



Metropolitan Livable Communities Fund

Report to the Minnesota State Legislature

June 2008



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About This Report

The Livable Communities Act (*Minnesota Statutes, Section 473.25*) requires the Council to prepare and submit to the legislature an annual report on the Metropolitan Livable Communities Fund. This is the twelfth such report. It provides an overview of Livable Communities Act programs and activities during 2007 and includes specific information required by the law about:

- the amount of money in the fund;
- the amount of money distributed;
- to whom funds were distributed and for what purpose; and
- an evaluation of the effectiveness of the projects funded in meeting the policies and goals of the Council.

The legislation states the report may also include recommendations to the legislature on changes to the Livable Communities Act. This year's report includes no legislative recommendations.

Appendix A contains a summary of program accomplishments to date with photos of representative projects; Appendix B provides photographs of representative LCA-funded projects; Appendix C displays maps showing the locations of 2007 LCA-funded projects, and Appendix D reports on the grant-making procedures.

Enabling Legislation

In 1995, the Minnesota Legislature passed the Livable Communities Act (LCA). The LCA (*Minnesota Statutes, Sections 473.25 through 473.254*) created a voluntary, incentive-based approach to address the Metropolitan Area's affordable and lifecycle housing issues and to help communities grow and succeed. It established the Metropolitan Livable Communities Fund, including three on-going accounts from which eligible communities could apply for funding:

- The **Tax Base Revitalization Account (TBRA)** helps cities clean up contaminated urban land and buildings for subsequent redevelopment that could include commercial, industrial, or housing opportunities. Restoring the tax base, developing more jobs near existing housing and services, or adding affordable housing to the region are primary objectives of this account.
- The **Livable Communities Demonstration Account (LCDA)** funds development and redevelopment projects that achieve connected development patterns that link housing, jobs and services, and maximize the development potential of existing or planned infrastructure and regional facilities.
- The **Local Housing Incentives Account (LHIA)** helps preserve and expand lifecycle and affordable rental and ownership housing in the metropolitan area.

A fourth account, the **Inclusionary Housing Account (IHA)**, operated during 1999-2000 with a single appropriation to support affordable housing developments in which the reduction of local controls and regulations resulted in reduced development costs. Interest accrued on funds held in the Inclusionary Housing Account prior to communities requesting payment of their grant awards. Those interest dollars were awarded through a final round of IHA grants during 2004, with the account closed to further interest accrual effective January 1, 2004.

In order to be eligible to compete for this funding, the LCA requires interested communities to:

- negotiate long-term affordable and lifecycle housing goals with the Metropolitan Council;
- have in place an LCA Housing Action Plan to identify and give direction to the city's use of programs, official controls and fiscal devices to help accomplish these negotiated goals; and
- make the minimum annual contribution or expenditure on affordable housing activities required by a formula provided in the law. The formula, based on each community's share of the tax levy supporting the Livable Communities Demonstration Account, determines an Affordable and Lifecycle Housing Opportunities Amount (ALHOA¹) specific to each community.

Funding Sources

The sources of Livable Communities Fund money available in 2007 were:

	<u>TBRA</u>	<u>LCDA</u>	<u>LHIA</u>	<u>Total</u>
Property Tax		\$12,184,070		\$2,184,070
- Reduction in Market Value Credit				-
- Estimated Uncollectible Taxes		(71,870)		(71,870)
Fiscal Disparities	\$5,000,000	(5,000,000)		-
Transfer to LHIA		(500,000)	\$500,000	-
General Fund Transfer			1,000,000	1,000,000
+ Interest Earned in 2006	594,385	1,236,941	161,031	1,992,357
- Unrealized Loss*	(78,165)	(200,787)	(26,829)	(305,781)
+ Relinquished Funds from Previously Awarded Grants	<u>1,152,880</u>	<u>1,403,108</u>	<u>257,222</u>	<u>2,813,210</u>
	\$6,669,100	\$9,051,462	\$1,891,424	\$17,611,986

*Decrease in the value of the Council's investment pool that isn't "real" because the securities in the pool haven't been sold. When a particular security is sold, gains/losses become "realized."

The fund is managed to maintain a small net uncommitted balance within each account in order to avoid awarding more funding than is available. The uncommitted balance is attributable, in part, to interest earnings during the year. Interest earned varies depending on the timing of levy receipts and grant payments. Fund balances also occur when projects use the awards over a period of months or years and

¹ To participate in the Local Housing Incentives Account Program, communities are required to contribute a specified amount of local resources to affordable housing each year they participate in the program. This contribution, or expenditure, is called the Affordable and Life-Cycle Housing Opportunities Amount (ALHOA). The ALHOA is equal to the community's share of the Council's annual LCA assessment. The LCA assessment is determined by a formula set forth in the LCA statutes. It is not a grant from the Livable Communities Account. In order to continue to participate in the program, communities must expend or contribute at least 85% of their annual ALHOA obligation. Communities have some flexibility in determining which local expenditures fulfill the ALHOA contribution. Examples of ALHOA-eligible expenditures include housing assistance, development or rehabilitation efforts, the costs of local housing inspection and code enforcement, and local taxes to support a local or county Housing and Redevelopment Authority.

interest accrues on the unspent balances. In addition, some projects are completed without requiring the full amount of the grant. Those relinquished grant funds are returned to the funding account to be awarded in future grant rounds. In a few instances grant awards have been relinquished when changed circumstances prevented a grant recipient from undertaking a funded project. Again, those funds are included in the pool of money available for awards to other projects.

2007 Response to LCA Programs

The Metropolitan Livable Communities Fund has made available an average of about \$14.5 million annually through the three program accounts. The total funding budgeted for awards during 2007 was \$17.6 million. Several years of program experience have proven that this incentive-based approach works, although the impact of the housing industry has also impacted the number of applications that include ownership housing.

Today, the LCA's three grant accounts are nationally recognized as successful tools for cleaning up polluted sites, expanding housing choices, and moving land-efficient local development projects from plans on paper to projects on the ground. In 2007, 105 communities were participants in the LCA's local housing incentives program and were eligible to receive grant funds. With so many Twin Cities communities working hard to provide housing their workers can afford, create jobs to strengthen their local economies, and ensure that their residents have mobility options that provide them with access to work, recreation, shopping and services, each program is expected to continue to receive more requests for funding than can be met with available resources.

	LCDA	LHIA	TBRA
Number of applications	16	61	36
Number of grants awarded	7	9	27
Total grant amount requested	\$18,420,277	\$1,889,806	\$7,456,570
Total grant amount available	\$8,000,000	\$1,900,000	\$6,600,000
Over/undersubscribed	-\$10,420,277	\$10,194	-\$856,570

The high level of participation in LCA programs by the region's communities is testimony to the value of LCA as a tool to help the Council support local initiatives consistent with regional goals. Cities throughout the region are united in their praise of what has already been accomplished and eager to apply for funding to implement more planned projects.

