Regional

Report

Metropolitan Livable Communities Fund

Report to the Minnesota State Legislature

March 2000

Metropolitan Council
Working for the Region, Planning for the Future

*T*he mission of the Metropolitan Council is to improve regional competitiveness in the global economy so that this is one of the best places to live, work, raise a family and grow a business.

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 B 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

This is the fourth 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 details activities of the Metropolitan Council's administration of the fund in 1999, and summarizes fund commitments throughout its operational history from 1996 through 1999. The report responds to a requirement in the Livable Communities law that the Council submit an annual report on the fund's activities and on how the funded projects meet regional policies and goals.

The Livable Communities Fund has four accounts:

- The **Inclusionary Housing Account (IHA)** is a new account authorized by the legislature in 1999 to assist communities in developing innovative and inclusionary housing that includes a variety of housing types and costs, and demonstrates cost reduction or cost avoidance associated with regulatory incentives made available by the local community.
- The **Livable Communities Demonstration Account (LCDA)** funds projects that demonstrate using land and services more efficiently, through more compact, higher-density, transit-and pedestrian-oriented development with a mix of residential and commercial buildings and a range of housing types and costs.
- The **Local Housing Incentive Account (LHIA)** helps expand life-cycle and affordable rental and ownership housing in the region.
- The **Tax Base Revitalization Account (TBRA)** helps cities clean up contaminated urban land for subsequent commercial and industrial development, thus restoring tax base and jobs near existing housing and services.

The Metropolitan Council awarded $14,284,419 in grants from the four accounts during 1999. Funds came primarily from tax levies, with additional monies from 1998 carryover, accrued interest, and from previously funded projects completed under budget.

Grants were awarded as follows:

- **Inclusionary Housing Account**: One grant totaling $348,054 for affordable rental housing.
- **Livable Communities Demonstration Account**: Twelve grants totaling $5,817,317 plus $30,000 in supplemental transit funding for economic and community development projects in thirteen communities.
- **Local Housing Incentive Account**: Thirteen grants totaling $1,935,000 to help construct and rehabilitate affordable rental and ownership housing in twelve communities.
- **Tax Base Revitalization Account**: Twenty grants totaling $6,184,048 to help clean up 170 acres of polluted land in ten communities.

Grant awards to date in the four years of the fund's operation, 1996 through 1999, include:

- **Inclusionary Housing Account**: One grant in one community totaling $348,054 to construct affordable rental housing.
- **Livable Communities Demonstration Account**: 39 grants in 20 communities and two multi-city coalitions, totaling $19.3 million.
- **Local Housing Incentive Account**: 30 grants to 21 communities totaling $4.6 million for affordable rental and ownership housing.

- **Tax Base Revitalization Account**: 57 grants in 18 communities totaling $26.2 million to clean up 610 acres of contaminated land.

The uncommitted balance in the fund (total sources minus total awarded) was $3,223,195 on December 31, 1999. This balance is attributable primarily to the new Inclusionary Housing Account funded with a $4 million appropriation that is just beginning to be committed. The other accounts are managed to be fully committed each year. Deficits in the uncommitted balance for two accounts reflect interest earnings reported as less than projected when grants were awarded. These deficits will not be realized because investment principal calculated as of the end of the year during a period of rising interest rates would incur a reduction if sold on that date, but the Council's investments of "cash" balances are generally held to maturity. The report includes a summary of each project funded in 1999, an update on three previously-funded projects, and a detailed financial summary.

1999 Funding, How Projects Support Regional Policy

Livable Communities Demonstration Account projects present replicable models for how land and services can be used more efficiently, supporting the regional growth strategy to ensure orderly development and limit sprawl, promote infill development to use land better and improve jobs-housing-transportation connections, and expand affordable and life-cycle housing choices in the region.

The Demonstration Account funded three models for redevelopment and infill development in the core--two in Minneapolis, one in St. Paul--in 1999 that provide rehabilitated and new housing in a range of costs, improved physical environment and livability, and good access to transit and jobs. Two projects will establish compact town centers with mixed uses in walkable environments (Burnsville and Mendota Heights). A plan for a town square will be developed to include commercial, parking lifecycle and senior housing and potentially a transit hub(Cottage Grove). Another LCDA-funded project is a model redevelopment in an older community that rehabs mixed-income housing and links it conveniently with transit and a park (St. Louis Park). Another is a demonstration that upgrades and diversifies the housing supply (Portland Place in Minneapolis). Another will operate jointly in Arden Hills, Blaine, Circle Pines, Moundsview, New Brighton, Roseville and Shoreview to research and develop smart growth and transit corridor options. Two projects will plan mixed-use development to complement light rail development in Minneapolis. In addition, St. Paul will develop illustrated urban village zoning regulations to simplify and speed the process for redeveloping major sites in sensitive Mississippi River Corridor areas.

Projects awarded Local Housing Incentives Account grants will result in more new affordable multifamily housing in ten communities in the region, promoting the Council's policy to expand life-cycle and affordable housing options in the region. Funded projects include 195 new rental units, nearly all affordable to families with incomes from 30 to 50 percent of the area median ($19,080 to $31,800 for a four-person family, in 1999 dollars); 113 new homeownership units to be sold to families earning from 50 to 80 percent of the median ($31,800 to $50,880); and 27 rehabilitated homes affordable to families at the same income levels.

Projects funded through the Tax Base Revitalization Account in 1999 will foster the regional objective to stimulate economic growth in the region's core and other older communities. The TBRA awarded grants to help with cleanup and reuse of over 170 acres of brownfields in core locations of Minneapolis and St. Paul, and in Brooklyn Center, Chaska, Coon Rapids, Farmington, Fridley, Hopkins, St. Louis Park and Robbinsdale. These economic development projects are expected to create 2,167 jobs paying an average hourly wage of $14.15. A more than $5.8 million increase in net tax capacity will be realized from these cleanup projects, and they secure more than $286 million in private investment.

Projects funded through the four accounts will help provide nearly 550 new and rehabilitated housing units--single-family houses, townhouses, condominiums, rental apartments for families and seniors, and live-work housing. More than half of this housing, an estimated 350 units, will be affordable to families earning 30 to 50 percent ($19,080 to $31,800) of the area's median income. An additional 200 units will be affordable to families earning up to 80 percent ($50,880) of median income.

Fund Administration

Interagency or community participation is a feature of the Council's administration of all four funding accounts. Applications for Livable Communities Demonstration Account funding are reviewed by a 17-member Livable Communities Advisory Committee with expertise in development and redevelopment, finance, transportation, urban planning design, and local and county government 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 and the Inclusionary Housing Account through the Metropolitan Housing Implementation Group (MHIG), an organization of all 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 a funding cycle. The Tax Base Revitalization Program is coordinated with, and many projects are jointly funded through the Department of Trade and Economic Development's Contaminated Site Cleanup Program. The Minnesota Pollution Control Agency's Voluntary Investigation & Cleanup staff reviews TBRA applications to verify that cleanup is necessary and will be done cost-effectively.

One legislative change is recommended for the Livable Communities Fund. Currently funds for the Livable Communities Demonstration Account, the Local Housing Incentives Account and the Inclusionary Housing Account cannot be awarded to municipalities through the housing and redevelopment authorities (HRA's) or economic development agencies (EDA's) they frequently use to manage their housing and development initiatives. A change is recommended for the Livable Communities Act to provide the same type of flexibility currently authorized for the Tax Base Revitalization Account. The change would allow a housing and redevelopment authority or economic development authority serving a municipality to act on its behalf to receive and administer Livable Communities Act funds distributed by the Metropolitan Council.

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Background and Provisions of the Law

This is the fourth 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 473.255). The report details activities of the Metropolitan Council's administration of the fund in 1999, and a summary to date of fund activities covering 1996 through 1999.

The fund has four accounts:

- The **Inclusionary Housing Account (IHA)** assists communities in developing innovative and inclusionary housing that includes a variety of housing types and costs, and demonstrates cost reduction or cost avoidance through regulatory incentives made available by the local community for selected projects.
- The **Livable Communities Demonstration Account (LCDA)** funds projects that demonstrate using land and services more efficiently, through more compact, higher-density, transit-and pedestrian-oriented development with a mix of residential and commercial buildings and a range of housing types and costs.
- The **Local Housing Incentive Account (LHIA)** helps expand life-cycle and affordable rental and ownership housing in the region.
- The **Tax Base Revitalization Account (TBRA)** helps cities clean up contaminated metro area land for subsequent commercial and industrial development, thus restoring tax base and jobs near existing housing and services.

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. In 1999, 102 metropolitan area cities participated and were eligible to receive funds.

The legislation requires the Council to prepare and submit an annual report to the Legislature. It is to include "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.

Fund Amounts Received and Distributed

The amount of money available in the Livable Communities Fund in 1999 from current year tax levies and legislative appropriation was $15.1 million--$4 million in the Inclusionary Housing account, $4.6 million in the LCDA account, $1.5 million in the LHIA account, and $5 million in the TBRA account. Additional monies were available from accrued interest, unexpended balances from TBRA and LHIA grants completed under budget and uncommitted LCDA funds from previous years due to a lack of fundable requests.

