Regional

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Report

Report

Metropolitan Livable Communities Fund

Report to the Minnesota State Legislature

March 2001

Metropolitan Council
Improve regional competitiveness in a global economy

Metropolitan Council Members

The 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 - an affordable-housing service that provides assistance to low-income households 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 fifth 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 2000, and a summary to date of fund activities covering 1996 through 2000. 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 had four accounts during the year:

- The **Inclusionary Housing Account (IHA)** is an 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 offered 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 $18,907,802 in grants from the four accounts during 2000. Funds came primarily from tax levies, with additional money from 1999 carryover, accrued interest, and from previously funded projects completed under budget. The Council also contributed $1,500,000 in supplemental transit funding to promote transit access in LCDA projects.

Grants were awarded as follows:

- **Inclusionary Housing Account**: Eleven grants totaling $4,199,000 for affordable rental and ownership housing in eight communities.
- **Livable Communities Demonstration Account**: Seven grants totaling $6,400,000 plus $1,500,000 in supplemental transit funding for economic and community development projects in six communities.
- **Local Housing Incentive Account**: Eight grants totaling $1,600,000 to help construct and rehabilitate affordable rental and ownership housing in six communities and one county.
- **Tax Base Revitalization Account**: Twenty grants totaling $5,208,802 to help clean up 89 acres of polluted land in ten communities.

Grant awards to date in the five years of the fund's operation, 1996 through 2000, include:

- **Inclusionary Housing Account**: 11 grants to 8 communities totaling $4.2 million, to provide affordable rental and ownership housing.
- **Livable Communities Demonstration Account**: 46 grants in 21 communities and two multi-city coalitions, totaling $27.2 million.

- **Local Housing Incentive Account**: 38 grants to 30 communities totaling $6.24 million for affordable rental and ownership housing.
- **Tax Base Revitalization Account**: 77 grants in 21 communities totaling $31.4 million to clean up 694 acres of contaminated land.

The uncommitted balance in the fund (total sources minus total awarded) was $828,296 on December 31, 2000. $500,000 of this balance resulted from a reservation of LCDA funds for planning grants that were subsequently funded from another source. The remaining uncommitted year-end balance is attributable primarily to interest earnings. The accounts are managed with the intention of being fully committed to projects awarded each year. Modest deficits in the uncommitted balance for two accounts reflect less interest earnings reported than projected when grants were awarded. Interest varies substantially depending on the timing of levy receipts and grant payments. Substantial cash balances occur because most projects use the awards over a period of months or years. The report includes a summary of each project funded in 2000, a more detailed exemplary project description for each account and a detailed financial summary.

Project Support of 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 is providing funds to jump-start or provide a key component of projects in older and new communities. The projects will add more housing options; provide a mix of housing, office, retail and public uses in walkable, transit-oriented town and neighborhood centers; and add natural resource and park amenities. A transit-oriented development will be supported in the Minneapolis Hiawatha corridor.

Projects awarded Local Housing Incentives Account and Inclusionary Housing Account grants will help produce more new affordable rental and homeownership housing in sixteen communities in the region, promoting the Council's policy to expand life-cycle and affordable housing options. Funded projects include 384 new rental units, nearly all affordable to families with incomes from 30 to 50 percent of the area median ($19,680 to $32,800 for a four-person family, in 2000 dollars); and 160 new homeownership units to be sold to families earning from 50 to 80 percent of the median ($32,800 to $50,200) except for center city core projects at up to 115 percent of the median. Additionally, 600 discount home improvement loans for affordable housing were also funded.

Projects funded through the Tax Base Revitalization Account in 2000 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 89 acres of brownfields in core locations of Minneapolis and St. Paul, and in Blaine, Bloomington, Brooklyn Center, Golden Valley, Hastings, Hopkins, South St. Paul, St. Louis Park and West St. Paul. These economic development projects are expected to create 768 jobs paying an average hourly wage of $15.30. A more than $6.3 million increase in net tax capacity will be realized from these cleanup projects, and they involve more than $268 million in private investment.

Projects funded through the four accounts will help provide 1,135 new and rehabilitated housing units--single-family houses, townhouses, condominiums, rental apartments for families and seniors, and live-work housing. More than 80 percent of this housing will be affordable to families earning 30 to 50 percent ($19,680 to $32,800) of the area's median income. Some of the units will be public housing affordable to incomes below this level. About 180 homeownership units will be supported. Most of these will be affordable to families earning up to 80 percent ($50,200) of median income; some core area projects will support homeownership at up to 115 percent ($75,440) of median income. Diversity of income levels in these core areas can only be achieved with higher value housing.

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. Their expertise in development and redevelopment, finance, transportation, urban design, local and county government, and private foundation work ensures 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), cooperatively established in 1995 by all major housing funders in the region 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 coordinates closely with the Department of Trade and Economic Development's Contaminated Site Cleanup Program to evaluate the tax implications and redevelopment prospects and benefits. The majority of these projects are jointly funded. 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 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). Cities create these entities to manage their housing and development initiatives. The recommended change is 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. Delegating this authority will streamline the application process and eliminate bottlenecks in grant management.

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Background and Provisions of the Law

This is the fifth 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 2000, and summarizes fund activities from its inception in 1996 through 2000.

The fund has four accounts:

- The **Inclusionary Housing Account (IHA)**, established in 1999, 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 urban 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 2000, 104 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 Receipts and Distribution

The Livable Communities Fund money available in 2000 from current year tax levies and legislative appropriation was $15.8 million--$3.7 million in the Inclusionary Housing account, $5.6 million in the LCDA account, $1.5 million in the LHIA account, and $5 million in the TBRA account. Additional monies were available from a Council commitment of $1.5 million in supplemental transit funding, accrued interest, and uncommitted LCDA funds from prior years.

The Metropolitan Council awarded $18,907,802 in grants during 2000 as follows:

- **Inclusionary Housing Account**: Eleven grants totaling $4,199,000 for rental and ownership housing in eight communities.
- **Livable Communities Demonstration Account**: Seven grants totaling $7,900,000 for economic and community development projects in six communities.

- **Local Housing Incentive Account**: Seven grants totaling $1,600,000 to help construct and rehabilitate affordable ownership and rental housing in ten communities
- **Tax Base Revitalization Account**: Twenty grants totaling $5,208,802 to help clean up 89 acres of polluted land in ten communities.

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

Project Descriptions and Awards

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 otherwise noted (counties are eligible for the TBRA).

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 2000 income levels for a family of four: 30 percent of median, $19,680; 50 percent of median, $32,800; 60 percent of median, $39,360; 80 percent of median, $50,200. Median 2000 regional income was $65,600.

Inclusionary Housing Account (IHA) Homeownership Grants - 2000

Cooper Park Townhomes, St. Paul. Provide gap financing for 37 for-sale townhomes and condominiums to be constructed as a part of Phase I for "Northeast Quadrant" on the north side of Seventh St. between Wacouta and Sibley streets. This grant acknowledges nearly $1.5 million in reduced development costs as the result of reduced parking and site development requirements, local fees and innovative techniques. The ownership units in Phase 1 will be developed at a density of approximately 83 units per acre. The units are anticipated to sell for between $110,000 and $250,000 to households with incomes between 80 and 140 percent of median income. The city expects that 60 percent of the units will be sold to households below 115 percent of median income. Grant Award: $450,000.

The Reserve, Plymouth. Provide gap financing for 25 townhome villas in "The Reserve" planned unit development. The Reserve is an inclusionary housing development that will, when completed, consist of 627 owner-occupied units in a variety of attached and detached units of different types and at different densities, and 360 rental units developed on 116 acres of land west of I-494 and north of the Canadian Pacific Railroad line. The overall density of The Reserve will be 9 units per acre with the density of the ownership units at 6.5 units per acre. The ownership units that will be assisted with this grant will be developed at 10 units per acre. All of the ownership units in The Reserve will experience a cost savings because of the reduction of local regulation. Plymouth has reduced setback and road width requirements that will reduce the cost of development by over $730,000, nearly $30,000 of which will affect the 25 units to be purchased by households assisted with this award. This grant will help 25 homebuying households with incomes below 80 percent of median income, some as low as 60 percent of median, gain ownership in some of the units in Phase I of The Reserve. Grant Award: $200,000.