Demand for Tax Base Revitalization Account funding in 2007 was \$7.4 million. Only \$6.6 million was available and awarded, leaving nearly \$800,000 in unfunded need. The demand has been greatest in the Livable Communities Demonstration Account program. The total amount of LCDA funding requested totaled \$18.4 million in 2007, compared to \$5.9 million awarded.

The total for LHIA funding requests is substantial also. Applications for gap financing to the Metropolitan Housing Implementation Group (MHIG) totaled \$75 million. All the MHIG funding partners together were able to fund \$50 million (including \$1.9 million from LHIA funds). The total amount of unfunded requests was \$25 million. With such a large unfunded need for affordable housing assistance, the approximately \$1.5 million per year available through the LHIA continues to be a small, but important, contribution to affordable housing solutions.

2007 Funding Expenditures

The Council and its LCA partners awarded \$13,542,103 grants in 2007 as follows:

- **Tax Base Revitalization Account:** Twenty-seven grants totaling \$5,715,900 (fall 2007 funding awarded in January 2008) for ten communities to help clean up polluted land.
- **Livable Communities Demonstration Account:** Seven Demonstration Grants totaling \$5,936,397 to help with land acquisition, site preparation, infrastructure costs, street improvements, and stormwater management improvements for projects in five communities.
- **Local Housing Incentives Account:** Nine grants totaling \$1,889,806 to eight communities and one multi-city land trust to help develop or rehabilitate affordable ownership and rental housing.

LIVABLE COMMUNITIES FUND	NUMBER OF GRANTS	TOTAL 2007 AWARDS	NUMBER OF COMMUNITIES
LCDA	7	\$5,936,397	5 communities
LHIA	9	1,889,806	8 communities & 1 multi-city land trust
TBRA	27	5,715,900	10 communities
TOTAL		\$13,542,103	

Disbursements were made to Livable Communities grants in 2007 as follows:

- Tax Base Revitalization Account: \$3,350,364
- Livable Communities Demonstration Account: \$9,302,267
- Local Housing Incentives Account: \$1,830,421

LCA Results

Projects funded in 2007 will make a difference in communities throughout the region. Working with the market and responding to local needs, cities will use LCA grants to plan and develop functional, sustainable neighborhoods offering a mix of housing, jobs and services linked by a variety of transportation choices. The LCA grants funded in 2007 assisted projects that will achieve an expected:

- Over 200 new ownership housing units and over 800 new rental housing units, many affordable to low income households
- 100 improved or rehabilitated existing housing units
- Nearly 5,400 new or retained jobs
- 139 acres of reclaimed polluted land
- \$565.5 million in private sector investments
- \$132.7 million in additional public sector investment

The following table summarizes grants awarded since the inception of the program in 1996:

FUND NAME	AWARD AMOUNT	TOTAL GRANTS
Livable Communities Demonstration Account	\$76,685,200.00	100
Tax Base Revitalization Account	\$70,496,808.52	241
Livable Housing Incentives Account	\$18,325,706.00	111
Livable Communities Demonstration Account - Opportunity Grants*	\$3,921,145.00	50
Inclusionary Housing Account*	\$4,577,700	13

*These accounts are not currently funded.

Since 1996, grants have been awarded to the following cities²:

Anoka	Eden Prairie	Loretto	Richfield
Apple Valley	Excelsior	Maple Grove	Robbinsdale
Arden Hills	Falcon Heights	Maplewood	Rosemount
Blaine	Farmington	Mendota Heights	Roseville
Bloomington	Forest Lake	Minneapolis	Shakopee
Brooklyn Center	Fridley	Minnetonka	Shoreview
Brooklyn Park	Golden Valley	Mound	South St. Paul
Burnsville	Hastings	New Brighton	St. Anthony
Champlin	Hilltop	New Hope	St. Francis
Chanhassen	Hopkins	North St. Paul	St. Louis Park
Chaska	Hugo	Norwood Young America	St. Paul
Circle Pines	Inver Grove Heights	Oakdale	Stillwater
Columbia Heights	Jordan	Orono	Vadnais Heights
Coon Rapids	Lakeville	Osseo	Waconia
Cottage Grove	Lauderdale	Plymouth	West St. Paul
Crystal	Lino Lakes	Prior Lake	White Bear Lake
Dayton	Long Lake	Ramsey	Woodbury

Projects funded through the **Tax Base Revitalization Account** foster increased reinvestment and infill and help clean up the environment and protect water quality in the region's urban communities. During 2007, the TBRA awarded grants to help with cleanup and reuse of a total of 139 acres of brownfields in the cities of Anoka, Bloomington, Chaska, Hopkins, Lakeville, Minneapolis, Plymouth, Roseville, St. Louis Park, and St. Paul. These economic development projects are expected to provide 5,396 new or retained jobs, many paying an hourly wage of \$12.50 or more per hour. A \$7.7 million increase in net tax capacity is anticipated from these cleanup projects, and they involve over \$489 million in private investment.

Livable Communities Demonstration Account (LCDA) funds support regional growth strategies promoting development and redevelopment that make better use of urban lands, improve jobs-housing-transportation connections, and expand affordable and lifecycle housing choices in the region. LCDA funds encourage land use patterns that link public infrastructure with housing, jobs and services to meet community-identified needs. Funded projects offer replicable examples of how land and services can be used more efficiently. As other communities see the success of completed projects, interest in the fund as a source for community development efforts throughout the region has grown. LCDA funds are being used to revitalize older communities and to establish new neighborhoods in developing communities. Projects serve as destinations for daily activities, such as work, errands, shopping and entertainment. Funded project elements have included land acquisition, street infrastructure, pedestrian connections,

² In some cases, a single city may be designated as the grantee for an award, while the actual project sites may be located in more than one city. This list comprises the set of actual cities that have been named as LCA grantees.

stormwater management infrastructure, and structured parking to support additional density. Funding is a catalyst that enables developers to implement new development ideas that expand the options available in the market in many communities.

Local Housing Incentives Account grants have helped produce new and rehabilitated affordable rental and homeownership housing in 53 communities in the region, promoting the Council's policy to expand and preserve lifecycle and affordable housing options to meet changing demographic trends and market preferences, and to support the region's economic competitiveness. During 2007, eight communities and one multi-city land trust received funds. Funded projects include 230 new units and 63 units rehabilitated for resale. All of the new rental units will be affordable to households earning less than 50% of the 2007 area median income (\$39,250 for a family of four).

Appendix A - LCA Grant-Making Procedures

Partnerships are a feature of the Council's allocation of funds from all the Livable Communities accounts. The LCA Local Housing Incentives Account funds awarded by the Council are combined with funding provided by Minnesota Housing and other partners through the Metropolitan Housing Implementation Group (MHIG) to support affordable housing. The Department of Employment and Economic Development (DEED) partners with the Council on its TBRA funding to offer even stronger support for local efforts to clean up contaminated land and buildings. These agencies, together with an advisory committee of technical experts from throughout the region that reviews LCDA proposals, assist the Council with its funding decisions.