The Metropolitan Council awarded $14,284,419 in grants during 1999 as follows:

- **Inclusionary Housing Account**: One grant totaling $348,054 to make 33 rental units in a 162-unit project in a developing suburb affordable to households at 30 percent of median income.
- **Livable Communities Demonstration Account**: Twelve grants totaling $5,817,317 for economic and community development projects in thirteen communities.
- **Local Housing Incentive Account**: Thirteen grants totaling $1,935,000 to help construct and rehabilitate affordable ownership and rental housing in twelve suburban communities
- **Tax Base Revitalization Account**: Twenty grants totaling $6,184,048 to help clean up more than 170 acres of polluted land in ten communities.

Detailed financial reports for the fund and each account are contained in Attachment A.

Fund Distribution and Purposes

This section briefly describes each project awarded funds during the year, the purposes of the grant award and the grant amount. The recipient of the funds is the city in which the project is located, unless noted otherwise (counties may apply for funding to be used in projects located in cities within the county).

Inclusionary Housing Account

Grant Awarded December 1999

Lake Susan Apartment Homes, Chanhassen The development will consist of three 54-unit three-story buildings to be constructed on 9.94 acres on the west side of Highway 101 and Main Street. The apartment development will include 72 one-bedroom or one-bedroom plus den units, 17 of which will have rents affordable to households at 30 percent of area median income; and 90 two-bedroom units, or two-bedroom plus den, 16 of which will have rents affordable to households at 30 percent of area median income. Total development cost is anticipated to be $16.4 million.

In creating the Village on the Ponds redevelopment district, the city has increased the permitted maximum per acre density of residential development for attached housing from only four units per acre to attached housing at 16 units per acre. If this density increase were not permitted, a residential development of the same size in the same location would necessitate an increase in land costs that would approach nearly $3.9 million. In addition, Chanhassen reduced the surface parking requirement for this development, reducing these development costs by $22,755. Grant Award: $348,054.

Livable Communities Demonstration Account

Grants Awarded December 1999

Heart of the City, Burnsville Redevelop a low-density 40-acre site south of Highway 13, east of Pillsbury Avenue, north of Burnsville Parkway and west of Eagle Ridge Drive and the northern portion of First Avenue. Establish a compact town center development pattern with mixed uses in a walkable environment. Funds will be used for streetscape public improvements, construction of a community plaza, and removal of an old gas station to convert the site to a community gateway. Grant Award: $1,612,317.

Urban Village, Minneapolis Supplement a previous grant of $640,000 to assist in redeveloping a three-block, 6.6-acre light industrial area to include 210 mixed-income, owner-occupied housing units constructed according to development guidelines that ensure compatibility with the existing neighborhood character and grid street pattern. The site is bounded by 28th Street to the north, Aldrich Avenue to the east, Dupont Avenue to the west, and the 29th Street Midtown Greenway Corridor to the south. Funds will be used for site assembly/acquisition, relocation and public improvements. This grant was warranted due to unanticipated increases in site assembly and acquisition costs. Grant Award: $500,000.

Louisiana Court, St. Louis Park –. Redevelop and reconfigure sixteen 1960s-era 2½-story walk-up apartment buildings and rehabilitate 122 rental apartments, including 17 Hollman units, affordable at 50 percent of median income. Funds will be used to create pedestrian paths and park access, reorganize entries and parking, construct bus shelters and signage, acquire and renovate 11 buildings, and assist with credit enhancement and debt service. The 143-acre site is along Louisiana Avenue between 28th Street and Cedar Lake Road. The city will work with Metro Transit to determine the appropriate location of one or more Metro Transit shelters. Grant Award: $970,000 (LCDA) and $30,000 (transit funding). Supplemental transit funding was made available in 1999 from federal CMAQ funds, through the Council's Transportation Division, for project components that directly support transit use. This was the only project that qualified for these funds.

North Quadrant Urban Village, St. Paul Develop a mixed-use predominately residential neighborhood, centered on a public green, that integrates new infill construction with rehabilitation and reuse of existing warehouse buildings and preserves two existing churches and existing businesses. The grant funds will be used to realign Sibley Street between 8th and 9th to enlarge the block for housing development; straighten the curve along 7th Street to calm traffic, regularize the street grid and create a larger, more developable block; and first-phase park improvements to establish a central green space. Grant award: $960,000.

Portland Place/Joseph Selvaggio Initiative (JSI), Minneapolis Reconfigure a two-block area to create 51 homeownership (50 new and one rehab) opportunities in a mix of single-family, twinhomes and townhouses. JSI, an eight-block area across the street from Portland Place, focuses on single-family exterior improvements, multifamily rehabilitation and public space improvements. The site is bound on the north by 26th Street, the south by 28th Street, the east by Chicago Avenue, and the west by Fifth Avenue South. Funds will be used to help construct 19 new homes and one Victorian house for Portland Place, and for public improvements and open space improvements for JSI. Grant Award $350,000.

I-35W Corridor Coalition (Arden Hills, Blaine, Circle Pines, Mounds View, New Brighton, Roseville and Shoreview) Through the Coalition's coordinating group, conduct a $350,000 build-out study and a $350,000 transit corridor study with consultant assistance. Enhance and expand data sets, add new GIS data sets, research and develop subregional planning models, develop a preferred Smart Growth option and recommended transit corridor options, and research and craft implementation strategies. Corridors throughout the area will be considered to implement the regional transit master plan and sector 1 and 2 transit studies. Council staff will participate in the study to ensure compatibility with regional plans and goals. Grant Award: $700,000.

Langdon Square Planning, Cottage Grove Plan for development/redevelopment and location of transit facilities in the Hwy. 61 corridor in Cottage Grove. The city's plans have centered on redevelopment of the Langdon Square Area, with the goal of establishing a pedestrian-scale town square area with commercial and service uses, transit, lifecycle and senior housing and parking. Langdon Square is approximately 250 acres located east of Jamaica Avenue, south of Highway 61, west of the 3M property, and north of 100th Street, with a finger extending about .75-mile northwest of Jamaica Avenue between Highway 61 and the Canadian Pacific Railroad. The study will examine locations in the corridor, including Langdon Square, for placement of a transit hub and park-ride facility, based on the needs of the regional transit system and local needs, and for feasibility of redevelopment. Council staff will participate in the study to ensure that regional objectives are addressed and coordinated with local plans. Funds will be used for consultants to conduct demographic analysis; project population, travel, and employment projections; evaluate historic structures; prepare and assess the viability of design concepts; and perform photo-imaging. Grant Award: $150,000.

Freeway Road Redevelopment, Mendota Heights Develop a town center on 23 acres in the northeast quadrant of the intersection of Dodd Road and Highway 110, with compact, mixed-uses providing retail, service, office and housing around pedestrian-oriented spaces with transit connections. Funds will be used to prepare a market study, develop site controls, develop design guidelines, design public amenities and engineer public amenities. Grant Award: $150,000.

Corcoran/Longfellow LRT Planning, Minneapolis Develop a comprehensive plan for the study through coordination between the Corcoran and Longfellow neighborhood groups. Conduct market and feasibility studies directed toward planning for mixed-use development along a one-mile strip of East Lake Street (Cedar Avenue to 32nd Avenue) in conjunction with the Hiawatha/Lake Street LRT Station. Funds will be used for a senior housing market study, a transportation-oriented study, a mixed-use feasibility study and a commercial revitalization study. Grant Award: $150,000.

Franklin Avenue LRT, Minneapolis Produce site-specific development plans, based on a community vision developed through the Community-Based Planning Task Force, and coordinated with ongoing design and implementation of LRT infrastructure at the Franklin Avenue Station. The site includes the area within a half-mile of the LRT station at the intersection of Franklin Avenue and Hiawatha Avenue. Funds will be used to hire a development consultant(s) to assist with site-specific development planning. Grant Award: $75,000.

Ventura Village, Minneapolis Continue planning and development plans to build on the community vision for the 60-block Ventura Village area of the Phillips neighborhood, bound by I-94 on the north, 24th Street on the south, I-35W on the west, and the Soo Line railroad tracks on the east. Plans include adding 2,800 housing units in low-rise buildings, including carriage and alley houses, more public and green space, featuring a "yellow brick road" network of pedestrian/green pathways that connect blocks with city parks, amenities and services. Funds will be used for a housing market feasibility study, land inventory, feasibility analyses of project components, coordination with LRT station planning at the Franklin Avenue station, a project manager and community facilitator. Grant Award: $150,000.

Urban Village Zoning Regulations, St. Paul Develop illustrated urban village zoning regulations to simplify and speed the process for redeveloping several major sites in St. Paul consistent with urban village guidelines. Funds will be used to hire a consultant to survey best practices nationwide, propose concepts, and draft regulations; and for city costs in conducting the public review and adoption process. The project will address, to the extent feasible, how the regulations can incorporate policies from the

Mississippi National River and Recreation Area (MNRRA) and Critical Area standards for the Mississippi river corridor. Grant Award: $50,000.