Humboldt Greenway, Minneapolis. Provide gap financing assistance to help build and make more affordable 40 townhomes and detached single-family homes in the 94-unit Phase I of the 25-acre Humboldt Greenway redevelopment project in north Minneapolis. Subsequent phases of development will include 93 more ownership units and 75 rental apartment units. The Minneapolis Community Development Agency (MCDA) in partnership with a variety of groups is undertaking this major reinvestment effort on both sides of eight blocks of Humboldt Avenue between Victory Memorial Drive and 53rd Avenue North. This portion of Humboldt Avenue will be redesigned with parkway-type elements – landscaping, a pedestrian mall and enhancements to Shingle Creek, and new housing to be built along the new thoroughfare between 47th and 53rd Avenues north. All of the 187 owner-occupied units in the development will benefit from the $2.4 million development cost savings resulting from the increased density permitted by the city for this inclusionary housing redevelopment effort. The 40 units to be assisted by this IHA award will cost $1 million less to develop because the city is permitting increased residential density including new single-family lots as narrow as 42.5 feet. The overall residential density for both the new rental and ownership units will be 11 units per acre. Grant Award: $375,000.

Capitol Heights, St. Paul. Provide some of the necessary gap financing for a 25-unit infill townhome development on a vacant parking lot site between Como and Charles avenues, two blocks north of the state capitol building. The townhomes, 23 of which will have three bedrooms and two with two bedrooms, will be developed at a density of 12.5 units per acre. St. Paul has involved numerous parties in the strategic development of this project. This development will have units selling from between $115,000 and $185,000, and will serve 20 households with incomes as high as 115 percent of median income, three households at less than 60 percent of median income and two more at no more than 50 percent of median income. Through reduced permit costs, increased density and reduced parking requirements, the city is also helping reduce potential development costs by nearly $250,000. Grant Award: $300,000.

Inclusionary Housing Account (IHA) Multifamily / Rental Grants - 2000

Chaska Brickyard, Chaska. Assist development of a 45,400 sq. ft. three-story office, retail and apartment building. The first floor will be occupied by the Carver County HRA's offices and retail space. The upper two floors will be 32 units of rental housing designed to meet the need for worker housing in Carver County and the city of Chaska specifically. Twenty-one one and two-bedroom units in the development will be affordable to households at or below 60 percent of area median income, and 11 units will be affordable to households at 50 percent of median income. The city has approved zero lot line setbacks for the property to permit the building design to fit the parcel, a variance from its requirement to have two enclosed parking stalls, and a density of 64 units per acre. Actions by the city reduce the land acquisition and construction costs by an estimated $520,000, and the demolition, soil correction and reconstruction costs that would have accrued to meet this parking requirements by another $250,000. The reduced land requirement realized by the density bonus amounts to cost avoidance of approximately $930,000. Total development cost is expected to be $3.8 million. The city has also deferred, until some future date, $40,000 in local permit fees. Grant Award: $450,000.

East Village, Minneapolis. Fund the remaining financing gap that exists in the East Village redevelopment project in the Elliott Park neighborhood of Minneapolis on the edge of downtown on South 9th Street. East Village involves the development of 179 units of new rental housing at about 62 units per acre in a mixed residential-commercial complex replacing blighted structures and promoting economic integration and revitalization. The city of Minneapolis is contributing over $6.71 million in public investments including TIF, HOME funds, and land transfer in combination with over $1.5 million in cost avoidance and savings as the result of reduced local development requirements, increased density and innovative building techniques. Most of the units will be at market rate rents; however, 42 units will be affordable to households at 50 percent of median income, and assistance will be sought through MHFA's Rent Assistance for Family Stabilization (RAFS) program to allow rents for 18 of these units to be affordable to very low income households. Total development cost will be nearly $30 million. Grant Award: $500,000.

Lyndale Avenue Townhomes, Bloomington. Complete financing for the Lyndale Avenue Townhomes development on Lyndale Avenue between 83rd and 85th streets. The townhomes, to be built at 8.7 and 7.7 units per acre on two sites, will include six MHOP/Hollman public housing units, while the balance of the units will have rents at or below the LCA affordable rental housing limits. The city has permitted increased density of development and other regulative reductions that amount to a development cost savings of over $18,700 per unit. The site is on a metro Transit bus line, and abundant retail and other services are within close proximity. The total development cost will be $3.8 million. Grant Award: $274,200.

Cooper Park Apartments, St. Paul. Support Phase I of the Cooper Park – NE Quadrant Redevelopment initiative. The city is creating a village-type mix of housing types and costs to both provide needed affordable units and to increase market-rate housing opportunities downtown. Cooper Park Apartments Phase I involves the production of a 114-unit five-story elevator rental building at a density of approximately 120 units per acre. This grant acknowledges nearly $1.5 million in reduced development costs for all of the housing in Phase I as the result of reduced parking and site development requirements, reduced local fees and innovative techniques. Most of the units in the development will be at market rate rents; however, 23 units will be affordable at 60 percent of median income and 25 units, or 22 percent of all units, will be affordable at 30 percent of median income, through the use of Project-Based Section 8 units. The total cost of this rental development is expected to be $15.7 million. Grant Award: $500,000.

Valley Square Commons, Golden Valley. Assist the development of a 25-unit rental townhome proposal to complete the Wesley Commons inclusionary housing development in the Valley Square Redevelopment area of the city. Wesley Commons includes 58 market-rate urban townhomes and 74 "stacked flats homes", all in eight three-story buildings – a retail/office building and parking deck, and these 25 affordable rental townhomes. All of this development is occurring on 12 acres in the northwest quadrant of the intersection of Winnetka and 60th avenues, close to existing office and retail, and on a busy Metro Transit route. The Valley Square Commons townhomes is being built at 18 units per acre with underground parking. The city of Golden Valley, through the reduction of local regulations regarding setbacks and parking, and the waiver of park fees, is helping reduce the potential development cost for this type of development by over $35,000 per unit, or over $880,000 in total. The development will include five Hollman units – 3 two-bedroom and 2 three-bedroom units, and the remaining 20 units will be affordable to households at 50 percent of median income. The total development cost of these affordable rental units will be $4.2 million. Grant Award: $350,000.

Hidden Ponds, Apple Valley. Provide gap financing to enable the development of the 84-unit Hidden Ponds inclusionary housing apartment development. Hidden Ponds is a proposed 2 ½ story walkup-style development consisting of seven separate buildings to be built at 17.4 units per acre on 5.69 acres at 128th Street and Germane Avenue. Seventeen two- and three-bedroom units will be affordable to very low income households. The remaining 67 one, two- and three-bedroom units will rent at market rates, all of which will be affordable to households at between approximately 56 to 58 percent of median income. Hidden Ponds will be within walking distance of two city parks, one mile from an elementary school and convenient to a Metro Transit park-and-ride facility. Downtown Apple Valley, with the variety of retail and services available there, is just two miles south on Cedar Avenue from the proposed apartments. The total development cost is anticipated to be $9.2 million. Grant Award: $500,000.

North Pointe Townhomes, Blaine. Assist the development of the North Pointe Townhomes, an 18-unit rental townhome development proposed for a 2.5-acre site one block east of Highway 65 and 129th Avenue NE on Aberdeen Street in Blaine. This inclusionary rental housing proposal will include a mix of affordable and market-rate units and will have the benefit of a substantial cost avoidance as the result of reduced local requirements. Reduced setback, parking and brick construction requirements and density bonus will reduce the total potential development cost by over $25,600 per unit and nearly $462,000 in total to make the development of these affordable rental units feasible. A walking path will connect the site to an adjacent strip mall that includes many retail and other services. The proposal is expected to include four three-bedroom project-based Section 8 units that will make them affordable to families with incomes as low as 30 percent of area median income. Ten units will be affordable at 50 percent of median income, and four two-bedroom units will be rented at market rates. The total development cost will be $2.3 million. Grant Award: $300,000.

Livable Communities Demonstration Account - 2000

Grants awarded December 2000

Near Northside Redevelopment, Minneapolis. Build a community of mixed housing types and incomes on a 145-acre former public housing site. Housing will include 440 family rental apartments (200 public housing units), 360 for-sale homes and 100 public housing units for seniors. A divided parkway will feature a greenway median, water attractions, sitting areas, and walking and biking trails. Funding will assist in constructing the north-south boulevard and median/greenway features as a catalyst for private participation. Funding will also address watercourse/water attractions, parks, decorative railings/posts, pedestrian bridges, an information kiosk, a sitting area, a bike rack, a drinking fountain, trash receptacles, trees and other plantings. Grant Award: $1,500,000.