Tax Base Revitalization Account. The Tax Base Revitalization Account includes cooperative relationships among the Council, the Department of Employment and Economic Development (DEED), the Minnesota Pollution Control Agency (MPCA), Hennepin County and Ramsey County. The Council, DEED, Hennepin County and Ramsey County staffs use the same application cycle deadlines and hold joint application workshops. Staff from MPCA and the MN Department of Health assists Council staff in evaluating TBRA applications according to the Council's criteria. The Livable Communities Act authorizes the use of TBRA funds as part of local match requirements for DEED's Contaminated Site Cleanup Program. Projects eligible for both programs may be jointly funded.

Both the TBRA and the DEED programs require "response action plans" approved by the MPCA for all applicable projects. These plans are part of the MPCA's Voluntary Investigation and Cleanup (VIC) program. MPCA staff review the applications to verify that the applicant's proposed clean up activities will effectively implement the MPCA-approved plan. They also rank the applications in terms of their potential to remediate environmental contamination and human health risks. Although asbestos and lead-based paint remediation for buildings is not currently addressed by the VIC strategy, MPCA staff comment on the applications involving asbestos and lead-based paint abatement. In addition, MPCA staff members participate in workshops, conducted jointly by DEED, Metropolitan Council, MN Department of Commerce, MN Department of Agriculture, Hennepin County and Ramsey County staff to offer technical assistance to applicants.

Livable Communities Demonstration Account. Applications for Livable Communities Demonstration Account development grants are reviewed by the 13-member Livable Communities Advisory Committee, which makes funding recommendations to the Metropolitan Council. The committee includes members representing six areas of expertise to provide the range of skills and experience important for evaluating the complex development and redevelopment projects for which LCDA funding is requested. Areas of expertise (for which there are two members each) are: local government (planning, economic or community development); development finance (one private finance, one public finance); development (one new development, one redevelopment); transportation; environment; and site design.

The advisory committee reviews proposals against evaluation criteria adopted by the Council, which are consistent with and help implement the *2030 Regional Development Framework*. Additional criteria focus on the readiness of projects to proceed to construction soon.

A team of Council community development, environment, transportation and Metro Transit staff assist the advisory committee in its evaluation process by conducting a technical review of applications prior to LCAC consideration and determining which requested items are eligible for funding. The staff review team could assign up to 50 points to each project based on the technical review, and LCAC members may assign up to 50 points per project based on their evaluation of what is being demonstrated and the degree

of innovation each proposal offers. Community sector representatives provide information on the community context of the projects as additional background to aid in decision-making.

Prior to application deadlines, staff holds workshops for applicants to go over the program criteria, application form and evaluation process, and to offer technical assistance.

Local Housing Incentives Account. The Metropolitan Council allocates funds in the Local Housing Incentives Account through the Metropolitan Housing Implementation Group (MHIG), established in 1995 to coordinate and streamline the complex system for delivering housing resources in the metropolitan area. The MHIG includes representatives of the Metropolitan Council, Minnesota Housing, the Family Housing Fund, St. Paul PHA, DEED, Minnesota Green Communities and the Minnesota Department of Corrections. Representatives from each of the MHIG agencies participating in project funding serve on a joint selection committee. The MHIG provides easy access to and disbursement of a combined pool of housing development dollars.

The MHIG group develops a Super Request for Proposals (RFP) to simplify the process for accessing housing development dollars. The Super RFP includes descriptions of, and requirements for, 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 reflect the policies articulated in the Council's regional development framework, the Livable Communities Act and state policy initiatives.

The MHIG 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 for final approval to the MHIG-member organization whose funds are the source of the award.

Appendix B - 2007 LCA-Funded Projects

(Listed alphabetically by community within each program)

Tax Base Revitalization Account Grants

Anoka - IMI Cornelius

Grant amount - \$339,000

The applicant is requesting \$394,973 in TBRA funds for asbestos and lead-based paint abatement for the renovation and partial demolition of a vacant industrial facility formerly used for manufacturing beverage dispensers on a 26-acre site. Upon review, \$339,073 of the costs was determined to be eligible. The expected benefits include the development of 230,000 sq. ft. of office space with a projected increase of \$112,028 in net tax capacity and \$13M of private investment. Funds are to be used for asbestos and lead-based paint abatement. (Note: costs for removing "universal wastes" are not eligible for grant funding.)

Bloomington - Penn American District

Grant amount - \$84,100

The applicant is requesting \$86,163 in matching TBRA funds to a \$232,488 request from DEED and \$20,000 from Hennepin County for soil remediation, soil vapor mitigation, and asbestos abatement for the first phase of a two-phase mixed-use residential and commercial redevelopment of a 3.95-acre site formerly used as a auto dealership, repair and washing facility. The contamination of concern identified includes DRO and arsenic in the soil. Isolated detections of PCBs and PCE were also found in the soil. Contamination of concern identified in the ground water includes GRO and benzene and an isolated detection of cis-1,2-DCE. The expected benefits for Phase 1 include 40,000 sq. ft. of retail space, a projected increase of \$60,648 in net tax capacity and \$15M of private investment. Funds are to be used for environmental investigation, soil remediation, soil vapor mitigation, asbestos abatement. (Note: demolition costs are not eligible for grant funding.)

Bloomington - The Corners/Bloomdale

Grant amount - \$75,000

The applicant is requesting \$75,000 in non-matching TBRA funds for asbestos abatement only within 3 buildings totaling approximately 54,841 sq. ft. on a 5.64-acre site that formerly included a gas station and dry cleaner. Additional funding requests were made to DEED (\$340,500) and Hennepin County (\$55,600) for soil remediation, groundwater monitoring, and soil vapor mitigation. The contamination identified includes DRO GRO, xylene, benzene, ethylbenzene and toluene in the soil. There were also detections of PCE, TCE and 1,2-DCE in the soil vapor. The expected benefits include a mixed-use retail and commercial development that will be built in two phases. Phase one includes 36,728 sq. ft. of commercial/retail space. Phase two includes an additional 10,000 sq. ft. of office space with a projected increase of \$138,990 in net tax capacity and \$13.8M of private investment. Funds are to be used for asbestos abatement only. (Note: removal of other hazardous materials is not eligible for grant funding.)

Chaska - Block 6 Redevelopment II

Grant amount - \$326,600

The applicant is requesting \$326,645 in TBRA funding for asbestos abatement prior to demolition and both matching and additional funding for soil remediation to a \$500,000 request from DEED for soil remediation of a 1.87-acre site formerly used as a brickyard and currently used as a filling station, auto repair garage and retail garden center. Contamination identified includes DRO, GRO, and arsenic. Expected benefits include the development of a 14,500 sq. ft. mixed use residential and commercial building with 40 rental units (8 will be affordable) and 17,000 sq. ft. of retail and service commercial space. Previous funding includes \$66,400 from TBRA in the fall 2006 application cycle.