Local Housing Incentive Account

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 1999 income levels for a family of four: 30 percent of median, $19,080; 50 percent of median, $31,800; 60 percent of median, $38,160; 80 percent of median, $50,880. Median 1999 regional income was $63,600.

LHIA Homeownership Grant Awarded August 1999

Ridgebury, Minnetonka Mixed income, back-to-back townhome development providing homeownership opportunities for a wide range of household incomes. The entire project includes the construction of 163 units (40 condos, 12 duplexes and 111 townhomes) that will sell for $102,500 - $300,000+. The affordable component of the project will add 56 affordable two-bedroom townhomes that will sell for $102,500 - $133,000. The project is located near the intersection of I-394 and Hopkins Crossroads. The project includes $2.7 million in TIF and the city is putting in $500,000 in funding to write down the costs. Grant Award: $100,000

LHIA Multifamily/Rental Grants Awarded August 1999

Lyndale Avenue Townhomes, Bloomington The new construction of 23 permanent rental, two-story townhouse units contained in seven buildings on two scattered sites on Lyndale Avenue. The project includes six MHOP Hollman units. Rents range from $430 - $826 and include 11 two-bedroom and 12 three-bedroom units. Seventy-four percent of the units will serve incomes at or below 50 percent of the area median. The MHOP units will serve incomes at or below 30 percent of area median. The City has approved the sites as residential redevelopment districts. Total development cost is anticipated to be $3.2 million. Grant Award: $119,000

Lakeville Family Townhomes, Lakeville This development involves the construction of 29 permanent rental townhomes. The project goal is to provide and link safe, affordable housing to job growth in Dakota County. The project includes 1 one-bedroom, 14 two-bedroom and 14 three-bedroom units. Rents range from $522 - $589. The units are targeted to serve working poor families who are on their way from welfare to work, with incomes between 33 percent and 50 percent of area median. Total development cost is $3.6 million. Grant Award: $166,000

Lakeside Townhomes, Woodbury This development is the new construction of 36 permanent rental, mixed income townhomes (28 affordable units). Twenty-four of the units will be affordable to incomes at 50 percent of state-wide median, and four units are MHOP (Hollman) units affordable to incomes at 30 percent of area median (six units are market rate). Rents will range from $345 - $657. The project includes 11 two-bedroom, 15 three-bedroom and 10 four-bedroom units. The site is just south of the outlet mall off I-94 and is adjacent to a small lake. This is a quickly expanding area of Woodbury, and provides good access to jobs and services. Total development cost is anticipated to be $4.1 million. Grant Award: $215,000

LHIA Homeownership Grants Awarded October 1999

Co-op Northwest Revitalization Corporation, Brooklyn Park Funding to assist in the rehabilitation of a 22-year-old two-unit split level twin home in Brooklyn Park. The total project cost is $245,000. Funds will be used to defray rehabilitation, value gap and development expenses. Leveraged funds include $40,000 in HOME funds and $165,000 from the city. Sales price will be $156,000 ($78,000 per unit). The funding of this proposal will impact the local community by continuing an effort in Brooklyn Park neighborhoods to eliminate blight by stabilizing declining communities and providing affordable homeownership opportunities for local residents. The applicant will sell the homes to buyers at 65 percent or less of area median income, or approximately $41,000. Grant Award: $40,000

MCDA / Near North Neighborhood, Minneapolis Funding for an in-fill new construction development project of 15 single-family units on MCDA-owned property in north Minneapolis. Funds are being used for value gap financing for single-family and/or townhouse construction. The anticipated per unit cost will be $130,000 to $140,000 and the average gap subsidy will be $30,000 to $36,000 per unit. The project also involves the substantial rehabilitation of an additional 14 to 19 units with other local funding sources. This project is part of a larger New North Revitalization effort by MCDA that will involve nearly $5 million of public and private investment. One-half of the units will be sold to households at up to 115 percent of median income, or about $73,000, the other one-half to households at up to 80 percent of median income, or about $51,000.
Grant Award: $250,000

MCDA / Phillips Park Initiative, Minneapolis The grant involves funding for the continued redevelopment of a four-block area in the Phillips Neighborhood in Minneapolis. This project is part of a $5.7 million redevelopment plan. Funds will be used to assist in the construction of six twin home structures, with assistance in the form of value gap financing. The amount of value gap per unit is anticipated to be around $34,000. The redevelopment plan for the neighborhood places emphasis on maintaining the mixed-use character of the area. The Council has previously awarded $575,000 in LCA Demonstration Account funds to this MCDA initiative. Unit sales will be targeted to households below 115 percent of state median income, or about $73,000.
Grant Award: $80,000

City-wide – St. Paul The grant will fund value gap financing, $15,000 per unit, to be used for the production and rehabilitation of fifty owner-occupied single-family and duplex housing units (Houses to Homes). The proposed new units will be 1½ or 2-story, 1400-1700 sq. ft.,3-4 bedrooms, 1½ bath with detached garages and amenities in keeping with the character of the neighborhood. This project is a collaborative effort between the City of St. Paul and nine community development corporations to increase the supply of safe, decent and affordable housing. Through the Houses to Homes Program, the city has already committed $1.06 million; LISC has committed $2 million in loan funds and a $325,000 grant. Habitat for Humanity is contributing $300,000. Ten percent of the units (5) will be sold to households between 30 and 50 percent of median income, $19,000 to $32,000. Sixty percent of the units (30) will be sold to households between 50 and 80 percent of median income, $32,000 to $51,000; and 30 percent of the units (15) will be sold to households between 80 and 115 percent of median income, $51,000 to $73,000.
Grant Award: $260,000

Plymouth HRA, Plymouth Funds for a rehabilitation program in an existing affordable housing development located in the City of Plymouth. The HRA intends to rehabilitate five units, three of which have significant structural problems, and the remaining two have yet to be identified. The average rehabilitation cost per unit will be $27,600 with a one-to-one match between local and LHIA dollars. The rehabilitation funding will be targeted for households at approximately 60 percent of area median income, or about $38,000. Grant Award: $70,000

LHIA Multifamily/Rental Grants Awarded November 1999

Chanhassen Family Housing, Chanhassen Grant is to assist a new construction 34-unit two-story townhouse development within a 414-unit life-cycle housing development on 80 acres called Arboretum Village, being developed by Plute Homes in the northeast corner of the intersection of Highway 41 and Highway 5. The 34 units will be in eight buildings on one site, developed at a density of about 8.5 units per acre. Four of the units will be Hollman public housing units with Carver County HRA administering the ACC. The surrounding area will be residential, with a strip mall proposed to the south of the site. The proposed site has good access to transportation, schools and employment, and is about three miles west of downtown Chanhassen. Total development cost is anticipated to be $4 million. Grant Award: $200,000

Evergreen Heights Townhomes II, Shakopee Grant is to assist a new construction 24-unit two-story townhouse development consisting of four buildings on one contiguous site south of Vierling Drive near County Road 16. Eight public housing units also to be constructed turnkey by the applicant with Hollman funds and turned over to City for ownership. The surrounding area is planned for a mix of residential, commercial and industrial development. The proposal is strongly supported by the City as part of a larger development, and the City is selling the site to the developer. A large daycare facility is also being developed adjacent to the housing site.. Total development cost will be $2.48 million. Grant Award: $100,000

Mendota Heights Family Townhomes, Mendota Heights This award is to assist development of a 24-unit family townhome proposal at 2400 Lexington Avenue in Mendota Heights. The development will receive year 2000 tax credits from Dakota County HRA. The project goal is to provide and link safe affordable housing to job and population growth in Dakota County. The 1999 vacancy rate in Mendota Heights was two percent for two-bedroom units, and there are no three-bedroom units in the city. As a first-ring suburban community, Mendota heights will continue to experience significant employment growth and opportunities. The proposed development site is close to schools, transportation access and services, and is within walking distance to a transit stop and several bus routes. Total development cost is anticipated to be $3.37 million. Grant Award: $200,000

Ramsey Townhomes, Ramsey Funding to assist a 33-unit proposal being sponsored and developed by Anoka County Community Action Programs (ACCAP). The city has acquired property four miles north of Highway 10 on Highway 47, which will be cleared by selling and moving 14 homesteads in preparation for a road improvement and sale to the ACCAP for this development. The proposal calls for construction of 14 twin homes, a triplex, and a five-bedroom group home. Two of the three-bedroom market rate units may be used for transitional housing with support services funded from a five-year grant already awarded by HUD to the City of Ramsey. The other four market rate units may be funded with Hollman dollars and become Hollman public housing units if the city agrees and funding is approved. The total development cost will be $4.2 million. Grant Award: $135,000

Tax Base Revitalization Account

Grants Awarded June 1999

Former Boise/Onan/Medtronic Site, Fridley (26-acre site east of Central Ave. N. at Norton Ave. between the Onan and Medtronic facilities). Excavate and thermally treat soil contaminated by wood treating operations of a predecessor of Boise Cascade Corp. Monitor and manage groundwater by manipulating soils and creating a wetland. Redevelop with a 400,000 sq. foot distribution center for Murphy trucking and Onan Corp. Grant award: $154,658 matching a DTED grant.