Heart of the City, Burnsville. Phase two of a project to create a mixed-use activity center and new downtown in an underutilized area. Nicollet Commons, a 1.5-acre park framed by three-story mixed-use buildings, will serve as a focus for civic and cultural activities. An arts/cultural facility, adjacent to the park, will offer opportunities for indoor and outdoor arts and cultural events. Housing will include rental apartments, owner-occupied condos, townhouses and senior housing with live/work units permitted. Twenty percent of the housing will be affordable at 50 percent of median income for rental and 80 percent for ownership. Funding will be used to acquire property for Nicollet Park and an arts/cultural facility, relocate businesses and demolish buildings, and design, grade and construct Nicollet Commons Park. Grant Award: $2,500,000 supplementing a 1999 award of $1,612,317.

Phalen Village Main Street, St. Paul. Redevelop a strip mall at one end of Phalen Village "Main Street." Develop rental townhouses and a mixed-use building with a main floor convenience store and apartments on upper floors. Improve building exteriors and reposition tenants in the auto-oriented mall along with dedication of space for transit and pedestrian improvements. Build 72 cooperative senior apartments and complete the Phalen wetland restoration project and natural corridor between Lake Phalen and Ames Lake. Funds are to acquire, demolish and redevelop an outdated and underutilized strip mall and two dilapidated houses as rental townhouses and mixed-use buildings. Grant Award: $350,000.

Guardian Angels Redevelopment, Hastings. Preserve and reuse a church, rectory and three-story school. The church will become a community center, the school a daycare and nursery, and the rectory a domestic abuse shelter. Ten rental townhouses will be constructed in two new buildings to achieve 26 of 30 total units on the block as housing affordable at 50 percent of median income. Funds will assist renovation of the church and school and support street repair and utility costs. Grant Award: $500,000.

Hiawatha-Lake Transit-Oriented Development, Minneapolis. Enhance an elevated light rail transit station by adding escalators and enclosed public areas linking the station with adjacent new development. Help assemble the surrounding site to develop a mixed-use transit village on the future Hi-Lake shopping center site. Supplemental transit funding is for escalators, landscaping, enclosures, and transit plaza construction. LCDA funding is for land assembly. Grant award: $100,000 (LCDA funds) and $1,500,000 (Supplemental transit funds).

The Village Mixed-income Housing, Lino Lakes. Construct 210 rental apartments, 90 for-sale single-level and 2-story townhouses and 13 live-work 21/2-story townhomes in a 50-acre traditional neighborhood. Twenty percent of the housing is to be affordable at 50 percent of median income for rental apartments and 80 percent of median for ownership townhouses. Other development will include senior housing, retail, civic uses and public spaces. Funding will support land assembly for apartments. Grant Award $450,000.

Shingle Creek Corridor Improvements, Brooklyn Park. Restore Shingle Creek to create a central park amenity and spur development of "The Village" on the site of an obsolete shopping center. The site fronting the creek will include new retail/office development and new owner-occupied townhouses. Rehabilitate Parkwood Apartments and build new assisted-living housing to help ensure long-term viability and stability to surrounding neighborhoods. Grant funds will develop Shingle Creek Park. Grant Award: $1,000,000.

Local Housing Incentive Account - 2000

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 2000 income levels for a family of four: 30 percent of median, $19,680; 50 percent of median, $32,800; 60 percent of median, $39,360; 80 percent of median, $50,200. Median 2000 regional income was $65,600.

LHIA Homeownership Grants Awarded May 2000

Navarre Affordable Housing Ownership Program, Orono. Provide gap financing that will enable the city to assist three to five households with the purchase of new construction townhomes in the Minnetonka Woods development. The city will be providing a dollar for dollar match of the MHIG awards through the use of CDBG funds it is seeking through Hennepin County. The city will provide zero percent 30-year deferred loans to help first-time homebuyer families purchase units priced below $150,000. The program is targeted to households with incomes between 70 and 80 percent of median income. Grant Award: $32,000.

Center for Energy and Environment, Blaine, Columbia Heights, Coon Rapids, Fridley and St. Louis Park. Complement a combined commitment of $250,000 from these cities to be allocated to a Discount Loan Home Improvement Program. The total fund will be $500,000 to be used to write down by 2 percent the interest rate of borrowers with MHFA's Community Fix-Up Fund Program to make home improvements to 1940-60s ramblers and Cape Cod homes in the cities. This program will provide an innovative approach to addressing housing quality and affordability concerns while enhancing community stabilization through this incentive for homeowners to improve and remain in their current homes. Income of participating homeowners will not exceed 115% of median income in Columbia Heights, Fridley and St. Louis Park. In Blaine and Coon Rapids this limit will be 80 percent of median income. Grant Award: $125,000.

Consortium of Community Developers, Minneapolis. Assist the city and a consortium of six community development organizations in providing gap financing for the construction of 25 new single-family homes on scattered sites in both north and south Minneapolis. The Minneapolis Community Development Agency will donate all 25 lots for the housing, and LISC and private lenders will provide $3.15 million in construction financing. The new homes will sell for prices in a range from $50,000 to $135,000. The maximum income for homebuyers will be 115 percent of median income though it is anticipated that most buyers will have incomes below 80 percent of median. Grant Award: $250,000.

Southside Neighborhood Housing Services, Minneapolis. Provide gap financing in support of a new construction home program to construct four new single-family homes in the Bryant and Central neighborhoods in south Minneapolis. The new homes are anticipated to sell for between $125,000 and $140,000 to households with incomes between 80 and 115 percent of area median income. Grant Award: $80,000.

LHIA Multifamily/Rental Grants Awarded November 2000

Louisiana Court, St. Louis Park. Help the city in its work with a non-profit organization that will purchase and rehabilitate eleven buildings and create twelve new three-bedroom units through conversion to improve and preserve a 127-unit rental community in the city. The entire site will be reconfigured to establish and reorient public space, private space, front and back doors, and visitor and tenant parking. It is on a well-served transit route and is within walking distance of schools, churches, a post office and retail services, with over a thousand jobs in the immediate vicinity and perhaps as many as 6,000 jobs within a one-mile radius. All of the rents in the eleven buildings will be affordable, and twelve of the two-bedroom units will be MHOP/Hollman public housing units that will serve very low income households. Total development cost is anticipated to be $9.6 million. Grant Award: $353,000.

Turtle Ridge Townhomes, St. Francis. Provide gap financing necessary for a 30-unit townhome planned unit development. The townhomes will be built on approximately five acres on the eastern side of the city proximate to single-family and twin-home subdivisions that will be built on a new golf course. The city has approved the inclusion of eight MHOP/Hollman public housing units in the development and will contribute $650,000 in TIF over the next 15 years to help finance the housing. The site is convenient to retail and other services and the city's growing employment opportunities. Rents in 22 of the units will be affordable at 50 percent of median income and eight public housing units will be affordable to very low income households. The total development cost is expected to be $3.7 million. Grant Award: $206,400.

Washington County HRA – MHOP, Cottage Grove, Oakdale, St. Paul Park and Woodbury. Finance a gap created between the cost of purchasing 46 properties in Cottage Grove, Oakdale, St. Paul Park and Woodbury and the per unit subsidy provided by HUD to develop Hollman public housing units. The Washington County HRA's average total development cost to purchase 11 single-family homes, 33 townhomes and two condominiums was $11,433 per unit more than HUD's contribution. Families assisted through this public housing effort will have incomes at or below 30 percent of median income. The total cost of the activity is $5.3 million. Grant Award: $256,000.

Marketplace Family Townhomes, Hastings. Help close the financing gap for a new low-income housing tax-credit family townhome development in Hastings being built by the Dakota County CDA. This 28-unit, two-story townhome development will be on the south side of the South Frontage Road of Highway 55, immediately northeast of the Christa McAuliffe Elementary School. The proposal consists of one, two- and three-bedroom units in seven buildings on 3.75 acres, for a density of 7.5 units per acre. All of the units will be affordable. The development will be part of the growing and diverse mix of public land uses, residential and retail development that is occurring on the western edge of Hastings. The total development cost will be $3.9 million. Grant Award: $297,600.

Tax Base Revitalization Account - 2000

Grants awarded June 2000

Breck Arena, Golden Valley (3.6 acres northeast of Hwy. 55 and Dahlberg Drive). Clean soil contamination from the former Glenwood Junction railroad switching point to allow relocation of the Breck School Ice Arena and, on the site vacated by the ice arena and adjacent property, development of a headquarters complex by Allianz Insurance. Grant Award: $231,750.