Hopkins - 6th and Main Condominiums

Grant amount -\$795,900

The applicant is requesting \$977,250 in funding for asbestos, lead-based paint abatement prior to demolition and soil remediation of a 3.5-acre site formerly used as a residential site, gas station and automobile sales/repair. Contamination identified includes petroleum (DRO, GRO), isolated detections of PAHs, and arsenic as well as asbestos and lead-based paint in the existing structures. Expected benefits include the development of 220 ownership condominium units in six 4-story buildings (22 affordable units), 8,800 square feet of retail space and 360 stalls of underground parking. The project will occur in three phases. Funds are to be used for asbestos lead-based paint abatement prior to demolition and soil remediation. (Note, estimate 150 cubic yards of soil remediation is for arsenic, PAH and petroleum "hot spots," other 49,000 cubic yards of fill material (49,000 cubic yards) has not been adequately addressed in the RAP and is considered a contingency and thus ineligible, site safety plan development and hazardous waste removal is also not eligible for grant funding.)

Hopkins - Excelsior Crossing II

Grant amount -\$615,200

The applicant is requesting \$615,243 in supplemental funding for additional soil remediation of a 32-acre site including various former uses such as grocery distribution, gas station, automotive maintenance, refrigerator repair, cabinet making and candy repackaging. Contamination identified includes DRO, PAHs (BaP equivalents, naphthalene, fluoranthene, pyrene, dibenzofuran, 2-methylnaphthalene), creosote tar in underground (USTs) and above-ground (ASTs) storage tanks. Expected benefits include three office buildings and a small retail building resulting in 746,000 total square feet of new office space and 6,000 square feet of retail space and approximately 2,980 parking spaces. Previous funding includes \$237,800 from TBRA and \$952,000 from DEED in the spring 2006 application cycle. Funds are to be used for additional soil remediation. (Funding for activities prior to January 2007 is not eligible for funding because they did not occur under an approved RAP amendment.)

Lakeville - Meadowlark II

Grant amount -\$125,000

The applicant is requesting \$125,000 in additional funding and \$25,000 from DEED for additional soil remediation and installation of vapor barriers on of a 7.04 acre site formerly used for dumping demolition waste and overnight car storage. A prior grant was awarded to cleanup up DRO, VOC, metals, PAHs, and asbestos in the soil and ground water. Contamination identified for cleanup in this application includes ACM in the soil and methane vapors. Additional solid and organic wastes remain on the site must be removed but are not eligible for grant funds. Expected benefits include the development of 40 affordable rental town homes (including 1-, 2- and 3-bedroom units). Previous funding includes \$126,717 from TBRA and \$246,250 from DEED in the fall 2004 application cycle. Previous funding includes \$126,717 from TBRA and \$246,250 from DEED in the fall 2004 application cycle. Funds are to be used for additional soil remediation. (Note: funds are to be used for excavation, loading, hauling and disposal of asbestos-impacted soil. Solid and household waste removal is not eligible for funding.)

Minneapolis - Coloplast

Grant amount -\$54,500

The applicant is requesting \$54,540 in matching funds for environmental investigation and soil remediation of a 5.41- acre site formerly used as a sawmill, rail yard, and machine shop. Contamination identified includes arsenic, and PAHs (BaP equivalents associated with coal slag) and a single detection of PCE in the soil. Expected benefits include the replacement of two smaller one-story office buildings with a 6-story class-A office building totaling 90,000 square feet. The completed redevelopment will result in 52,750 square feet of additional space for a total of 197,050 square feet of finished office space. Funds are to be used for environmental investigation and soil remediation. Demolition and deep foundation system are not eligible for funding.

Minneapolis - Delisi Building

Grant amount -\$47,500

The applicant is requesting \$47,500 for asbestos abatement of a two-story building on 0.17-acre site. Expected benefits include 13,400 square feet of rehabilitated commercial space. Funds are to be used for asbestos abatement.

Minneapolis - Harrison Commons

Grant amount -\$14,600

The applicant is requesting \$14,625 in matching TBRA funds to a \$168,750 request from DEED and \$14,625 from Hennepin County for environmental investigation, soil remediation and soil vapor mitigation of a 0.46-acre site formerly used as a gas station. The contamination identified includes GRO, xylene, benzene, ethylbenzene and toluene in the soil and ground water and also naphthalene, 1,2,4-trimethylbenzene and 1,3,5-trimethylbenzene in the ground water. The expected benefits include the development of 66,982 sq. ft. of mixed-use residential and commercial building with 45 rental units (13 units will be affordable) and 7,800 sq. ft. retail commercial space with a projected increase of \$35,216 in net tax capacity and \$7.6M of private investment. Funds are to be used for environmental investigation, soil remediation and soil vapor mitigation.

Minneapolis - Longfellow Station

Grant amount -\$295,200

The Longfellow Station project is a high-density multi-use transit oriented development (TOD) located in immediate proximity to the 38th St. transit station of the Hiawatha LRT line. When completed the project will include the construction of 185-215 housing units, 35,000 to 50,000 sq. ft. of commercial space, and approximately 430 spaces (structured, below-grade, and surface) parking spaces. The project is seeking assistance for a key project component a comprehensive integrated and innovative green stormwater management system. The rental housing is made up of 185-215 units (approximately 119 affordable). The commercial space may include a grocery store as well as other neighborhood commercial uses at ground level immediately adjacent to the housing structures. Commercial space users and housing residents will be able to park in the structured and below grade parking spaces. The estimated total development costs for the project are approximately \$50 million. The project developers have site control, have in place a complete development team, and are working with the neighborhood and city staff on land use and zoning approvals.

Minneapolis - Nicollet Youth Housing

Grant amount -\$107,000

The applicant is requesting \$111,292 in TBRA funds for environmental investigation, asbestos and lead-based paint abatement and vermiculite removal and disposal in a funeral home and residential buildings on a 0.91-acre site. The expected benefits include the development of a 42-unit supportive housing development (all will be affordable) and 7,000 sq. ft. of commercial space. Although the development will be taxable, there is a net loss when compared to the existing net tax capacity of the project site. The development will result in \$8.1M of private investment. Funds are to be used for environmental investigation, asbestos and lead-based paint abatement and vermiculite removal and disposal. (Note: Removal of other hazardous materials is not eligible for grant funding. In addition, environmental investigation costs incurred prior to May 1, 2007 are not eligible for grant funds.)

Minneapolis-- NWIP III 2nd & Plymouth

Grant amount -\$11,400

The applicant is requesting \$11,429 in matching TBRA funds to a \$131,874 request from DEED and \$11,429 from Hennepin County for soil remediation of a 1.7-acre site most recently used as an automotive scrap yard but also used for metal recycling, lumber milling, wood working, metal manufacturing, paint manufacturing, coal storage, and creosote storage. (Funding previously awarded includes \$32,000 in the spring of 1999 and \$55,541 in the fall of 2002 from TBRA and \$263,683 from DEED in the fall of 2002.) The contamination identified includes BaP equivalents. The expected benefits include the development of a 47,400 sq. ft. multi-tenant office/industrial building with a projected increase of \$94,875 in net tax capacity and \$4.8M of private investment. Funds are to be used for additional environmental investigation, soil remediation, and soil vapor mitigation. (Note: environmental investigation costs incurred prior to May 1, 2007 are not eligible for grant funding. In addition, geotechnical costs are not eligible for funding.)