Old Federal Reserve Building, Minneapolis (250 Marquette Ave.). Remove asbestos from the former Federal Reserve Bank. The building has three levels under a sloping plaza and an 11-story office structure suspended like a suspension bridge over the plaza. The building was vacant since the fall of 1997 because seals between the steel suspension framing and the glass wall failed due to different expansion rates. Moisture and air infiltration lead to deterioration and heat loss. The renovation will consist of glass and aluminum and include an addition to create a 534,000 sq. ft. class A office building with a landscaped plaza. Grant award: $1,000,000.

5101 Minnetonka Blvd., St. Louis Park. Address soil and groundwater contamination from tetrachloroethene (PCE) stemming from the former Waldorf-Nevens Dry Cleaner. The dry cleaner facility will be replaced with a five-level mixed-use building for commercial, retail and housing along with an underground parking garage. Grant award: $87,152 matching a DTED grant.

Washburn Crosby Complex, Minneapolis (Downtown Minneapolis between Portland Ave. and 8th Ave. on the north side of E. Second St. on the West Bank of the Mississippi River near St. Anthony Falls). Remediate asbestos and other hazardous materials in four buildings and associated facilities of this former milling complex designated as a National Historic Landmark. The Minnesota Historical Society is planning to locate a St. Anthony Falls Heritage Center and Museum on the lower four floors of the south half of the "A" Mill. The remainder of the renovation is to be occupied as corporate office space. A parking ramp is also planned. Grant award: $388,000.

Maxson Steel, St. Paul (21-acre site west of Como Ave., south of Topping St., east of Dale St., and north of the Burlington-Northern Railroad). Manage asbestos and hazardous wastes in conjunction with the demolition of former industrial operations and remediate soil contamination from VOC's, PCB's, PAH's and heavy metals. Redevelop as an industrial park with 274,000 sq. ft. of office and manufacturing space in three buildings with a pond, green space and parking. Grant award $609,900 supplementing a DTED grant and previous funding through TBRA and DTED.

North Washington Industrial Park, Minneapolis (242 Plymouth Ave. N. and 1301-1311 North Washington Ave.). Remediate soil contamination from a former junk yard operated until 1949 and possibly more recent uses. Redevelop for light industrial use. Grant award $32,000 matching a DTED grant.

Brickyard, Chaska (northeast corner of Highways 41 and 212). Clean heavy metals contamination from an unknown source. Redevelop with a 14,000 sq. ft. Walgreens drug store. Grant award $77,909 matching a DTED grant.

3545 Broadway Ave. W., Robbinsdale. Address asbestos in the vacant Montgomery Wards building of the Terrace Mall. Renovate the building for light manufacturing or office/warehouse use. Grant award $440,000.

10895 – 10921 Excelsior Blvd., Hopkins. Address soil contamination from a former municipal landfill that was capped in 1964. Materials will be excavated and managed by thermal treatment, MSW disposal or hazardous waste disposal. A liner will be installed to prevent contaminant migration from the site and special pilings will be used to anchor new buildings. Redevelop as the Hopkins Business Center with a 10,000 sq. ft. bank/office building and two office/warehouses (59,000 sq. ft.). Grant award $168,271 matching a DTED grant.

River Bend Business Park, St. Paul (one mile west of downtown St. Paul at Shepard Rd. and James Ave. immediately west of the NSP High Bridge electrical plant). Clean contamination from petroleum tank farming, railroad staging operations and numerous earlier uses. Supplement previous funding to address unanticipated soil and concrete slab management, de-watering, pretreatment of water and sanitary sewer discharge fees. Redevelop with one or two light industrial office/manufacturing facilities. Grant award $308,249 matching a DTED grant and supplementing previous TBRA and DTED grants.

Grants Awarded December 1999

1350-1440 Coon Rapids Blvd. Coon Rapids. Excavate, evaluate, screen and appropriately dispose material from an unpermitted landfill that operated into the 1960's. Replace the material removed with clean backfill. Redevelop with a two-phased 60,000 sq. ft. commercial/retail structure that may be used by the current occupants, Gopher Electric and Rapids Cleaners. Grant award $124,781 matching a DTED grant.

Williams Hill, St. Paul (east of I-35E between University Ave. and Pennsylvania Ave.). Complete soil and groundwater remediation that exceeded previously funded expectations for cleanup of this complicated 31-acre site. An industrial park with 348,480 sq. ft. of building floorspace is substantially constructed and four businesses are already established on the site. Grant award: $144,151 (amendment supplemental to awards in 1996 and 1998).

Washburn Crosby Complex, Minneapolis (Downtown Minneapolis between Portland Ave. and 8th Ave. on the north side of E. Second St. on the West Bank of the Mississippi River near St. Anthony Falls). Remediate lead paint in five buildings of this former milling complex designated as a National Historic Landmark. The Minnesota Historical Society is planning to locate a St. Anthony Falls Heritage Center and Museum on the lower four floors of the south half of the "A" Mill. The remainder of the renovation is expected to be occupied as corporate office space. A parking ramp is also planned. Grant award: $240,000 supplementing a previous TBRA award to address asbestos in the complex.

Dania Hall, Minneapolis (427 Cedar Ave. S.). Remove and dispose lead paint and asbestos preparatory to the renovation of this Danish-American Society hall that is listed on the National Register of Historic Places. The hall was undergoing renovation to its original retail, office and auditorium uses when it was destroyed by fire early this year. Grant award: $85,980.

10895 – 10921 Excelsior Blvd., Hopkins. address contamination that was not anticipated when a TBRA grant was approved during the spring grant cycle. A barrel dump, asbestos and greater quantities of contaminants than initially anticipated were discovered. The methane ventilation system cost also exceeded expectations. Redevelop as the Hopkins Business Center with a 10,000 sq. ft. bank/office building and two office/warehouses (59,000 sq. ft.). Grant award $737,958.

France Ave. Business Park, Brooklyn Park (west of Hwy 100, north of France Ave.) Address contamination stemming from the eastern portion of the former Joslyn wood pole treating operation. A 205,600 sq. ft. industrial building with a decorative façade facing Highway 100 is proposed for the redevelopment. The western portion of the site was cleaned with grant support last year and a Wickes Distribution Center has been constructed there. Grant award: $171,563 matching a DTED grant.

720 Payne Ave., St. Paul. Abate asbestos, lead paint, mercury, PCB's and other hazardous materials in the former Hamm Brewing Company administration building which has been vacant for 21 years. Renovate the building for 40,000 sq. ft. of office space. Grant award $405,680.

Mill City Plywood, St. Louis Park (5.3 acres on the northwest quadrant of the intersection of Hwy. 7 and Louisiana Ave.). Clean soils and groundwater contaminated from the migration of pollution from the Reilly Tar & Chemical site adjacent to the north. Redevelopment is proposed to consist of 200 market–rate apartments. Grant award $316,785 matching a DTED grant.

Former Elm Park Landfill, Farmington (4 acres north of the More 4 grocery and west of the railroad between a line extending to what would be the 200 block of Main Street, which is vacated, and the Vermillion River). Excavate, screen, replace and dispose landfill debris and install and monitor methane mitigation. Redevelop with 16,000 to 26,000 sq. ft. of commercial retail, office or service type space. Grant award $85,030 matching a DTED grant.

Milwaukee Depot Parcel A, Minneapolis (2.5 acres between Third and Fifth Avenues South and First and Second Streets). Excavate and dispose soil contaminated with polyaromatic hydrocarbons (PAH's) stemming from previous train operations. Cleanups relating to the main depot building, the train shed and head shop have previously been completed. Redevelop with 250 housing units above first floor commercial space and underground parking. Grant Award $605,881.

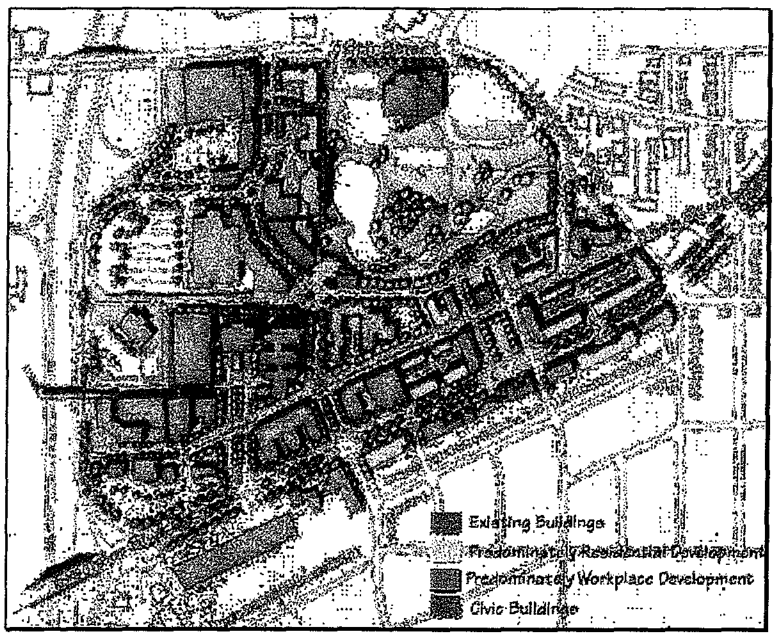
Update on Previously-Funded Projects

Following are three examples of projects funded in previous years, and how they have achieved the goals of the LCA accounts from which they received grants.