Upper Landing, St. Paul (26 acres along the Mississippi River just west of downtown). Clean soil contamination from the former Kaplan Scrap Metal and Harvest States Grain facilities. Redevelopment plans call for 653 new units of housing, both rental and owner-occupied with 20 percent for affordable income levels, commercial uses (grocery, retail, and restaurant), public plaza, boat dock, and a walk/bike trail along the river. Grant Award: $702,709 matching a DTED grant.

Penn-Lowry, Minneapolis (1.3 acres on the northeast quadrant of the intersection of Penn and Lowry Avenues). Remove asbestos and hazardous materials from dilapidated buildings prior to demolition and remediate soil contamination associated with a former service station and a drycleaner. Redevelopment is projected with a 54-unit apartment building for seniors with commercial space on the main floor and underground parking. Grant Award: $48,331 matching a DTED grant.

9011 University Ave., Blaine. Remove asbestos in the vacant blighted building at this address for renovation as a dc Music USA retail store. Grant Award: $20,410.

Traffic Zone Boiler House, Minneapolis (250 Third Ave. N.). Remediate asbestos and lead paint in the boiler house attached to the historic Traffic Zone building. The building will be remodeled for office space and other purposes. Grant Award: $72,115.

1900 Central Ave., Minneapolis/Hennepin County. Demolish a building and address soil and groundwater contamination. Redevelop the combined parcels with a 114-unit apartment building and underground parking plus 6,000 square feet of commercial space. Grant Award: $125,062 matching a DTED grant.

Urban Village, Minneapolis (2824 Aldrich Ave. S. and 2813-2817 Bryant Ave. S.). Remediate soil contamination associated a variety of former industrial uses. Redevelopment is proposed with 200 mixed-income owner and rental residences on 16 parcels in the 3 square-block Urban Village area adjoining the Midtown Greenway. Grant Award: $237,276.

Grain Belt Brew House, Minneapolis (14 acres west of Marshall St. N.E. and north of Broadway Ave.). Remove asbestos, remove or encapsulate lead-based paint and eliminate mold in buildings and facilities in the historic Grain Belt brewing complex. The Brewhouse, the Gasthaus and the Boilerhouse will be remodeled for commercial and public use. Grant Award: $1,046,097.

Signal Hills Midwest Federal Bank, West St. Paul (1225 S. Robert St.). Abate asbestos in the former bank building. Renovate it as restaurant, retail or service space. Grant Award: $122,250.

Grants Awarded December 2000

Lupient Buick, Minneapolis (two blocks on the northwest quadrant of the intersection of East Hennepin Ave. and University Ave. NE). Remove contaminated fill from an unknown source that has been undisturbed on the site for about 50 years. Redevelopment is projected to consist of 48 townhomes, 30 affordable rental housing units, new office/retail space and rehabilitated office/retail space. Grant Award: $226,225 matching a DTED grant.

750 Pelham Blvd., St. Paul. Remove hazardous materials prior to demolishing the abandoned building at this address and remove contaminated soil. The site is committed to provide 135 additional parking spaces for the adjacent Specialty Building which has been remodeled as a result of a previous grant. Grant Award: $86,000.

Cennex, South St. Paul (1185 N. Concord St.). Remove hazardous materials from the former Cennex headquarters building which has received only partial and sporadic use over the intervening 18 years. Remodel the building as rental office space. Grant Award: $302,046.

Stremel Manufacturing, Minneapolis (1323 Washington Ave. N. and 1409-1411 Washington Ave. N.). Remediate soil contaminated with petroleum hydrocarbons, VOC's and heavy metals likely resulting from auto salvage and storage. Redevelop with a light industrial manufacturing facility to provide for expansion of Stremel Manufacturing from the block to the south. Grant Award: $112,320 matching a DTED grant.

Grain Belt Brew House, Minneapolis (14 acres west of Marshall St. N.E. and north of Broadway Ave.). Remove asbestos, remove or encapsulate lead-based paint and eliminate mold in buildings and facilities in the historic Grain Belt brewing complex. The Brewhouse, the Gasthaus and the Boilerhouse will be remodeled for commercial and public use. Grant Award: $600,000 supplementing a $1,046,097 grant from the previous funding cycle.

Mill City Plywood, St. Louis Park (5.3 acres on the northwest quadrant of the intersection of Hwy. 7 and Louisiana Ave.). This previously funded project encountered unanticipated contaminants once the cleanup was underway. A vapor barrier and building design modifications are needed to protect the redevelopment planned and lining is necessary for a storm water retention pond. Redevelopment is planned with 200 market-rate apartment units. Grant Award: $56,700 matching a DTED grant.

Guardian Angels, Hastings/Dakota Co. HRA (1.8 acres on the southeast quadrant of the intersection of 4th and Sibley Streets). Remove asbestos from the former Guardian Angels church, school and rectory which were vacant. Renovate the school with apartments and daycare, the church as a community center and the rectory as a shelter for domestic abuse victims. Grant Award: $58,350.

James J. Hill Building, St. Paul (281 E. Kellogg Blvd.). Remove asbestos, lead paint and bird excrement from this the historic Lowertown Great Northern Railway office building that has been vacant about 30 years. Renovation with about 50 condominiums is anticipated. Grant Award: $534,000.

Joslyn Manufacturing, Brooklyn Center (8.6 acres west of Hwy 100, north of France Ave.) Remove asbestos prior to demolishing the Dale Tile building, remediate soil and groundwater, install a cap system and a stormwater retention pond. Redevelopment is planned with a 90,000 square foot industrial building along Hwy. 100. The western portion of the site was cleaned with previous grant support and a Wickes Distribution Center has been constructed and a second phase building is undergoing construction there. Grant Award: $219,232 matching a DTED grant.

Near Northside Redevelopment, Minneapolis (631 Bryant Ave. N.). Remediate soil contamination on the former Minneapolis Public Housing Authority Sumner Heating Plant site affected by petroleum leaks from storage tanks. A Near Northside Redevelopment is planned with 10 homeownership and 23 rental townhouse units. Grant Award: $252,610.

National Handicapped Housing Institute, Bloomington (3 acres north of 95th St. between Lyndale and Garfield avenues and south east of the Canadian Pacific Railroad). Demolish fire towers and remediate soil contamination on this site that was previously cleaned to a standard allowing no subsequent use. National Handicapped Housing Institute plans to develop the site with 21 apartment units for physically disabled adults with very low incomes. Grant Award: $161,319.