Minneapolis - Open Arms of Minnesota**Grant amount -\$87,700**

The applicant is requesting \$87,793 in both matching and non-matching TBRA funds for environmental investigation and soil remediation to a \$77,257 request from DEED and \$175,586 from Hennepin County for a 0.84-acre site formerly used as an auto repair shop, sign painting business, and machine shop. The contamination identified includes DRO, BaP equivalents, and metals (arsenic and lead) in the soil. The expected benefits include the development of a 15,000-20,000 sq. ft. commercial kitchen and office building and \$7M of private investment. The proposed project will be owned by a non-profit and thus be tax-exempt. Funds are to be used for environmental investigation and soil remediation.

Minneapolis - Seward Co-op**Grant amount -\$102,600**

The applicant is requesting \$89,125 in funds for asbestos and lead-based paint abatement, removal of an above-ground storage tank, soil remediation and soil vapor mitigation on a 1.1-acre site formerly used as grocery store, auto showroom, gas station and auto repair facility. Expected benefits include the rehabilitation of the existing structure and a 9,000 square foot addition for a retail grocery business. Funds are to be used for asbestos and lead-based paint abatement, soil remediation and soil vapor mitigations.

Minneapolis - Soo Line Building**Grant amount -\$614,500**

The applicant is requesting \$626,578 in TBRA funds for environmental investigation and asbestos abatement of a 252,960 sq. ft office on a 0.38-acre site. The expected benefits include the renovation of the basement and floors 1 through 10 of the existing building into a hotel and continued use of floors 11 and above as office development with a projected increase of \$904,061 in annual net tax capacity and \$33.6M of private investment. Funds are to be used for environmental investigation and asbestos abatement. (Note: costs for project coordination, mileage and bid preparation are not eligible for grant funding.)

Minneapolis - Spirit on Lake**Grant amount -\$328,800**

The applicant is requesting \$328,860 in TBRA funds for soil remediation and soil vapor mitigation on a 0.82-acre site formerly used as an automobile sales and repair business and most recently as a church. An additional funding request was made to Hennepin County (\$235,000) for environmental investigation, asbestos abatement and soil remediation. The contamination identified includes DRO and BaP equivalents. The expected benefits include the development of a 4-story mixed-use building including 41 ownership residential units (including 16 affordable units) and 6,000 sq. ft. of commercial/non-profit space with a projected increase of \$40,000 in net tax capacity and \$8.5M of private investment.

Plymouth - Bassett Creek Office Centre**Grant amount -\$311,600**

The applicant is requesting \$89,125 in funds for asbestos and lead-based paint abatement, removal of an above-ground storage tank, soil remediation and soil vapor mitigation on a 1.1-acre site formerly used as grocery store, auto showroom, gas station and auto repair facility. Expected benefits include the rehabilitation of the existing structure and a 9,000 square foot addition for a retail grocery business. (The job estimate was reduced to reflect comparables based on a similar size grocery.) Funds are to be used for asbestos and lead-based paint abatement, soil remediation and soil vapor mitigation. (Note: funding for removal of an oil and water separator is eligible for funding. Funding for removal of hydraulic pistons and additional sampling and removal of other hazardous wastes (bulbs, ballasts, switches, etc.) is not eligible for grant funding.)

Plymouth - Bassett Creek Office Centre II

Grant amount -\$200,000

The applicant is requesting \$200,000 in additional matching and non-matching TBRA funds for environmental investigation and soil remediation to a \$637,773 request from DEED for a 13.38-acre site formerly used as an illegal dumping site after a golf driving range on the site closed. (Funding previously awarded includes \$311,600 from TBRA and \$297,812 from DEED in the spring of 2007.) Contamination identified includes asbestos-containing materials in the soil among isolated samples of debris. The expected benefits include the development of a 150,000 sq. ft. class-A office building with a projected increase of \$263,980 in net tax capacity and \$22.5M of private investment. Funds are to be used for air monitoring and soil remediation of asbestos containing material. (Note: soil with other debris, mileage costs and project coordination costs are not eligible for grant funding.)

Roseville - Har Mar Apartments

Grant amount -\$121,500

The applicant is requesting \$174,506 in TBRA funds for asbestos and lead-based paint abatement of a 5-building, 120- unit apartment complex on a 5.4-acre site. The expected benefits include the rehabilitation of the residential complex into 73 1-bedroom and 30 2-bedroom units for a total of 103 affordable rental units with a projected increase of \$12,438 in net tax capacity and \$4M of private investment. Funds are to be used for asbestos and lead-based paint abatement. (Note: abatement of other hazardous materials is not eligible for grant funding.)

St. Louis Park - Erv's Garage

Grant amount -\$100,000

The applicant is requesting \$100,000 in matching and non-matching TBRA funds to an \$118,000 request from DEED and \$103,000 from Hennepin County for environmental investigation, demolition, soil remediation and capping of a 0.36-acre site formerly used for automotive and small engine repair and most recently a storage facility for a moving supply company. The site is also impacted by off-site contamination from two former National Priority List sites: National Lead/Golden Auto site and Reilly Tar and Chemical site. The contamination identified includes PAHs, and metals (lead and antimony) in the soil and a low level of DRO in the shallow ground water. (Regional ground water in the deeper glacial and bedrock aquifer is known to be impacted by PAHs from Reilly and chlorinated solvents from an unknown source. The expected benefits include the development of a 4,000 sq. ft. office with a projected increase of \$18,467 in net tax capacity and \$1M of private investment. Funds are to be used for environmental investigation, demolition, soil remediation, capping and asbestos abatement. (Note: other hazardous or restricted wastes are not eligible for grant funding.)

St. Paul - 430 South Robert Street

Grant amount -\$27,400

The applicant is requesting \$27,495 in matching funds for soil remediation of a 0.3-acre site formerly used as a gas station. Contamination identified includes petroleum (DRO, GRO, benzene, ethyl benzene, xylene, and toluene) in the soil and groundwater. Expected benefits include a 3,648 square foot retail/office building. Funds are to be used for soil remediation.

St. Paul - Danny Boy's Restaurant/UFPHC

Grant amount -\$57,700

The applicant submitted a revised request of \$57,700 for asbestos abatement prior to demolition and matching funds for soil remediation of a 1.4-acre site formerly used for commercial and residential purposes. Contamination identified includes ash fill with PAHs and metals currently below industrial soil reference values. Contamination is only a concern regarding off-site use or disposal of excess soil so only costs associated with proper soil disposal are eligible for earthwork expenses. Expected benefits include the development of a 32,588 square foot health clinic and adjacent structured parking with 102 parking stalls. Funds are to be used for pre-demolition abatement and contaminated soil disposal only. (Note, excavation, loading and hauling of soils are not eligible for grant funding.)

St. Paul - Hospital Linen**Grant amount -\$552,000**

The applicant is requesting \$552,010 for asbestos and lead-based paint abatement prior to demolition, soil vapor mitigation and soil remediation of a 2.6-acre site formerly used as a commercial laundry facility. Contamination identified includes PAHs, metals (arsenic, lead and mercury), PCE, carbon tetrachloride and chloroform in the soil. Expected benefits include the development of 60 ownership residential units including townhomes, rowhouses (42 of which will be affordable at 80% AMI) and 10,000 square feet of commercial space. Funds are to be used for asbestos and lead-based paint abatement, soil vapor mitigation and soil remediation. (Note: demolition is not eligible for grant funding.)