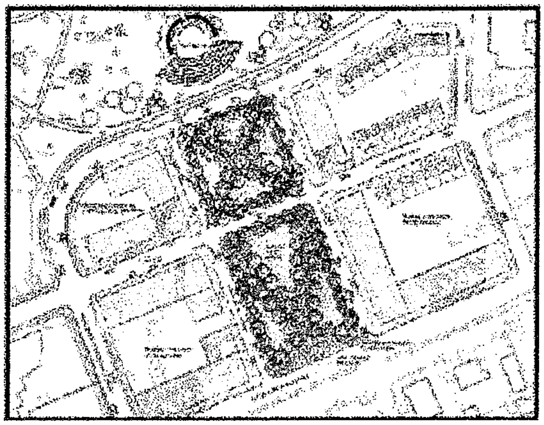
Park Commons, St. Louis Park

St. Louis Park's Park Commons exemplifies the goals of the Livable Communities Demonstration Account – a mix of uses, including a variety of housing, in a transit-oriented, walkable environment. By 2003, this redevelopment area will include 50,000 square feet of office, 50,000 square feet of retail, and 100,000 square feet of housing. The project meets the needs of growth and change in ways that enhance community livability and quality of life for people who will live and work there, or visit.

One of only three projects to have received more than one LCDA grant, the redevelopment effort was awarded a $139,000 grant in 1996 to conduct a community design workshop that resulted in concept plans to implement the residents' vision for a town center, and to undertake market and feasibility studies to plan the timing and phasing of the development. In 1998, the city applied for another grant to assist with construction of Phase I, and was awarded $1.2 million based in part on significant progress made since the earlier grant.



The site plan, above, for the 125-acre Town Center shows the proposed development that will incorporate existing uses--Park Nicollet Medical Center, townhouses, a residential building for seniors, a theater and small restaurants. New roads will improve circulation and pedestrian access. In addition to housing, retail and office uses, shared structured parking and entertainment will be added.

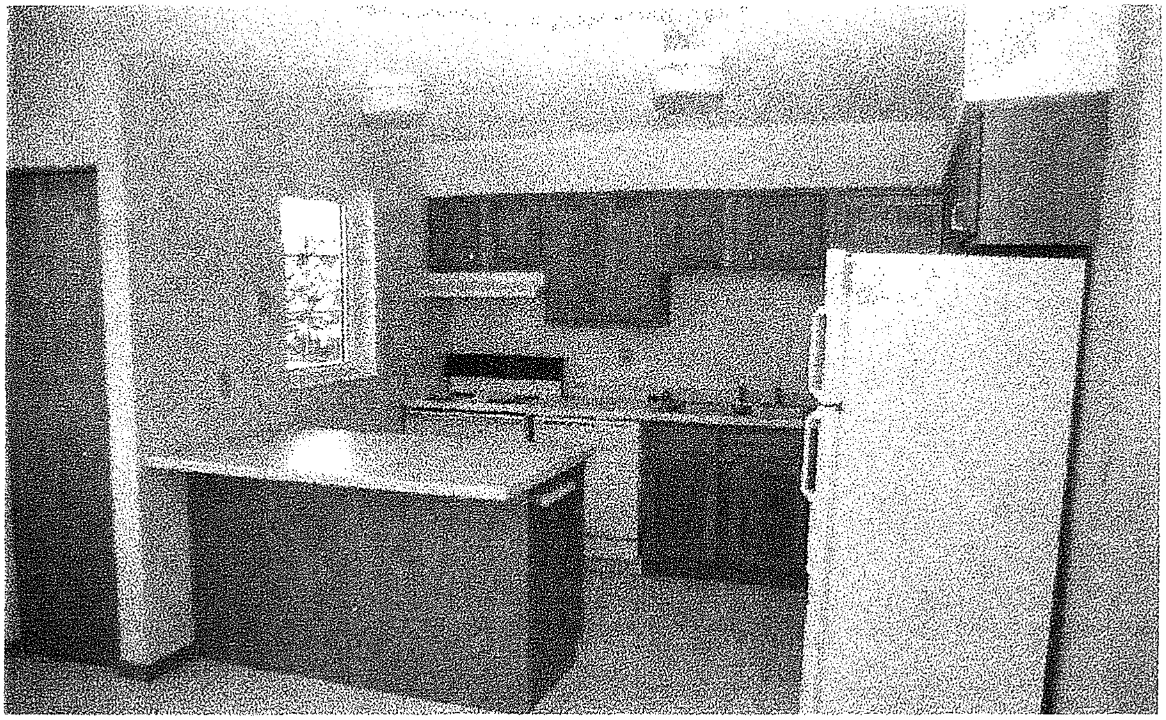


Phase 1, shown at left, to begin construction in 2000, includes the town green that connects Excelsior Boulevard to the existing Wolfe Park. It also includes two blocks to the west of the town green that will add 92 new mixed-income residential units, mixed-use buildings including 186,000 square feet of new leasable space with ground floor retail/service uses and upper-story offices and apartments; and pedestrian/bicycle connections to the park. The town green will provide public space for farmers' markets and other community activities. Apartments will overlook the green.

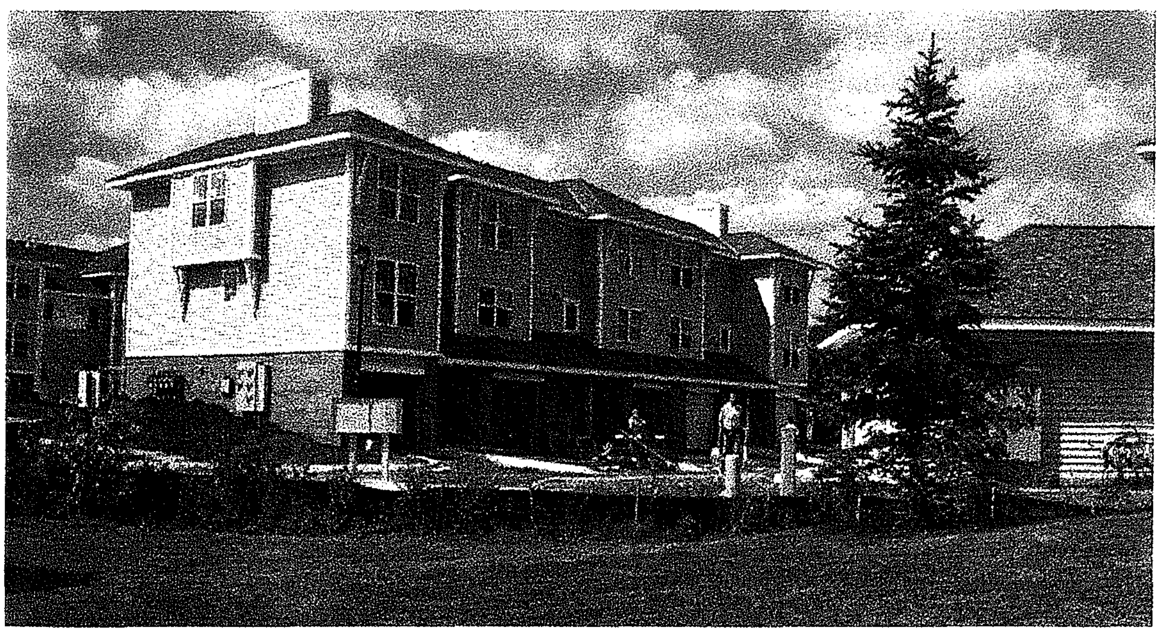
The perspective sketch at right shows the pedestrian-friendly streets, lined with two- to four-story buildings, in Park Commons.