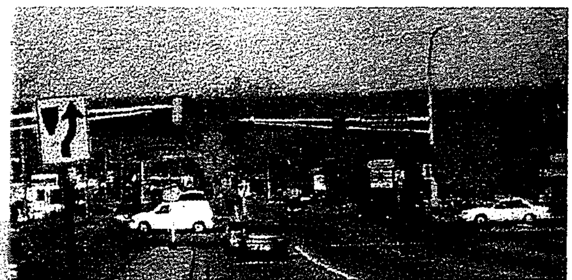
Exemplary Project

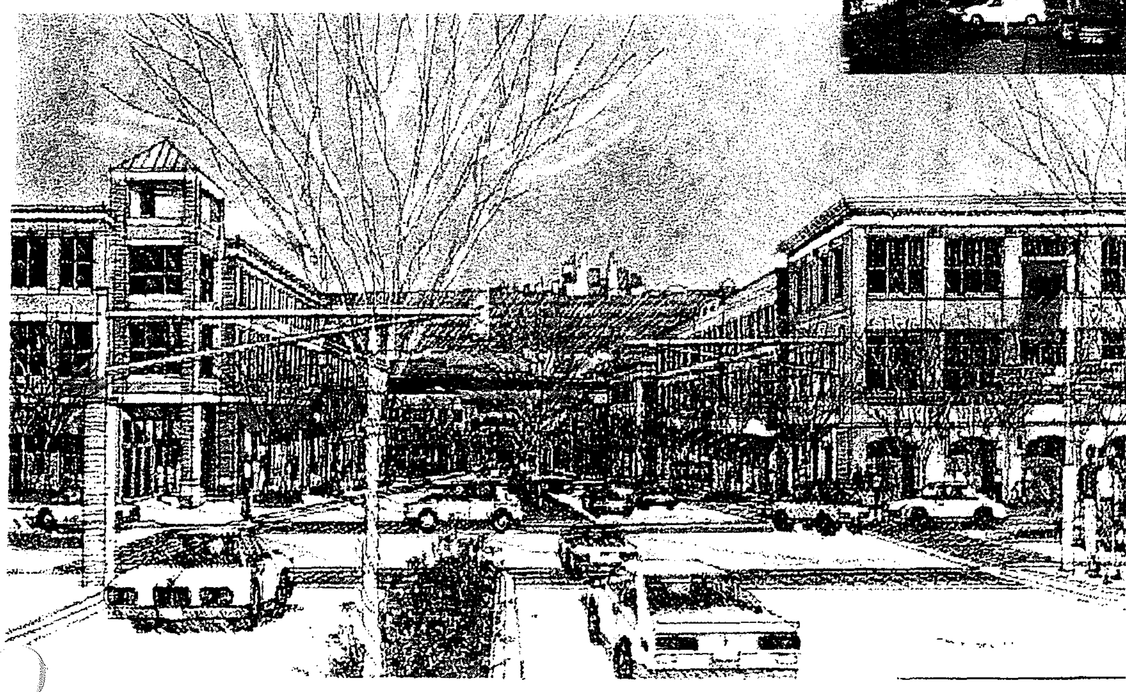
Heart of the City, Burnsville

The City of Burnsville will break ground in Summer 2001 for Heart of the City, its new downtown centered along Nicollet Avenue between Hwy. 13 and Burnsville Parkway. Heart of the City will be an identifiable center for Burnsville and a focus for community activities. It exemplifies the goals of the Livable Communities Demonstration Account to provide places where housing, workplaces, shopping, entertainment and civic uses are arranged in a way that support walking, transit use, daily activities and community activities, as well as auto traffic and parking. The 40-acre town center is a development model that represents a significant departure from typical suburban development patterns.

In the district, three-story buildings will mix residential and commercial uses. Housing will include 200 townhouses and more than 700 condominiums, with twenty percent of the housing affordable to people with incomes at 80 percent of the area's median income ($35,000 for one person to $50,000 for a four-person family). The Dakota County Community Development Agency has built 125 senior housing units in the area, and has committed to constructing more housing in the area affordable to families with incomes at 50 percent of median income ($23,000 for one person, to $32,800 for a four-person family).

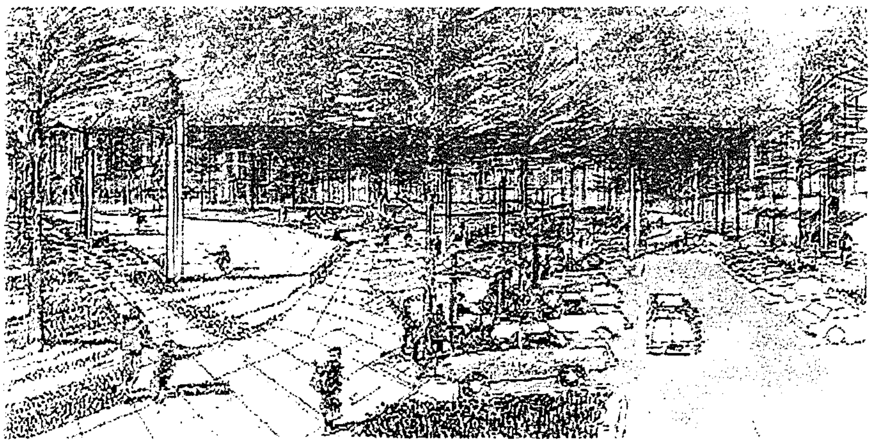
Over 400,000 square feet of commercial uses will be included in the district—which could include retail, offices, restaurants, entertainment, and possibly live-work units. Street and building design will invite people to walk from place to place, rather than drive to each destination, and enable easy transit use along Nicollet Ave and adjacent streets.





Before and after. Nicollet Avenue looking north toward downtown Minneapolis from Burnsville Parkway.

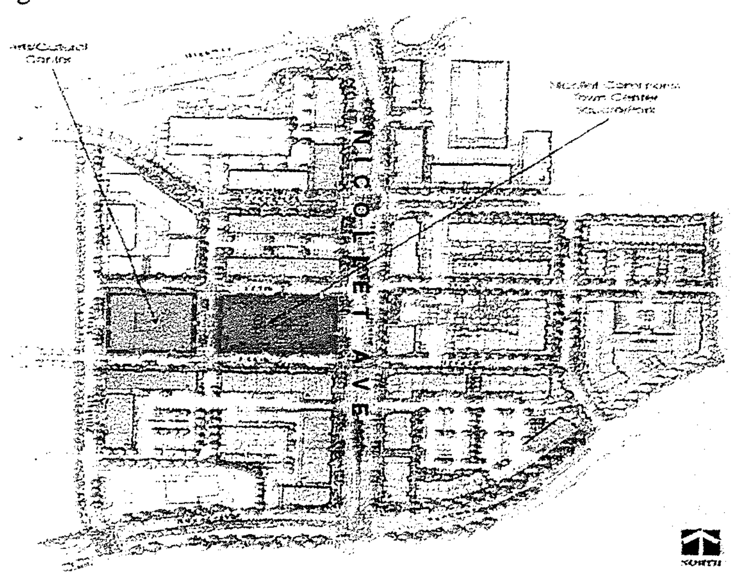
The focal point of the district will be Nicollet Commons, a city park framed by three-story residential and mixed-use buildings and an arts center building. The multi-functional arts/cultural facility will take advantage of the adjacent park to hold indoor/outdoor theater, music, dance and other arts events. The park will also be a place for informal use and for farmers' markets and other community events.



Nicollet Commons

A Catalyst for Development. LCDA dollars are helping to jump-start development in Heart of the City. The Metropolitan Council awarded Burnsville a $1.6 million grant in 1999 for Phase 1 of Heart of the City (the half of the site east of Nicollet Ave.). Most of these grant dollars will be used to create three new streets in this area to get the infrastructure in place for the new housing to be built in Phase 1. A small portion of the grant was also used to remove an old gas station to make way for a gateway to Heart of the City.

Having shown good progress, Burnsville was awarded a second grant in 2000 for the project's Phase 2 (west of Nicollet Ave.). This $2.5 million grant will be used to acquire land for Nicollet Commons and the adjacent arts center building, and to design and construct the park. City staff are currently working on purchasing a portion of the land in Phase 2.



Implementation Tools. Burnsville adopted a new zoning ordinance for the Heart of the City district—including requirements for setbacks, design, landscaping, signage and parking—to make the project happen as envisioned. A design framework manual will supplement the zoning ordinance and visually communicate the intent and character of the district's design principles, guidelines and standards to promote visual interest and design harmony.

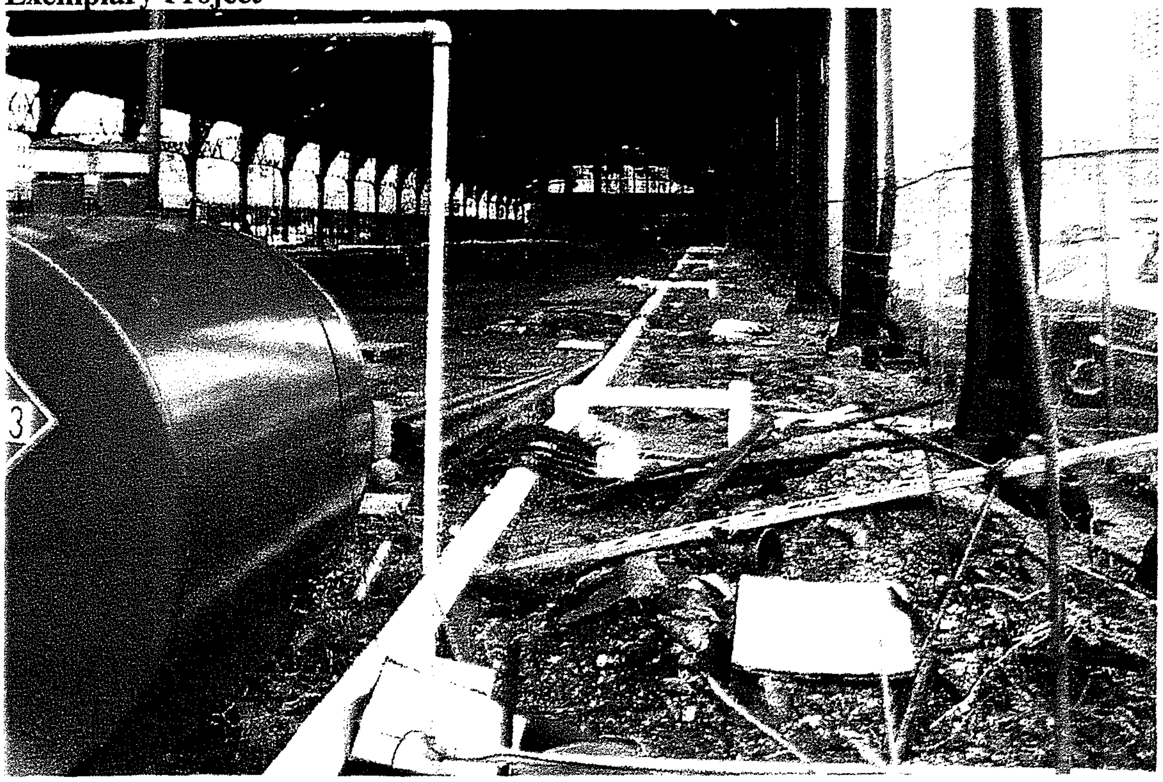
A design review committee will determine conformance of the proposed designs with district standards. The City of Burnsville is serving as master developer, and expects to select a developer in Spring 2000 for a six-acre housing site in the Phase 1 area. City staff are also talking daily with a number of interested developers about their interest in developing other blocks or sections within Heart of the City.