St. Paul - Sholom Home II**Grant amount -\$101,400**

The applicant is requesting \$101,477 in additional matching and non-matching TBRA funds for dewatering, treatment of perched water, and installation of vapor barriers on a 3.24-acre site formerly used by gas station, auto sales and bulk petroleum storage businesses. Upon review, only costs related to installation of additional vapor barriers were determined to be eligible. (Funding previously awarded includes \$150,000 from TBRA in the fall of 2005 and \$20,223 from DEED in the spring of 2006.) The contamination identified includes trace detections of BaP equivalents and petroleum in the soil. Petroleum has also contaminated the ground water from the adjacent properties (the former Exxon-Mobile site and Koch fuel distribution site). The expected benefits include the development of senior housing in three buildings including 45 independent senior rentals (HUD 202 apartments), 66-unit assisted living facility and 90- bed nursing home with a projected increase of \$3,613 in net tax capacity and \$38.2M of private investment. Funds are to be used for installation of additional vapor barriers. (Note, only costs incurred on or after October 31, 2007 for the installation of vapor barriers are eligible for grant funding.)

St. Paul - Total Tool**Grant amount -\$200,900**

The applicant is requesting \$200,969 in TBRA funds to a \$711,250 DEED request for environmental investigation and soil remediation and capping of a 2.79-acre site formerly used for battery manufacturing, cable manufacturing, chemical manufacturing, wire and well screen manufacturing, and metal machining. The contamination identified includes lead in the soil. The expected benefits include the development of a 5,200 sq. ft. addition for warehousing and crane repair facilities and a 32,000 loading and unloading area with a projected increase of \$11,325 in net tax capacity and \$1.5M of private investment. A future planned expansion includes a 10,000 sq. ft. slab-on-grade warehouse/office/repair facility. Funds are to be used environmental investigation, soil remediation, air monitoring and capping. (Note, costs for bid preparation, project coordination and storm water swale installation are not eligible for grant funding.)

St. Paul - Winnipeg Apartments**Grant amount -\$18,800**

The applicant is requesting \$18,832 in matching funds for environmental investigation, soil vapor mitigation and soil remediation of a 0.5-acre site formerly used as a gas station, a small commercial building and one residence. Contamination identified includes petroleum (GRO, benzene, ethyl benzene, xylene, and toluene) in the soil in addition to GRO and BTEX in the groundwater. A small amount of lead-based paint chips suspected in the soil has not been confirmed by lab analysis. Expected benefits include 28 affordable rental housing units, 3,000 square feet of retail and enclosed parking in a 3-story building. Funds are to be used for environmental investigation, soil vapor mitigation and soil remediation. (Note, soil remediation is for petroleum-impacted soils, lead in the soil was not adequately tested and is not eligible for grant funding.)

Livable Communities Demonstration Account Grants

Forest Lake - Washington County Senior Housing/Headwaters

Grant amount - \$700,000

The proposed project will connect new development with existing and future transportation services, and increase the mix of housing affordability within the proposed Walker Methodist Senior Living Campus, part of the 620 acre mixed use Headwaters Planned Unit Development (PUD) in the City of Forest Lake. The City and the HRA intend to construct a 60 unit affordable senior housing facility within the Walker Campus so that low and moderate-income households have access to existing and proposed local and regional transit, government, senior, and commercial services in a pedestrian environment. The Walker Methodist Senior Campus is planned to include a continuum of senior housing options including a skilled care facility, a market rate independent and assisted living facility (176 units), a senior cooperative (74 units), underground tunnels and a senior community center. Residents of the proposed affordable senior housing building will have access to all of the Walker services. The project will be an important component of the larger Headwaters PUD that has been designed to provide ample pedestrian connections, a mix of uses, and seamless integration with the natural environment. The PUD includes a variety of housing (1,840 units), a mix of office and retail uses, a county service center and library, a transit station, several parks, and a large community recreational facility. Walking paths and trails will give residents access to the nearby county library, transit station, and retail areas.

Minneapolis - Longfellow Station

Grant amount - \$500,000

The Longfellow Station project is a high-density multi-use transit oriented development located in immediate proximity to the 38th St. transit station of the Hiawatha LRT line. When completed the project will include 185-215 new housing units, 35,000 to 50,000 sq. ft. of commercial space, and approximately 430 structured, below-grade, and surface parking spaces. The project will include an innovative, comprehensive, integrated stormwater management system. The rental housing will include 185-215 units (approximately 119 affordable). The commercial space may include a grocery store as well other neighborhood commercial uses at ground level immediately adjacent to the housing structures. Commercial space users and housing residents will be able to park in the structured and below grade parking spaces. The estimated total development costs for the project are approximately \$50 million. The project developers have site control, have in place a complete development team, and are working with the neighborhood and city staff on land use and zoning approvals.

Minneapolis - West Broadway Curve

Grant amount - \$1,325,000

The West Broadway Curve project includes: Agape Apartments (1926-2018 W. Broadway) 50-60 units of mixed-income rental housing with underground parking. Will incorporate pedestrian-friendly streetscape and green space design elements and high quality, attractive exterior façade; West Broadway Curve (1808-1904 W Broadway). Approximately 24 mixed-income, new construction ownership units with off-street parking will connect Agape and Cottage Park; Western Motors Site (1939-2005 W Broadway). To complete the West Broadway Curve, the City will purchase a used car lot, for sale on the open market, and redevelop the site to include 24-30 town house-style, ownership units; Cottage Park (2001-2109 James Avenue N). One of six Northside Home Fund Clusters consisting of market rate, single family homes, rehab and new construction. Project includes pedestrian-friendly streetscape, lighting and green space improvements and traffic calming realignment of existing streets. Project goals are to strengthen and build the housing market in a concentrated geographic area in North Minneapolis, to encourage positive street activity and to increase market demand through increased density and improved socio-economic mix of residents. It builds on the West Broadway Alive! Plan and the Corridor Housing Initiative, and implements a comprehensive, large-scale strategy in compliance with the Minneapolis Plan.