Park Commons Images by Close Landscape Architecture and Town Planning Collaborative

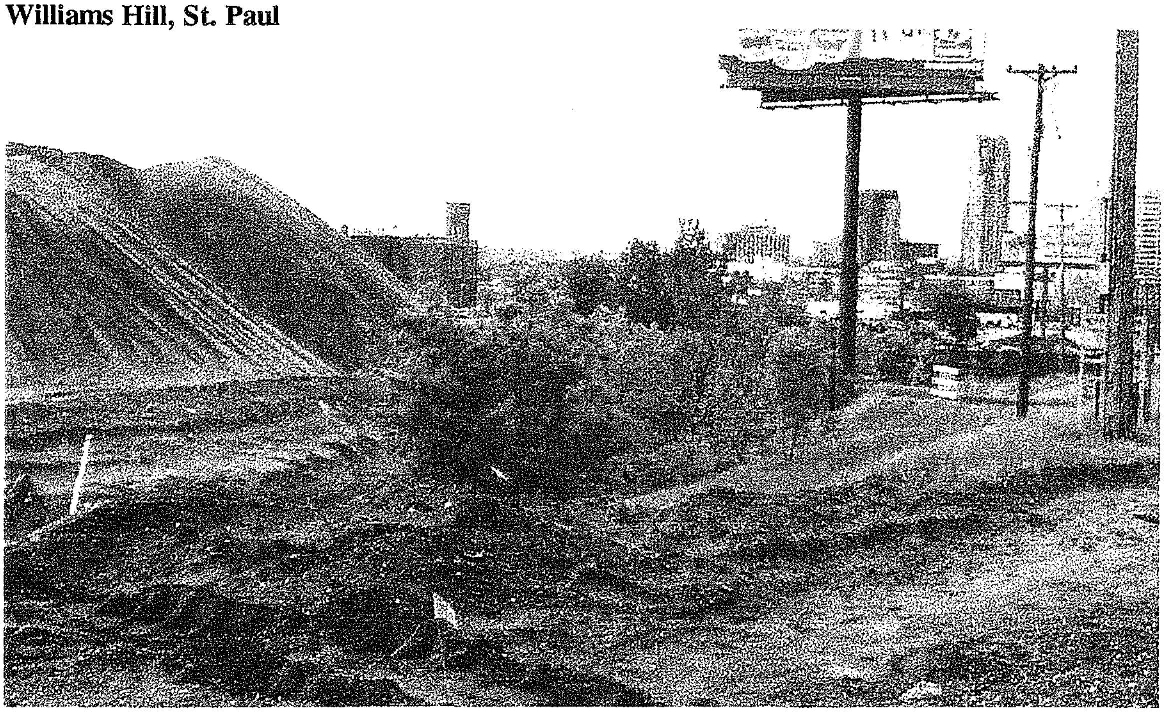
Chasewood Family Townhomes, Apple Valley



A 27-unit rental development serving large families with incomes at or below 50 percent of median income. The $3.2 million complex is compatible with surrounding development, offers transit access and is convenient to retail and entertainment businesses. Apple Valley received a LHIA grant award of $180,000 from the Council for this project in 1998. Subsidies were also contributed by the Minnesota Housing Finance Agency, the McKnight Family Housing Fund and the HUD HOME fund.



Williams Hill, St. Paul



Williams Hill underwent an amazing transformation between the cleanup underway in 1998 and the redevelopment nearly complete in 2000. Soil contamination and huge piles of earth blighted the east side of the I-35E northern Gateway to St. Paul for decades. Cleanup with several TBRA awards totaling $1,291,651 to the St. Paul Port Authority encouraged this attractive industrial park with five new businesses. The Minnesota Department of Trade and Economic Development awarded an additional $771,500.

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

Projects awarded grants through the Livable Communities Fund promote and support the Council's Smart Growth coordination and the *Regional Blueprint* in a variety of ways.

Smart growth is a balanced approach to building and investing in neighborhoods, communities, and the region for today and for the long-term future. Smart growth links and aligns state and regional investments, plans, and programs with community priorities to build open and accessible places for all citizens. It is as much about what we want our neighborhoods, communities and region to be and the problems to be addressed as it is about how the various public agencies (state, regional, local) work together with the private sector and non-profits to achieve these desires for lifecycle communities.

Principles of Smart Growth . . .

- Sustains economic growth and competitiveness of the region in the world economy; and
- Promotes wise stewardship of the natural and built environment to preserve, protect and maximize the use of existing resources and investments; and
- Meets the needs of growth and change --to accommodate projected growth in jobs and households -- in ways that maintain or enhance community livability and quality of life for the region's citizens; and
- Balances diverse interests and objectives; engages and informs citizens in decisions affecting the future of their communities and the region.

The Council is implementing Smart Growth through careful implementation of its Regional Blueprint and complementary strategies. The Metro 2040 Plan, adopted by the Metropolitan Council in December 1996, outlines a regional strategy for shaping the region's future. The strategy is part of the Council's *Regional Blueprint*, which establishes a broad, long-term planning direction and action steps needed to make progress toward reaching the long-term goals.

The Metro 2040 Plan calls for developing the seven-county Twin Cities Region in a more compact fashion to accommodate 330,000 households and 650,000 people by the year 2020. It includes an urban reserve for additional growth if needed, and preserves key agricultural areas. Over half of the growth is planned for inside the current urban boundary area. This goal is significant because it runs counter to recent trends. Most growth has been occurring at the urbanizing edge and at relatively low densities. For the plan to work, development must now fill in vacant land and there must be extensive redevelopment inside the 2000 MUSA. New development will need to occur at higher densities overall than recent trends, and the net effect over time will be a much more compact urban area. The plan also calls for concentrating job growth in the core of the region and along transit routes within the I-494/I-694 interstate beltway.

The plan designates two policy areas, the core and urban area, within the built-up area served by central sewer and water. Strategies for each policy area are included.

Progress on Strategies for The Region's Core

The core includes the downtowns of St. Paul and Minneapolis, their immediate neighborhoods and University Avenue connecting them. It has major employment concentrations, good access to highways and transit, and many neighborhoods needing physical and economic revitalization.

Primary strategies for this area include:

- Encourage investment to foster economic growth and new jobs; clean up and reinvest in polluted lands.
- Encourge medium to higher-density housing
- Use incentives to improve economic opportunities for residents, such as job skills and job readiness training.
- Stabilize neighborhoods and improve their physical environment.

Progress was made in 1999 to clean up polluted "brownfield" sites for commercial and industrial development. Projects funded from the Tax Base Revitalization Account during the year will result in cleanup and reuse of 96 acres of land in the core, and 1,770 new jobs paying an average hourly wage of $13.40. Half of the projects funded during the year are located in the core, consistent with the pattern throughout the life of the account (29 of 57). For all projects funded from 1996 through 1999, acres cleaned and reused for primarily commercial and industrial development total 610, with 7,900 new jobs created paying an average hourly wage of $12.60.

By increasing tax base in older parts of the region where polluted land is located, economic growth in these locations will be significantly boosted. A nearly $4.5 million increase in annual net tax capacity will be realized from cleanup and redevelopment projects funded in 1999. More than $182 million in private investment is involved in these projects. To date in the TBRA program (projects funded 1996-1999), the total increase in net tax capacity is $14.5 million, in projects representing $690 million in private investment.

Types of redevelopment stimulated by cleanups funded in 1999 include light industrial, manufacturing, office, retail, and housing.

These projects assist in revitalizing the neighborhoods in which they are located, by providing locations for businesses that might otherwise move out of the core, or for new businesses to move to core locations. In doing so, needed jobs are provided for local residents, and in some cases, other community development projects or housing is created to benefit neighborhoods. For example, downtown Minneapolis will benefit from the restoration of prominent office space in the former Federal Reserve Building, more prominent office space and a museum in the former Washburn Crosby Woolen Mill along the Mississippi, and housing and commercial space on a portion of the former Milwaukee Depot site.

Projects funded through the TBRA usually restore commercial and industrial properties. They are generally situated in close proximity to affordable housing and provide conveniently-located job opportunities for people who do not own motor vehicles. Traffic congestion is minimized. The projects rely on existing infrastructure instead of requiring significant new investment.

Seven of the twelve LCDA demonstration projects funded in 1999 (15 of 40 in 1996 through 1999) are located in the urban core. These projects are a revitalization effort at a scale that can make significant improvements center city neighborhoods as places to live and invest. Urban Village will add 210 owner-occupied townhouses, duplexes and apartments, starting at sales prices of $95,000, in a three-block, underutilized light-industrial area. Located a block north of Lake Street between Lyndale and Hennepin Avenues, Urban Village will include a mix of five building types, enabling this urban infill project to blend well with its neighborhood, and will help revitalize the area. This project will build on the subregional center of Uptown, maximizing the use of the services and transportation available in the area, including a planned Uptown transit station. Residents of Urban Village will have easy transit or pedestrian access to work, shopping, entertainment, medical offices, and recreational opportunities.

The North Quadrant Urban Village project on the northeast edge of downtown St. Paul will realign streets and establish green space to center development of a mixed-use predominately residential neighborhood. The integration with existing churches, businesses and warehouses will promote a walkable lifestyle option in a major urban center.

Other LCDA projects will: restore a mix of housing types, assist with planning mixed-use development in conjunction with anticipated light rail transit stations, support planning for a 60-block area of the Minneapolis Phillips neighborhood, and help St. Paul develop illustrated urban village zoning to help it attract quality redevelopment to major sites affecting the environmentally and esthetically sensitive river corridor near downtown.

Implementing Urban Area Strategies

This built-up area has central sewer and water service. Its outer edge is today's urban service boundary, called the Metropolitan Urban Service Area (MUSA) line.

Primary strategies for this area include:

- Increase overall housing density, especially along transit corridors.
- Encourage job concentrations along corridors inside the Highway I-494/I-694 beltway. Corridors would connect to the urban core.
- Use transit and other incentives to encourage higher-density housing and business concentrations in transportation corridors.
- Expand housing opportunities.

