	Award Balance
Roseville - Midwest Motor	L200	SG96-61	96A	\$ 218,604		218,604
Roseville - Ideal Security Hardware	L201	SG96-62	96A	373,000		373,000
Hennepin County - Lewis Nut & Bolt	L202	SG96-63	96A	837,980	222,227	615,753
Lauderdale - LTRI Site	L203	SG96-64	96A	658,450		658,450
Lauderdale - Badger Publishing	L204	SG96-65	96A	256,000	59,529	196,471
Hastings - Tyler St. Apts.	L205	SG96-66	96A	85,121		85,121
MCD/Minneapolis - Union Scrap	L206	SG96-67	96A	190,709		190,709
Port Authority/St. Paul - Riverview West	L207	SG96-68	96A	154,500		154,500
MCD/Minneapolis - Milwaukee Depot	L208	SG96-69	96A	262,000	262,000	
Brooklyn Park - Courtyard Apts.	L209	SG96-70	96A	500,000		500,000
Stillwater - Maple Island	L210	SG96-71	96A	266,500	266,500	
St. Paul Port Authority - Williams Hill	L211	SG97-1	96B	714,500		714,500
St. Louis Park - 4820 W. Excelsior Ave.	L212	SG97-2	96B	179,500		179,500
Stillwater - Maple Island	L213	SG97-3	96B	182,628		182,628
MCD/Minneapolis - Block 43	L214	SG97-4	96B	345,507		345,507
St. Paul/MCD - Schnitzer/Watkins	L215		96B	1,275,001		1,275,001
Total Awards				6,500,000	810,256	5,689,744
TBRA Revenue				6,609,174		
Account Balance				109,174		
Summary by Funding Cycle						
96A - Spring '96				3,802,864	810,256	2,992,608
96B - Fall '96				2,697,136		2,697,136
Total				6,500,000	810,256	5,689,744

Livable Communities Demonstration Account
Fund# 251
Awards and Disbursements
1/1/96 - 12/31/96

City/Municipality	Project Number	Sub-Grant#	Funding Cycle	Award Amount	Total Disbursements	Award Balance
Minnetonka - Boulevard Gardens	L100	SG96-57	96A	\$ 770,000		770,000
Minneapolis - Lake & 4th	L101	SG96-58	96A	740,000	153,500	586,500
St. Paul - Phelan Village	L102	SG96-59	96A	650,000		650,000
St. Louis Park - City Center	L103	SG96-60	96A	139,000		139,000
Chanhassen - Villages On The Ponds	L104		96B	500,500		500,500
Minneapolis - Franklin Avenue	L105		96B	725,000		725,000
Roseville - Cornerstone Program	L106		96B	270,000		270,000
Robbinsdale	L107		96B	780,000		780,000
Total Awards				4,574,500	153,500	4,421,000
LCDA Funding				<u>4,630,959</u>		
Account Balance				<u>56,459</u>		
Summary by Funding Cycle						
96A - Spring 1996				2,299,000	153,500	2,145,500
96B - Fall 1996				2,275,500		2,275,500
Total				4,574,500	153,500	4,421,000

Local Housing Incentives Account
Fund# 252
Awards and Disbursements
1/1/96 - 12/31/96

City/Municipality	Project Number	Sub-grant#	Funding Cycle	Award Amount	Total Disbursements	Award Balance
Hastings Family Housing Ltd	L300	SG96-72	96A	\$ 170,000		170,000
Minnetonka Mills Affordable Housing	L301	SG96-73	96A	100,000	100,000	
Minnetonka - Crown Ridge	L302	SG96-74	96A	100,000	100,000	
Chaska - East Creek Ltd Partnership	L303	SG96-75	96A	130,000		130,000
Bloomington	L304		96B	225,000		
Cottage Grove	L305		96B	125,000		
Maple Grove	L306		96B	125,000		
South St. Paul	L307		96B	25,000		
Total Awards				<u>1,000,000</u>	<u>200,000</u>	<u>300,000</u>
Funding:				<u>1,040,747</u>		
Balance(deficit) (1)				<u><u>40,747</u></u>		
Summary by Funding Cycle						
96A - Spring 1996				500,000	200,000	300,000
96B - Fall 1996				500,000		500,000
Total				<u>1,000,000</u>	<u>200,000</u>	<u>800,000</u>



Attachment B

Summary of Funded Items, Livable Communities Demonstration Projects

Funding Round One

West Ridge Market, Minnetonka.

Renovate neighborhood park	\$ 350,000
Develop community plaza and pavilion	300,000
Develop walkways and transit crosswalk	120,000
Total	\$770,000

Phalen Village, St. Paul.