Rosemount - Stonebridge Core Block East

Grant amount -\$1,587,500

The City of Rosemount has partnered with Stonebridge Development & Acquisition LLC to create a mixed-use project at the center of Rosemount's downtown. The project at a site designated as "Core Block East" includes 103 apartment units above street level, of which 20 percent will be affordable. On the first level will be 12,000-square feet of commercial space for either retail or office users. The building reaches three stories along TH 3/South Robert Trail and rises to four stories on the north and east sides, away from TH 3. Residents of the development will be served by underground parking, and surface and on-street parking will be added for visitors, employees, and commercial patrons. The project will provide a more pedestrian-friendly circulation system through the use of sidewalks, appropriate lighting, and modification of the curb line of existing local roads. The land use and building massing are consistent with the Development Framework for Downtown Rosemount that was created through a citizen-driven process and adopted by the Rosemount Port Authority and the City Council. The building's design and architecture are consistent with design guidelines developed by the citizen task force on downtown. The concept indicates installation of rain gardens that will assist in infiltration and water quality. Alternative stormwater solutions will be employed in recognition of the fact that Rosemount's historic downtown is compact and ponding space limited. Other open spaces, both private and public, and the site's formal landscaping will improve the property compared to the existing condition. The City is working with the developer to include more efficient mechanical systems and potential reuse of stormwater. The project as a whole, given its more compact footprint, is consistent with the goals of greening by using less property for a truly mixed use project. Overall, the development of a compact, mixed use, multi-story project with minimal setbacks, street orientation and sustainable development concepts is consistent with the goals of the City Council, community and adopted *Framework*.

Roseville - Har Mar Apartments

Grant amount -\$305,000

Har Mar Apartments is an existing 120-unit apartment building complex built in 1965. Situated on a 5.4-acre site, the development contains five buildings of 21 to 26 one-bedroom units per building, the majority having a significant amount of deferred maintenance and in need of major repair. There is also an approximate 25 percent vacancy rate currently at the buildings due to unrentable units. Central Community Housing Trust (CCHT), with the support of the City of Roseville, proposes to rehabilitate the existing property into 103 one and two bedroom apartments. The rehabilitation plans will diversify the unit type to provide increased housing choices for low and moderate-income workers, as well as some market-rate apartments. Affordable rents will be targeted to residents at 30, 50 and 60 percent of area median income. CCHT will also make considerable improvements to the building exteriors, and add landscaping and recreation areas, including a tot lot for children. Stormwater improvements proposed at the property will help alleviate stormwater capacity issues that have been occurring in the area during heavy rain events. The site improvements will help make possible a future phase to construct a new building on the site that would include 50 two- and three-bedroom affordable apartments, in a location that is currently surface parking.

St. Paul - Dale Street Village

Grant amount -\$1,050,000

The City of St. Paul proposes redevelopment of the northeast corner of the University & Dale intersection to reflect positively on the community and increase vitality at the intersection. A four-story development will feature underground parking, approximately 20,800 square feet of commercial space on the first floor and 46 units of affordable housing on the second, third and fourth floors. The housing will be targeted towards active seniors. The commercial component of the project will feature an anchor tenant, currently envisioned as a Walgreen's drug store, which will provide stable employment opportunities, goods and services. The building will also feature over 5,000 square feet of commercial space that will provide entrepreneurial opportunities for emerging local entrepreneurs and employment opportunities and community gathering places for local residents. The project will be developed by NEDU, LLC, a collaboration that includes Model Cities, Greater Frogtown Community Development Corporation, Neighborhood Development Center, and Aurora Saint Anthony Community Development. The Neighborhood Development Center and Model Cities will drive the commercial component of the project. Dale Street Village will implement the University-Dale Transit Oriented Development (TOD) Study, which was adopted by the City Council in May of 2004, in anticipation of the development of light-rail in the Central Corridor. The redevelopment of University and Dale is the first time a TOD plan will be implemented.

St. Paul - Rivoli Street

Grant amount -\$468,897

The Village on Rivoli will include 38 single-family detached dwellings in the Railroad Island neighborhood of St. Paul, located less than one mile from downtown St. Paul, with a vista overlooking downtown and the State Capitol, and within a three-block walking distance of transit. The site is an abandoned brownfield that is currently undergoing remediation through the Minnesota Pollution Control Agency's Voluntary Investigation and Cleanup Program. The lots will be significantly smaller than standard single-family lots. The homes will average 1500 square feet of above-ground living area, for a two story three-bedroom home, and will share common green spaces and walking paths, creating a compact yet family friendly environment. The Village on Rivoli will incorporate a number of green building features into the project's site plan as well as in the homes themselves, and has received two green building grant awards. A publicly-owned prairie meadow will be created out of a reclaimed street sweeping dump. The city will reconstruct 950 feet of Rivoli Street south of Minnehaha Avenue, rebuilding the existing part of the street and extending and completing the whole street for future housing use. The intent of this mixed income homeownership project is to increase the number of moderate-income homeowners in the Railroad Island neighborhood, one of the oldest and poorest in Saint Paul, while simultaneously providing affordable homeownership opportunities for low and very low-income renters living in the neighborhood who wish to become homeowners.

Local Housing Incentives Account Grants

Bloomington - The Crossings at Valley View

Grant amount -\$250,000

The project involves the construction of a 50-unit, 4-story apartment building with elevator and underground parking on a site previously occupied by a mobile home park located at 8735 Portland Avenue South in Bloomington. This development is part of a larger housing plan, with a 166-unit senior housing development adjacent to this property. The development will occupy approximately 2 acres of the original 5.64 acre mobile home site. A library is located directly south of the site. Other adjacent properties contain single-family residences. An elementary and middle school is also located within two blocks of the development. The project consists of 24 two-bedroom, 22 three-bedroom and 4 units of permanent supportive housing for families experiencing long term homelessness. Four of the units will be affordable to households at 30% of the area median income (\$23,550 for a family of four); the remaining units will be affordable to households at 50 percent of the area median income (\$39,250 for a family of four). Rents (including utilities) will range from \$233 to \$1,020.

Farmington - Twin Ponds

Grant amount -\$210,000

The project involves the construction of 25 new two- and three-bedroom townhomes, located at the intersection of Highway 3 and 225th Street in Farmington. The development will be owned and managed by the Dakota County Community Development Agency (CDA). The project will have 18 two-bedroom and 7 three-bedroom units. All of the units will be affordable to households at 50 percent of the area median income (\$39,250 for a family of four). Rents (including utilities) will range from \$702-\$776.

Maple Grove - Maple Village

Grant amount -\$275,000

The project involves the construction of a 54 unit, three-story elevator apartment building with underground parking on a 3.08 acre site located at the north end of Zanzibar Lane North in Maple Grove. The currently vacant site is surrounded by single-family homes to the west, a regional water pond to the north, wetlands to the east, and a large church to the south. The project will have 4 one-bedroom, 33 two-bedroom and 17 three-bedroom units. All of the units will be affordable to households at 50 percent of the area median income (\$39,250 for a family of four). Rents (including utilities) will range from \$736 to \$1,020.

Maplewood - Trails Edge Townhomes

Grant amount -\$300,000

The project involves the construction of 48 townhome style units on a 4.8 acre site located at the intersection of Century and Larpenteur Avenues in Maplewood. The development is part of a larger redevelopment proposal on the 34 acre St. Paul Monastery Campus that also includes the conversion of the current Monastery into a shelter for victims of family-violence, and 40 affordable senior housing units. The project will have 27 two-bedroom and 21 three-bedroom units. Four of the units will be affordable to households at 30% of the area median income (\$23,550 for a family of four); the remaining units will be affordable to households at 50 percent of the area median income (\$39,250 for a family of four). Rents (including utilities) will range from \$280 to \$1,020.