The efforts of Burnsville staff, officials and citizens are paying off—by this summer, there will be tangible evidence going in the ground of their hard work.

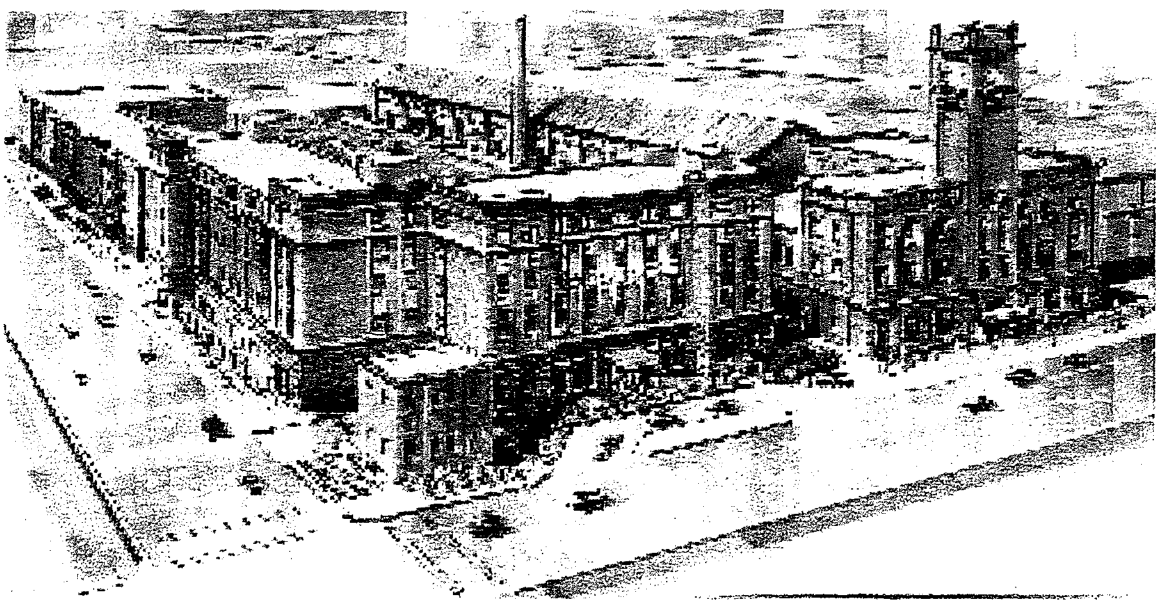
Exemplary Project

New Hope – Bass Lake Townhomes is a $5 million project funded in part with $200,000 from the LHIA 1998 to rehabilitate seven former fourplexes into 14 duplex apartments and construct 20 townhomes. All the units have attached garages. Seven are affordable to families at 50 percent of median income, 15 to families at 43 percent of median income and 12 are public housing units provided through the Hollman settlement.

Exemplary Project



Milwaukee Depot has undergone an amazing transformation with three cleanup awards of more than $1.2 million since 1996. The first addressed asbestos in the former "Freight Head House" which was remodeled into a Dunn Bros. Coffee Shop. Petroleum on a rock layer under the site was collected for recycling as shown above. A Marriott Courtyard Hotel is under construction with an ice-skating arena completed in the "Train Shed." A 250-unit apartment complex over commercial space and underground parking is also under construction. The Minnesota Department of Trade and Economic Development awarded an additional $857,250.



Meeting Council Policies and Goals

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. 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 about what we want our neighborhoods, communities and region to be and about how state, regional and local agencies work with the private sector and non-profits to create desirable 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 addressed.

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.
- Encourage 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.

Just over half the sites remediated through the Tax Base Revitalization Account are in the core (40 of 77). Increasing the tax base in older parts of the region where polluted land is concentrated significantly boosts economic growth. To date the TBRA projects a $20.6 million increase in net tax capacity associated with $940 million in private redevelopment investment. More than half of this projection will occur within the core. The range of redevelopment includes light industrial, manufacturing, office, hotel, recreational, retail, and housing.

These projects assist in revitalizing the neighborhoods, 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 unique office space in the former Federal Reserve Building; scenic offices and a museum in the former Washburn Crosby Woolen Mill along the Mississippi; and housing, hotel, an indoor ice-skating rink and commercial space on the former Milwaukee Depot site.

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

Nearly half the LCDA demonstration projects are located in the urban core. These projects revitalize at a scale that clearly is making center city neighborhoods better places to live and invest. Examples in Minneapolis include Lake Street and Fourth Ave., Franklin Ave., East Village, Urban Village, Ventura Village, Portland Place, Hiawatha-Lake Transit-Oriented Development, and Near Northside Redevelopment. They support more mixed-income and owner-occupied housing, increase the diversity of housing types, make public improvements (sidewalks, lighting, multi-purpose parkways, an athletic field) design transit station development, retrofit natural systems as area amenities, maximize the use of services and transportation, and establish convenient transit or pedestrian access to work, shopping, entertainment, medical offices, and recreational opportunities.

St. Paul projects include Phalen Village, Brewery Neighborhood, Main Street on Payne, and North Quadrant Urban Village. They are establishing a new mixed income neighborhood in lower town, promote a walkable neighborhood center around a restored lake, support mixed-use residential over commercial development, restore public space, and rehabilitate duplexes.

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.

Several communities are working to develop town centers that provide housing, workplaces, shopping, office uses, restaurants, entertainment and parks arranged in ways that support walking, transit use, daily activities and community activities, as well as auto traffic and parking. The centers feature a variety of ownership and rental housing with a mix of affordability levels. Burnsville's Heart of the City and Park Commons in St. Louis Park are ready to break ground in Summer 2001. Lino Lakes is finalizing its development plan and assembling land for its neighborhood center, The Village. Robbinsdale has received LCDA assistance to help revitalize its traditional downtown, which will include a regional transit hub and farmers'market. Mendota Heights and Maple Grove have been awarded grants to help them plan new town center developments.

A coalition of seven communities – Arden Hills, Blaine, Circle Pines, Moundsview, New Brighton, Roseville and Shoreview – are studying transit options and planning ways to link land use and transportation in the I-35W corridor. The work will identify specific redevelopment opportunities in the corridor.

Many LCDA demonstrations in older parts of the Urban Area focus on redevelopment and infill of housing and commercial activity, resulting in strengthened jobs/housing/transportation links, others focus on improving neighborhood livability through expanded housing options and revitalization strategies in the suburbs. Some are developing models for integrated compact suburban development that mixes housing, commercial, public and other land uses in a walkable environment.

Pollution cleanup grants have supported redevelopment in the urban area by helping clean sites for office, commercial, retail and light industrial development. A few multifamily residential redevelopments were also supported.

Projects awarded grants from the LHIA account are for new or rehabilitated rental housing and new ownership housing. The developments are usually suburban and help to expand the supply of affordable housing in needed locations.

Environmental Goals and Strategies

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

TBRA funded projects contribute to restoring a clean environment by removing pollutants from buildings and remediating soil and groundwater so land is reused for business, commercial and residential purposes. The redevelopments typically include engineered stormwater retention ponds. The Upper Landing project in St. Paul will integrate mixed-use development on a former salvage yard with a bike/pedestrian path along the river and a boat harbor connected by parkway to downtown.