Located within this area are older communities with redevelopment needs and newer developing communities.

Three LCDA-funded projects focus on mixed-use development with the intent to improve or establish city centers. Burnsville will create a 40-acre compact town center with mixed uses in a walkable environment. A community plaza and streetscape improvements will be complemented by a gateway to the town center established on the site of a former gas station. Mendota Heights will focus on 23 acres with pedestrian-oriented mixed uses and transit access. It will design and engineer public amenities (trails, arbor, kiosks, signage, seating roads, wetlands and ponding). Cottage Grove will plan the redevelopment of the Langdon Square Area and a corridor located along Highway 61. It intends a pedestrian-scale town square with a transit hub, commercial and service uses, lifecycle and senior housing, parking and employment opportunities at the nearby industrial park.

St. Louis Park will redevelop 16 walk-up apartment buildings to provide affordable housing with pedestrian access to transit and a park. A coalition of seven communities will study transit options and plan smart growth development in the vicinity of I-35W in the northern part of the region. Numerous LCDA demonstrations funded in previous years in older parts of the Urban Area focused on redevelopment and infill of housing and commercial activity, resulting in strengthened jobs/housing/transportation links, others focused on improving neighborhood livability through expanded housing options and revitalization strategies in the suburbs. Additional previously awarded grants are underway developing models for integrated compact suburban development that mixes housing, commercial, public and other land uses in a pedestrian environment.

Pollution cleanup grants have supported redevelopment in the urban area by helping clean sites for office, commercial, retail and light industrial development Brooklyn Center, Chaska, Coon Rapids, Farmington, Fridley, Hopkins, and Robbinsdale. A St. Louis Park project will attract high density housing supported by transit and convenient access to major employment centers.

The demonstration projects funded in 1999 will result in a total of 252 new and 123 rehabilitated housing units of various types. The total number provided as a part of demonstrations funded to date (1996-99) totals over 3650 new and 320 rehabilitated housing units.

Projects awarded grants from the LHIA account will result in new or rehabilitated rental housing affordable to families earning 30 to 50 percent ($19,080-$31,800) of median income, and new ownership housing affordable to families earning 50 to 80 percent ($31,800-$50,880) of median income. These include 203 new rental townhomes in Bloomington, Chanhassen, Lakeville, Mendota Heights, Ramsey, Shakopee, and Woodbury; and 241 new homeownership townhomes, twin homes, single family homes and duplexes in Brooklyn Park, Minneapolis, Minnetonka, St. Paul and Plymouth. Additionally, 162 apartments were approved in Chanhassen in the first IHA grant awarded. . All of these developments help to expand the supply of affordable housing in needed locations.

Progress on Other Regional Goals

Another focus of the Regional Blueprint is preserving the natural environment and incorporating environmental features into the development and redevelopment of the region.

The TBRA -funded projects contribute to restoring a clean environment by removing pollutants from buildings, soil and groundwater enabling land to be reused for business, commercial and residential uses.

Environmental features can be capitalized on to serve as community assets, as demonstrated by four LCDA funded projects. St. Paul will establish a central green space for its North Quadrant Urban Village. Urban Village in Minneapolis is adjacent to the new 29th Street Midtown Greenway corridor, connecting residents by walking and bicycling to the numerous recreational opportunities at the Minneapolis Chain of Lakes and the Mississippi River. Green space will also be created for the Portland Place/Goe Selvaggio Initiative in Minneapolis. The Mendota Heights town center includes design and engineering of trails, arbor, wetlands, and ponding.

Blueprint policy also supports land use planning that creates community identity and fosters a civic infrastructure. It supports urban design that helps make neighborhoods safer, creates amenities and improves livability. Development can enhance or impede a sense of community.

Many of the projects assisted through LCDA grants illustrate how a mix of uses with attention to land use design can provide the framework for settings with a "sense of place." Whether located in a large-scale suburban town center (Burnsville), a small city downtown (Cottage Grove and Mendota Heights), or an urban neighborhood (Urban Village in Minneapolis) they serve as destinations for a number of daily activities, such as workplaces, errands, shopping and entertainment, and some include a library or YMCA. They can be places where people live, work and shop. They foster personal safety because of activity during many hours of the day. And they include parks and public spaces for informal gathering with other community residents or for public activities and celebrations.

Interagency Cooperation and Community Participation in Implementing the Fund

Interagency or community participation is a feature of the Council's administration of all four 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 an appropriate 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 17-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 and the Inclusionary Housing 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, the Minnesota Housing Finance Agency (MHFA), the Minneapolis-St. Paul Family Housing Fund, the Minneapolis Public Housing Authority, the Corporation for Supportive Housing, the Greater Minneapolis Metro Housing Corporation, the Local Initiative Support Corporation (LISC), the 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.

Monitoring the Fund

One legislative change is recommended for the Livable Communities Fund. Currently funds for the Livable Communities Demonstration Account, the Local Housing Incentive s Account and the Inclusionary Housing Account cannot be awarded to municipalities through the housing and redevelopment authorities (HRA's) or economic development agencies (EDA's) they frequently use to manage their housing and development initiatives. The Livable Communities Act has always provided this flexibility to the Tax Base Revitalization Account. Since cities typically conduct their housing development activities through HRA's or EDA's, confusion and delay occur when billing and payments are handled through the general administrative staff of a city while the improvement work is planned and directed by specialists in the HRA or EDA. Many communities contract such services to a county HRA. To eliminate this problem the following sentence could be added at the end of MSS 473.253 Subd. 2, MSS 473.254 Subd. 6, and MSS 473.255 Subd. 4. "A housing and redevelopment authority or economic development authority serving a municipality may act on its behalf to receive and administer these funds distributed by the council."

Attachment A

Livable Communities Fund
Financial Status

Metropolitan Livable Communities Fund
Sources and Uses
1/1/96 - 12/31/99

	TBRA	LCDA	LHIA	IHA	LCA Total
SOURCES					
Appropriation	0	0	0	4,000,000	4,000,000
Taxes	23,663,032	19,807,176	7,286	0	43,477,493
Interest	1,004,685	1,089,637	122,280	4,205	2,220,806
Transfers	0	-1,500,000	4,500,000	0	3,000,000
Other Revenue	3,282	0	1,672	0	4,954
					0
Total Revenue	24,670,998	19,396,812	4,631,238	4,004,205	52,703,253
USES					
FY 96 Grants	6,500,000	4,574,500	1,000,000	0	12,074,500
FY 97 Grants	8,005,091	3,980,350	625,000	0	12,610,441
FY 98 Grants	5,461,765	4,950,000	1,200,000	0	11,611,765
FY 99 Grants	6,184,048	5,817,317	1,935,000	0	13,936,365
Unexpended balances from closed grants	-976,066	0	-125,000	0	-1,101,066
Total Uses	25,174,838	19,322,167	4,635,000	0	49,132,005
Uncommitted Balance (1)	-503,840	74,645	-3,762	4,004,205	3,571,248
Disbursements	16,472,700	5,635,554	3,060,000	0	25,168,253
"Cash" Balance (2)	8,198,299	13,761,259	1,571,238	4,004,205	27,535,000