Acquire shopping center and restore wetland	\$ 550,000
Assemble sites for grocery store and commercial redevelopment	100,000
Total	\$ 650,000

Lake Street and 4th Avenue, Minneapolis

Develop commercial kitchen incubator	\$ 300,000
Integrated public realm improvements	204,000
Develop employment and learning center, center for fathering	50,000
Develop building for reuse as nine affordable apartments, family restaurant, community theater.	75,000
Replace 29th Street bridge	82,500
Develop field for recreational use	28,500
Total	\$ 740,000

St. Louis Park City Center

Conduct community design process	\$ 45,000
Conduct market studies	20,000
Define redevelopment phasing plan	15,000
Develop financial packaging	15,000
Identify regulatory barriers and develop ways to address barriers	5,000
Analyze local transit circulator	27,000
Other implementation activities	12,000
Total	\$ 139,000

Funding Round Two

Villages on the Ponds, Chanhassen

Construct sidewalk, pedestrian plazas, lighting, plantings, street furniture and a boardwalk across the village pond	\$500,500
Total	\$500,000

Franklin Avenue Project, Minneapolis

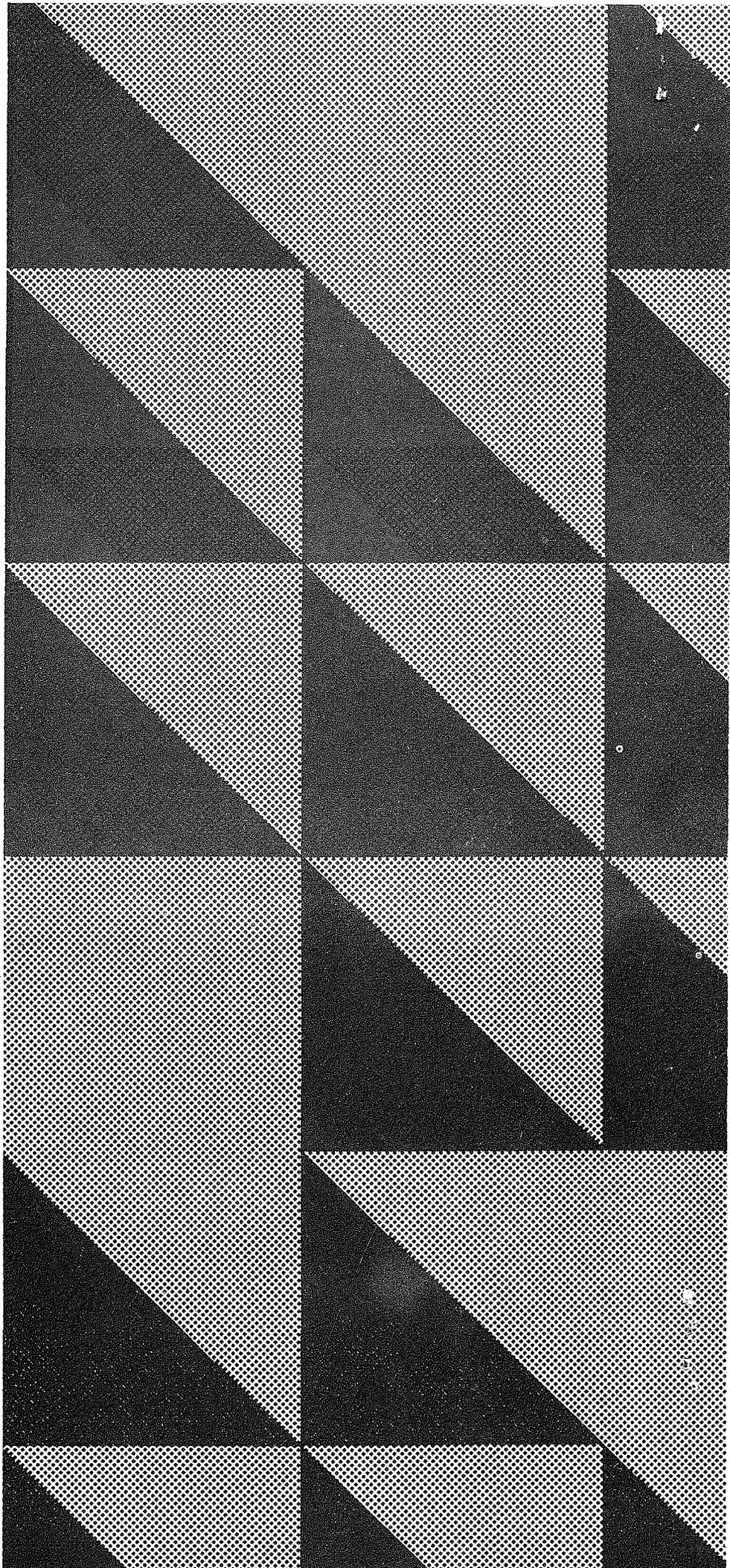
Assist surveying and detail design work for streetscape improvements, sidewalk configuration and construction	\$450,000
Convert five vacant lots to moderately landscaped green spaces	25,000
Renovate location for local credit union	30,000
Provide wheelchair access in Franklin Theater	60,000
Install elevator in renovated tribal college	50,000
Assist renovation of Youth Enterprise Center building	80,000
Business recruitment and marketing plan	30,000
Total	\$725,000

Cornerstone Program, Roseville

Redesign up to 3 commercial strip corners	\$ 30,000
RFP and option funds to gain control of up to 3 sites for 12 months during redesign process	75,000
Assist construction of sidewalks, bus shelters, paths; and addition of lighting and trees, \$50,000 each for 3 sites	150,000
Promotional materials for residential redesign project	15,000
Total	\$ 270,000

Robbinsdale

Assist construction of underground parking for a building with residential and commercial uses	\$ 500,000
Construct sidewalks, shelters and platforms at MCTO transit center	200,000
Assist with acquisition and development of sites to develop housing for growing families.	70,000
Assist in developing zoning code amendments to implement innovative development	10,000
Total	\$ 780,000



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