Environmental features become community amenities through many LCDA funded projects. St. Paul will establish a central green park for its North Quadrant Urban Village in Lowertown. 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. Brooklyn Park is restoring a buried creek to serve as a community amenity and spur private development in the surrounding area. Its new Village will replace an outmoded shopping center. Phalen Village in St. Paul has also restored a natural resource, Lake Ames, formerly under a shopping center, to provide area amenities with links to Lake Phalen. The Burnsville and St. Louis Park city center projects mentioned earlier also incorporate green connections and urban parks.

Community Places

Blueprint policy also supports land use planning that creates community identity through integrated public infrastructure. It supports urban design that helps make neighborhoods safer, creates amenities and improves livability.

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, a small city downtown, or an urban neighborhood, 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 projects eligible for both programs are 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 workshops offering technical assistance to applicants.

Applications for 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 land use and 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 Economic Vitality and Housing Initiative passed by the legislature in 1995.

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 Minnesota Statute 473.253 Subd. 2, Minnesota Statute 473.254 Subd. 6, and Minnesota Statute 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."

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Attachment A

Livable Communities Fund
Financial Status

Metropolitan Livable Communities Fund
Sources and Uses
1/1/96 - 12/31/00

	TBRA	LCDA	LHIA	IHA	LCA Total
SOURCES					
Appropriation	0	0	0	4,000,000	4,000,000
Taxes	28,664,327	25,920,581	7,286	0	54,592,195
Interest	1,691,576	2,469,658	203,459	367,459	4,732,152
Transfers	0	-470,000	6,000,000	0	5,530,000
Other Revenue	3,282	0	1,672	0	4,954
					0
Total Revenue	30,359,186	27,920,240	6,212,417	4,367,459	68,859,301
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	348,054	14,284,419
FY 00 Grants	5,208,802	7,900,000	1,600,000	4,199,000	18,907,802
Unexpended balances from closed grants	-984,868	0	-125,000	-348,054	-1,457,922
Total Uses	30,374,838	27,222,167	6,235,000	4,199,000	68,031,005
Uncommitted Balance (1)	-15,652	698,073	-22,583	168,459	828,296
Disbursements	22,714,892	10,237,434	4,891,308	450,000	38,293,634
"Cash" Balance (2)	7,644,294	17,682,805	1,321,109	3,917,459	30,565,667

(1) Uncommitted Balance = Total Sources - Total Uses

(2) Cash Balance = Total Revenue - Disbursements

Inclusionary and Incentive Housing
Award and Disbursements
1-1-99 to 12-31-01

City	Award	Total Payments	Unpaid Commitment	Commitment Adjustments	Adjusted Unpaid Commitments
Chanhassen-City project	348,054	-	348,054.00	(348,054.00)	-
Chaska Brickyard Redevelop	450,000	450,000.00	-		-
St Paul Cooper Townhomes	450,000		450,000.00		450,000.00
Minneapolis East Village	500,000		500,000.00		500,000.00
St Paul Cooper Park Apts	500,000		500,000.00		500,000.00
Bloomington Lyndale Townhomes	274,000		274,000.00		274,000.00
Plymouth The Reserve	200,000		200,000.00		200,000.00
Minneapolis MCDA Humboldt Greenway	375,000		375,000.00		375,000.00
St. Paul Capitol Heights	300,000		300,000.00		300,000.00
Golden Valley Valley Square Commons	350,000		350,000.00		350,000.00
Apple Valley Hidden Ponds	500,000		500,000.00		500,000.00
Blaine North Pointe Townhomes	300,000		300,000.00		300,000.00
	4,547,054	450,000.00	4,097,054.00	(348,054.00)	3,749,000.00

Funding Cycle Summary	Award	Total Payments	Unpaid Commitment	Commitment Adjustments	Adjusted Unpaid Commitments
99	348,054	-	348,054.00	(348,054.00)	-
00A	450,000	450,000.00	-		-
00B	1,724,000	-	1,724,000.00		1,724,000.00
00C	875,000	-	875,000.00		875,000.00
00D	1,150,000	-	1,150,000		1,150,000.00
Total	4,547,054	450,000.00	4,097,054.00	(348,054.00)	3,749,000.00

Livable Communities Demonstration Account
Award and Disbursements
1-1-96 to 12-31-00

City	Award	Total Payments	Unpaid Commitment
Minnetonka-Blvd Gardens	770,000	740,024.77	29,975.23
Minneapolis-Lake & 4th	740,000	740,000.00	-
St. Paul-Phelan Village	650,000	650,000.00	-
St. Louis Park City Center	139,000	139,000.00	-
Chanhassen-Villages on the Ponds	500,500	500,500.00	-
Minneapolis - Franklin Ave	725,000	180,000.00	545,000.00
Roseville - Conerstone Program	270,000	83,963.20	186,036.80
Robbinsdale	780,000	570,000.00	210,000.00
Golden Valley Valley Square Revelop	510,000	-	510,000.00
I-35W Corridor Coaliton-Blaine	131,250	131,250.00	-
Minneapolis Phillips Park	700,000	-	700,000.00
Minneapolis Augustana Village	550,000	550,000.00	-
Richfield Apartment Remodeling Program	575,000	376,746.00	198,254.00
St. Paul Brewery	750,000	626,788.00	123,212.00
Chaska Brickyard Redevelop	344,100	344,100.00	-
Lino Lakes The Village	220,000	190,351.53	29,648.47
Maple Grove Town Center	150,000	-	150,000.00
Crystal Welcome Neighborhood	50,000	50,000.00	-
St. Louis Park Commons Redevelopment	1,200,000	-	1,200,000.00
Four Cities Housing Resource-Crystal	492,000	492,000.00	-
Columbia Heights Community Revitalization	575,000	30,000.00	545,000.00
Circle Pines City Center Redevelopment	30,000	30,000.00	-
Minneapolis Central Avenue	398,000	-	398,000.00
West St. Paul South Robert Street	115,000	94,800.82	20,199.18
Minneapolis Humboldt Greenway	675,000	675,000.00	-
Brooklyn Park The Village	75,000	75,000.00	-
St. Paul Main Street on Payne	750,000	600,000.00	150,000.00
Minneapolis Urban Village	640,000	-	640,000.00
I35W Corridor Coalition-Blaine	700,000	525,000.00	175,000.00
Heart of the City Burnsville	4,112,317	40,000.00	4,072,317.00
Urban Village Minneapoils	500,000	-	500,000.00
Louisiana Court St Louis Park	1,000,000	418,300.00	581,700.00
North Quadrant Urban Village St Paul	960,000	960,000.00	-
Portland Place Minneapolis	350,000	250,000.00	100,000.00
Langdon Square Cottage Grove	150,000	-	150,000.00
Freeway Road Mendota Heights	150,000	150,000.00	-
Corcoran Longfellow LRT Minneapolis	150,000	-	150,000.00
Franklin Ave LRT Minneapolis	75,000	-	75,000.00
Venture Village Minneapolis	150,000	-	150,000.00
Urban Village St Paul	50,000	24,610.00	25,390.00
Near Northside Minneapolis	1,500,000	-	1,500,000.00
Shingle Creek Corridor Brooklyn Park	1,000,000	-	1,000,000.00
Phalen Village Maint Street St. Paul	350,000	-	350,000.00
Guardian Angels Redevelopment Hastings	500,000	-	500,000.00
Hiawatha-Lake Transit Develop, Minneapolis	1,600,000	-	1,600,000.00
The Village Lino Lakes	450,000	-	450,000.00
	27,252,167	10,237,434.32	17,014,732.68
Funding Cycle Summary			
96A	2,299,000	2,269,024.77	29,975.23
96B	2,275,500	1,334,463.20	941,036.80
97	3,980,350	2,269,235.53	1,711,114.47
98	4,950,000	1,996,800.82	2,953,199.18
99	5,847,317	2,367,910.00	5,979,407.00
00	7,900,000	-	5,400,000.00
Total	27,252,167	10,237,434.32	17,014,732.68