(1) Uncommitted Balance = Total Sources - Total Uses

(2) Cash Balance = Total Revenue - Disbursements

Tax Base Revitalization Account
Awards and Disbursements
1/1/96 to 12/31/99

City/Municipality	1998 Awards	Total Payments	Award Balance	Adjustments	Adjusted Balance
Roseville - Midwest Motor	$218,604	$133,410	$85,194	($85,194)	
Roseville - Ideal Security Hardware	373,000	309,858	63,142	(63,142)	
Hennepin County - Lewis Nut & Bolt	837,980	837,979	1	(1)	
Lauderdale - LTRI Site	658,450	437,184	221,266	(221,266)	
Lauderdale - Bolger Publishing	256,000	256,000			
Hastings - Tyler St. Apts.	85,121	67,351	17,770	(17,770)	
MCDA/Minneapolis - Union Scrap	190,709	190,709			
Port Authority/St. Paul - Riverview West	154,500		154,500		154,500
MCDA/Minneapolis - Milwauke Depot I	262,000	255,802	6,198	(6,198)	
Brooklyn Park - Courtyard Apts.	500,000	281,789	218,211	(218,211)	
Stillwater - Maple Island	266,500	266,500			
St. Paul Port Authority - Williams Hill	1,291,651	714,500	577,151		577,151
St. Louis Park - 4820 W. Excelsior Ave.	179,500	102,181	77,319	(77,319)	
Stillwater - Maple Island	182,628	173,128	9,500		9,500
MCDA/Minneapolis - Block 43	345,507	345,507			
St. Paul/MCDA - Schnitzer/Watkins	1,035,551	1,035,551			
Minneapolis/MCDA - Watkins	239,450	239,450			
City of St.Paul / Planning & Econ. Dev. - Specialty Mfg..	493,000	492,990	10	(10)	
Fridley HRA - Dealers Manufacturing	443,990	344,964	99,026		99,026
Port Authority of St.Paul - Empire Builder	438,537	172,298	266,239	(266,239)	
MCDA - Milwauke Depot- II	334,098	258,541	75,557		75,557
MCDA - Garelick Steel	238,148	238,148			
Port Authority of St. Paul - Maxson Steel	2,402,705	368,856	2,033,849		2,033,849
MCDA/Minneapolis - Sears	2,666,332	2,666,332			
St. Paul Port Authority - Citgo Plastics, Inc/River Bend.	1,275,108	1,275,108			
Roseville - Opus/Gateway	72,622	51,907	20,715	(20,715)	
MCDA/Minneapolis - North Star & Utility	421,200	421,200			
MCDA/Minneapolis - Creamettes	137,500	137,500			
Shoreview-American Aviation Airport	569,200	569,200			
MCDA/Minneapolis Sears	1,903,982	1,354,657	549,325		549,325
St. Paul-RiverCentre Arena	975,082	975,082			
Robbinsdale-Old Police& Fire Bldg	149,701		149,701		149,701
Bloomington-Market Pointe	788,128	364,238	423,891		423,891
Dakota County-Signal Hills	324,500	324,500			
Brooklyn Center France Business Park	318,172	55,870	262,302		262,302
Fridley-Medtronic/Onan	154,658	38,632	116,026		116,026
MCDA Old Federal Reserve	1,000,000	469,500	530,500		530,500
St Louis Park 5101 Minnetonka Blvd	87,152		87,152		87,152
MCDA Washburn Crosby Complex	628,000		628,000		628,000
MCDA N. Wahington Ave W	32,000		32,000		32,000
Chaska Brickyard	77,909	77,909			
Robbinsdale- Wards at Terrace Mall	440,000		440,000		440,000
Hopkins 10895-10921 Excelsior Blvd	906,329	168,371	737,958		737,958
Coon Rapids - Coon Rapids Blvd	124,781		124,781		124,781
MCDA - Dania Hall	85,980		85,980		85,980
Brooklyn Center France Business Park #2	171,563		171,563		171,563
St. Paul - Hamms (720 Payne)	405,680		405,680		405,680
St. Louis Park- Mill City Plywood	316,785		316,785		316,785
Farmington- Elm Park Landfill	85,030		85,030		85,030
MCDA- Milwaulkee Depot # 3	605,881		605,881		605,881
Total Awards	$26,150,904	$16,472,700	$9,678,204	($976,066)	$8,702,138
Summary by Funding Cycle					
96A	$3,802,864	$3,036,582	$766,282	($611,782)	$154,500
96B	2,697,136	2,610,317	86,819	(77,319)	9,500
97A	3,740,578	1,875,796	1,864,782	(266,249)	1,598,532
97B	4,264,513	4,552,047	(287,534)	(20,715)	(308,249)
98A	2,607,965	2,709,306	(101,341)		(101,341)
98B	2,853,800	934,241	1,919,559		1,919,559
99A	3,266,239	754,412	2,511,827		2,511,827
99B	2,917,809		2,917,809		2,917,809
Totals	$26,150,904	$16,472,700	$9,678,204	($976,066)	$8,702,138
Adjustments:					
Grants that were closed with an unspent balance.	(976,066)		(976,066)		
Adjusted Awards	$25,174,838	$16,472,700	$8,702,138		

Livable Communities Demonstration Account
Awards and Disbursements
1/1//96 to 12/31/99

City	Award	Total Payments	Unpaid Commitment
Minnetonka-Blvd Gardens	$ 770,000	$ 356,784	$ 413,216
Minneapolis-Lake & 4th	740,000	654,250	85,750
St. Paul-Phelan Village	650,000	650,000	0
St. Louis Park City Center	139,000	49,678	89,322
Chanhassen-Villages on the Ponds	500,500	500,500	0
Minneapolis - Franklin Ave	725,000	180,000	545,000
Roseville - Conerstone Program	270,000	83,963	186,037
Robbinsdale	780,000	500,000	280,000
Golden Valley Valley Square Revelop	510,000	0	510,000
I-35W Corridor Coaliton	131,250	0	131,250
Minneapolis Phillips Park	700,000	0	700,000
Minneapolis Augustana Village	550,000	550,000	0
Richfield Apartment Remodeling Program	575,000	376,746	198,254
St. Paul Brewery	750,000	411,355	338,645
Chaska Brickyard Redevelop	344,100	194,100	150,000
Lino Lakes The Village	220,000	106,178	113,822
Maple Grove Town Center	150,000	0	150,000
Crystal Welcome Neighborhood	50,000	50,000	0
St. Louis Park Commons Redevelopment	1,200,000	0	1,200,000
Four Cities Housing Resource Center	492,000	492,000	0
Columbia Heights Community Revitalization	575,000	0	575,000
Circle Pines City Center Redevelopment	30,000	0	30,000
Minneapolis Central Avenue	398,000	0	398,000
West St. Paul South Robert Street	115,000	0	115,000
Minneapolis Humboldt Greenway	675,000	0	675,000
Brooklyn Park The Village	75,000	0	75,000
St. Paul Main Street on Payne	750,000	480,000	270,000
Minneapolis Urban Village	640,000	0	640,000
I35W Corridor Coalition Blaine	700,000	0	700,000
Heart of the City Burnsville	1,612,317	0	1,612,317
Urban Village Minneapoils	500,000	0	500,000
Louisiana Court St Louis Park	970,000	0	970,000
North Quadrant Urban Village St Paul	960,000	0	960,000
Portland Place Minneapolis	350,000	0	350,000
Langdon Square Cottage Grove	150,000	0	150,000
Freeway Road Mendota Heights	150,000	0	150,000
Corcoran Longfellow LRT Minneapolis	150,000	0	150,000
Franklin Ave LRT Minneapolis	75,000	0	75,000
Venture Village Minneapolis	150,000	0	150,000
Urban Village St Paul	50,000	0	50,000
Total	$ 19,322,167	$ 5,635,554	$ 13,686,613

Funding Cycle Summary	Award	Total Payments	Unpaid Commitment
96A	2,299,000	1,710,711	588,289
96B	2,275,500	1,264,463	1,011,037
97	3,980,350	1,688,379	2,291,971
98	4,950,000	972,000	3,978,000
99	5,817,317	0	5,817,317
Total	$ 19,322,167	$ 5,635,554	$ 13,686,613

Local Housing Incentives Account
Awards and Disbursemnts
1/1/96 to 12/31/99

City/Municipality	Awarded Grant	Total Payments	Awards Remaining
Hastings Family Housing Ltd	$170,000	$170,000	$0
Minnetonka-Minnetonka Mills	100,000	100,000	0
Minnetonka Crown Ridge	100,000	100,000	0
Chaska-East Creek Carriage Homes	130,000	130,000	0
Bloomington	225,000	225,000	0
Cottage Grove-Parkside Apts	125,000	125,000	0
South St. Paul- Rediscover So. St. Paul	25,000	25,000	0
Plymouth	225,000	225,000	0
Eden Prairie-Edenvale Townhomes	300,000	300,000	0
Lakeville-Lakeville Townhomes	100,000	100,000	0
Maple Grove-Lakeside Townhomes	300,000	300,000	0
New Hope- Bass Lake Townhomes	200,000	200,000	0
Chaska-East Creek Carriage Homes	200,000	200,000	0
Maplewood Maple Pond Homes	100,000	100,000	0
Shakopee Evergreen Heights	120,000	120,000	0
Apple Valley Chasewood	180,000	180,000	0
Minnetonka Archer Heights	100,000	100,000	0
Bloomington Lyndale Ave Townhomes	119,000	0	119,000
Lakeville FamilyTownhomes	166,000	0	166,000
Minnetonka Ridgebury	100,000	100,000	0
Woodbury Lakeside Townhomes	215,000	0	215,000
Brooklyn Park Northwest Revit Corp	40,000	0	40,000
Minneapolis Near North Neighborhood	250,000	0	250,000
Minneapolis Phillip Park Initiative	80,000	0	80,000
St Paul Rehab 50 units	260,000	260,000	0
Plymouth HRA	70,000	0	70,000
Chanhassen	200,000	0	200,000
Mendota Heights	200,000	0	200,000
Ramsey	135,000	0	135,000
Shakopee Evergreen Heights#2	100,000	0	100,000
TOTAL	**4,635,000**	**3,060,000**	**1,575,000**
Summary of Funding Cycle			
96A	$500,000	$500,000	$0
96B	375,000	375,000	0
97A	525,000	525,000	0
97B	100,000	100,000	0
98A	700,000	700,000	0
98B	500,000	500,000	0
99A	600,000	100,000	500,000
99B	700,000	260,000	440,000
99C	635,000	0	635,000
Total	**$4,635,000**	**$3,060,000**	**$1,575,000**

Inclusionary Housing Account
Award and Disbursements
1/1/99 to 12/31/99

City	Award	Total Payments	Unpaid Commitment
Chanhassen city Project	348,054	-	348,054
	348,054	-	348,054
Funding Cycle Summary			
99	348,054	-	348,054
Total	348,054	-	348,054

Metropolitan Council

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