Local Housing Incentives Programs
Awards and Disbursements
1/1/96 to 12/31-00

City/Municipality	Awarded Grant	Total Payment	Awards Remaining
Hastings Family Housing Ltd	170,000	170,000	-
Minnetonka-Minnetonka Mills	100,000	100,000	-
Minnetonka Crown Ridge	100,000	100,000	-
Chaska-East Creek Carriage Homes	130,000	130,000	-
Bloomington-Community Enhancement	225,000	225,000	-
Cottage Grove-Parkside Apts	125,000	125,000	-
South St. Paul- Rediscover So. St. Paul	25,000	25,000	-
Plymouth	225,000	225,000	-
Eden Prairie-Edenvale Townhomes	300,000	300,000	-
Lakeville-Lakeville Townhomes	100,000	100,000	-
Maple Grove-Lakeside Townhomes	300,000	300,000	-
New Hope- Bass Lake Townhomes	200,000	200,000	-
Chaska-East Creek Carriage Acres	200,000	200,000	-
Maplewood Maple Pond Homes	100,000	100,000	-
Shakopee Evergreen Heights	120,000	120,000	-
Apple Valley Chasewood	180,000	180,000	-
Minnetonka Archer Heights	100,000	100,000	-
Bloomington Lyndale Ave Townhomes	119,000	119,000	-
Lakeville FamilyTownhomes	166,000	166,000	-
Minnetonka Ridgebury	100,000	100,000	-
Woodbury Lakeside Townhomes	215,000	215,000	-
Brooklyn Park Northwest Revit Corp	40,000	-	40,000
Minneapolis Near North Neighborhood	250,000	125,000	125,000
Minneapolis Phillip Park Initiative	80,000	-	80,000
St Paul Rehab 50 units	260,000	260,000	-
Plymouth HRA	70,000	28,408	41,592
Chanhassen	200,000	-	200,000
Mendota Heights	200,000	200,000	-
Ramsey	135,000	-	135,000
Shakopee Evergreen Heights#2	100,000	100,000	-
St Louis Park Louisiana Court	353,000	353,000	-
Blaine Center for Energy & Env	125,000	62,500	62,500
Minneapolis Consortium	250,000	-	250,000
Minneapolis Southside	80,000	-	80,000
Orono Navarre	32,000	-	32,000
St Francis	206,400	206,400	-
Woodbury Washington Cty	256,000	256,000	-
Hastings Hastings Market Place	297,600	-	297,600
TOTAL	**6,235,000**	**4,891,308**	**1,343,692**
Summary of Funding Cycle			
96A	500,000	500,000	-
96B	375,000	375,000	-
97A	525,000	525,000	-
97B	100,000	100,000	-
98A	700,000	700,000	-
98B	500,000	500,000	-
99A	600,000	600,000	-
99B	700,000	413,408	286,592
99C	635,000	300,000	335,000
99D	353,000	353,000	-
00A	949,400	524,900	424,500
00B	297,600	-	297,600
Total	6,235,000	4,891,308	1,343,692

Tax Base Revitalization Account
Awards and Disbursements
1-1-96 to 12-31-00

City/Municipality	Awards	Total Payments	Award Balance	Adjustments	Adjusted Balance
Completed Awards	11,556,676.00	11,556,676.00	.00		
...ville - Midwest Motor	218,604.00	133,409.62	85,194.38	-85,194.38	
Roseville - Ideal Security Hardware	373,000.00	309,857.53	63,142.47	-63,142.47	
Hennepin County - Lewis Nut & Bolt	837,980.00	837,979.09	0.91	-0.91	
Lauderdale - LTRI Site	658,450.00	437,183.73	221,266.27	-221,266.27	
Hastings - Tyler St. Apts.	85,121.00	67,350.88	17,770.12	-17,770.12	
Port Authority/St. Paul - Riverview West	154,500.00		154,500.00		154,500.00
MCDA/Minneapolis - Milwaukee Depot I	262,000.00	255,802.27	6,197.73	-6,197.73	
Brooklyn Park - Courtyard Apts.	500,000.00	281,789.48	218,210.52	-218,210.52	
St. Paul Port Authority - Williams Hill	1,291,651.00	1,020,123.00	271,528.00		271,528.00
St. Louis Park - 4820 W. Excelsior Ave.	179,500.00	102,180.51	77,319.49	-77,319.49	
City of St.Paul / Planning & Econ. Dev. - Specialty Mfg.	493,000.00	492,990.00	10.00	-10.00	
Port Authority of St.Paul - Empire Builder	438,537.00	172,297.80	266,239.20	-266,239.20	
MCDA - Milwaukee Depot - II	334,098.00	258,540.64	75,557.36		75,557.36
Port Authority of St. Paul - Maxson Steel	2,402,705.00	2,233,109.58	169,595.42		169,595.42
Roseville - Opus/Gateway	72,622.00	51,907.00	20,715.00	-20,715.00	
MCDA/Minneapolis Sears	1,903,982.00	1,463,800.00	440,182.00		440,182.00
Robbinsdale - Old Police& Fire Bldg	149,701.00		149,701.00		149,701.00
Bloomington - Market Pointe	788,128.00	364,237.50	423,890.50		423,890.50
St Louis Park - 5101 Minnetonka Blvd	87,152.00	62,917.78	24,234.22		24,234.22
MCDA - Washburn Crosby Complex	628,000.00		628,000.00		628,000.00
Robbinsdale - Wards at Terrace Mall	440,000.00		440,000.00		440,000.00
Coon Rapids - Coon Rapids Blvd	124,781.00		124,781.00		124,781.00
St. Paul - Hamms (720 Payne)	405,680.00	396,878.00	8,802.00	-8,802.00	
St. Louis Park - Mill City Plywood	373,485.00	316,785.00	56,700.00		56,700.00
Farmington - Elm Park Landfill	85,030.00		85,030.00		85,030.00
MCDA - Milwaulkee Depot # 3	605,881.00		605,881.00		605,881.00
MCDA/Minneapolis - Grain Belt	1,646,097.00	999,076.77	647,020.23		647,020.23
St Paul - Upper Landing	702,709.00		702,709.00		702,709.00
...en Valley - Breck Ice Arena	231,750.00		231,750.00		231,750.00
MCDA/Minneapolis- Urban Village	231,276.00		231,276.00		231,276.00
Henn County - 1900 Central	125,062.00		125,062.00		125,062.00
MCDA/Minneapolis - Traffic Zone Boiler House	72,115.00		72,115.00		72,115.00
MCDA/Minneapolis - Penn-Lowry	48,331.00		48,331.00		48,331.00
MCDA/Minneapolis - Lupient	226,225.00		226,225.00		226,225.00
St Paul - 750 Pelham Blvd	86,000.00		86,000.00		86,000.00
So St Paul HRA - Cenex	302,046.00		302,046.00		302,046.00
MCDA/Minneapolis - Stremel	112,320.00		112,320.00		112,320.00
Dakota Cty/Hastings - Guardian Angels	58,350.00		58,350.00		58,350.00
St Paul - J J Hill	534,000.00		534,000.00		534,000.00
Brooklyn Center - EDA	219,232.00		219,232.00		219,232.00
MCDA/Minneapolis - Near Northside	252,610.00		252,610.00		252,610.00
Bloomington HRA	161,319.00		161,319.00		161,319.00
Total Awards	31,359,706.00	22,714,892.18	8,644,813.82	-984,868.09	7,659,945.73
Summary by Funding Cycle					
96A	3,802,864.00	3,036,581.60	766,282.40	-611,782.40	154,500.00
96B	2,697,136.00	2,619,816.51	77,319.49	-77,319.49	0.00
97A	3,740,578.00	3,839,076.02	-98,498.02	-266,249.20	-364,747.22
97B	4,264,513.00	4,552,047.00	-287,534.00	-20,715.00	-308,249.00
98A	2,607,965.00	2,779,519.00	-171,554.00		-171,554.00
98B	2,853,800.00	1,460,914.50	1,392,885.50		1,392,885.50
99A	3,266,239.00	1,495,855.78	1,770,383.22	-8,802.00	1,761,581.22
99B	2,917,809.00	1,789,345.00	1,128,464.00		1,128,464.00
00A	2,600,000.00	1,141,736.77	1,458,263.23		1,458,263.23
00B	2,608,802.00		2,608,802.00		2,608,802.00
Sub-total	31,359,706.00	22,714,892.18	8,644,813.82	-984,868.09	7,659,945.73
Adjustments:					
Grants that were closed with an unspent balance.	-984,868.09		-984,868.09		
Adjusted Awards	30,374,837.91	22,714,892.18	7,659,945.73		

Metropolitan Council

Mears Park Centre
230 East Fifth Street
St. Paul, Minnesota 55101-1626

(651) 602-1000
TTY • 291-0904
Metro Info Line • 602-1888
E-mail • data.center@metc.state.mn.us
Website • www.metrocouncil.org

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