Minneapolis - Alliance Scattered Site Rehabilitation

Grant amount -\$193,000

As part of a comprehensive capital campaign to stabilize properties, the city is working with Alliance Housing Inc. to renovate 8 of 13 scattered site properties: 7 duplexes, and one 8-plex which house 10 families and 18 singles. All buildings are about 100 years old. Rents have been kept at about 30% below market. Stabilizing these properties will guarantee the continued use for another 20-30 years. Completing the necessary improvements will help maintain affordability by reducing maintenance and energy costs. The proposed development will have 15 efficiency, 3 one-bedroom, 5 two-bedroom, and 5 three-bedroom units. All of the efficiency and one-bedroom units will be affordable to households at 30% of the area median income (\$23,550 for a family of four); the two- and three-bedroom units will be affordable to households at 50 percent of the area median income (\$39,250 for a family of four). Rents (including utilities) will range from \$290 to \$720.

Minnetonka - Homes Within Reach

Grant amount -\$150,000

Funds are for land acquisition, holding costs and rehabilitation expenses related to the acquisition and rehabilitation of new and existing homes in western Hennepin County suburbs, which will become part of the West Hennepin Affordable Housing Land Trust (WHALT). Communities to be served by this program include Edina, Eden Prairie, Minnetonka, Maple Grove, Richfield, St. Louis Park and Wayzata. The land trust units will be sold to homebuyers at 50%-80% of area median income.

Oakdale - Red Oak Preserve

Grant amount -\$100,000

Funds will assist the Washington County HRA who is partnering with the Two Rivers Community Land Trust in building 5 single-family, owner-occupied homes in Red Oak Preserve, which is a redevelopment of a former manufactured home park known as Whispering Oaks. This is a new 126-unit planned unit development in the city of Oakdale. The land trust units will be sold to homebuyers at 60%-80% of area median income. Development partners include the Washington County HRA, Shelter Corporation LSA Design, Ryland Construction and Habitat for Humanity. The redevelopment of this site makes efficient use of the land by increasing housing density, preserving wetlands and mature white oak trees. The site also preserves three acres of park land and trails, and provides linkage to the city's existing bike trail system.

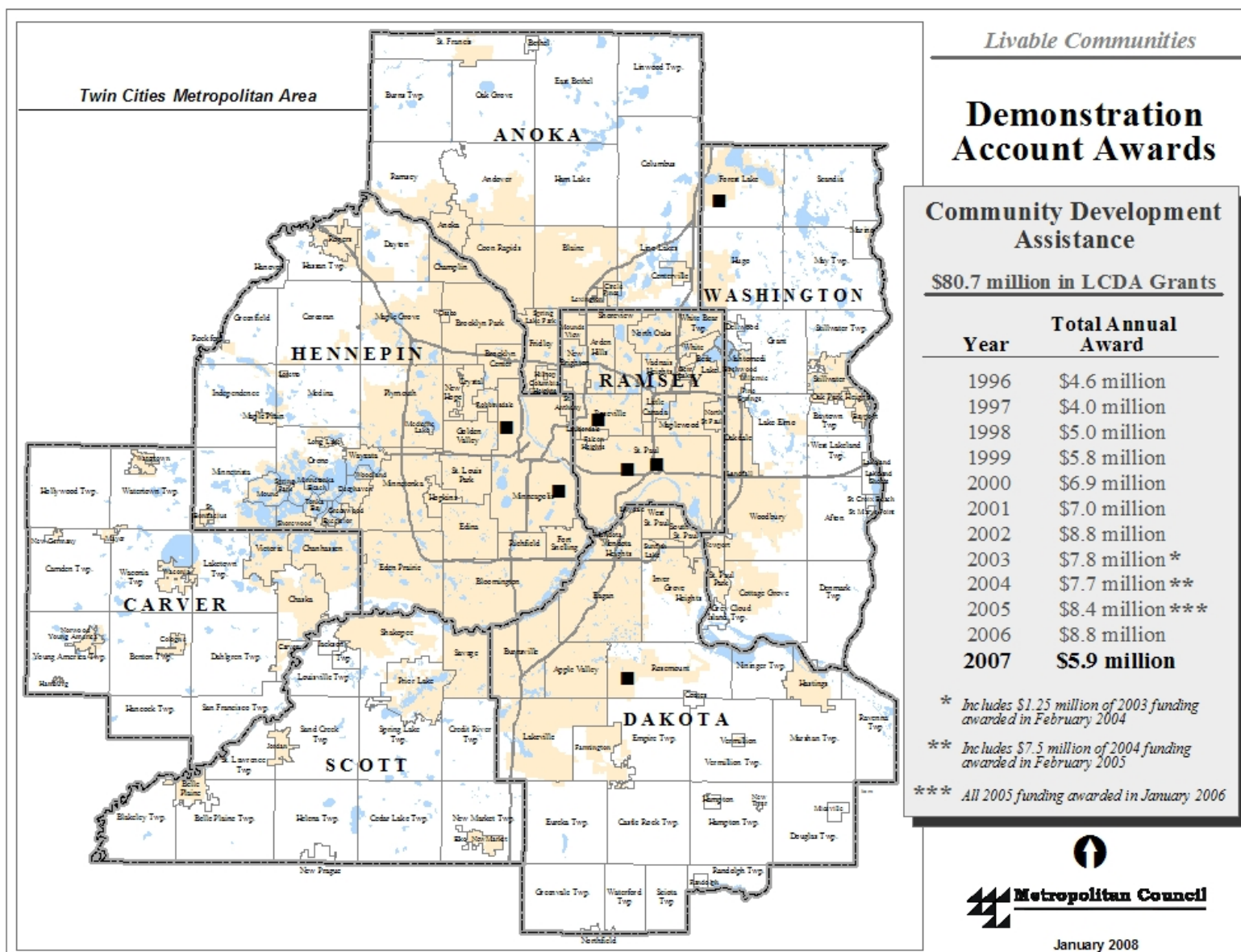
St. Paul - Invest Saint Paul**Grant amount -\$200,000**

Funds will be used by the St. Paul HRA for the Invest St. Paul Initiative's Healthy Neighborhoods: Block-by-Block Renewal. The Invest St. Paul Initiative is a partnership driven, multifaceted approach to improving the quality of life in St. Paul by addressing jobs and economic development, urban environment and transit, education and family health and housing. Activities are focused in targeted areas of the City of St. Paul. The component being funded is owner-occupied rehabilitation. The program is targeted to households at or below 80% of area median income (\$62,000 for a family of four). The HRA will negotiate partnerships among local community development corporations (CDCs) to carry out the Block-by-Block Renewal program. They will administer any gap funding required. They will also guide homeowners through the rehabilitation process for owner-occupied rehabilitation which will include developing a scope of work, pulling permits, securing bids and monitoring contractors and construction work. The Block-by-Block Renewal is intended to maximize the adaptive reuse of existing buildings and related infrastructure by preserving existing housing. Owner-occupied rehabilitation will help families to affordably maintain their properties, which will preserve housing stock and improve quality of life.

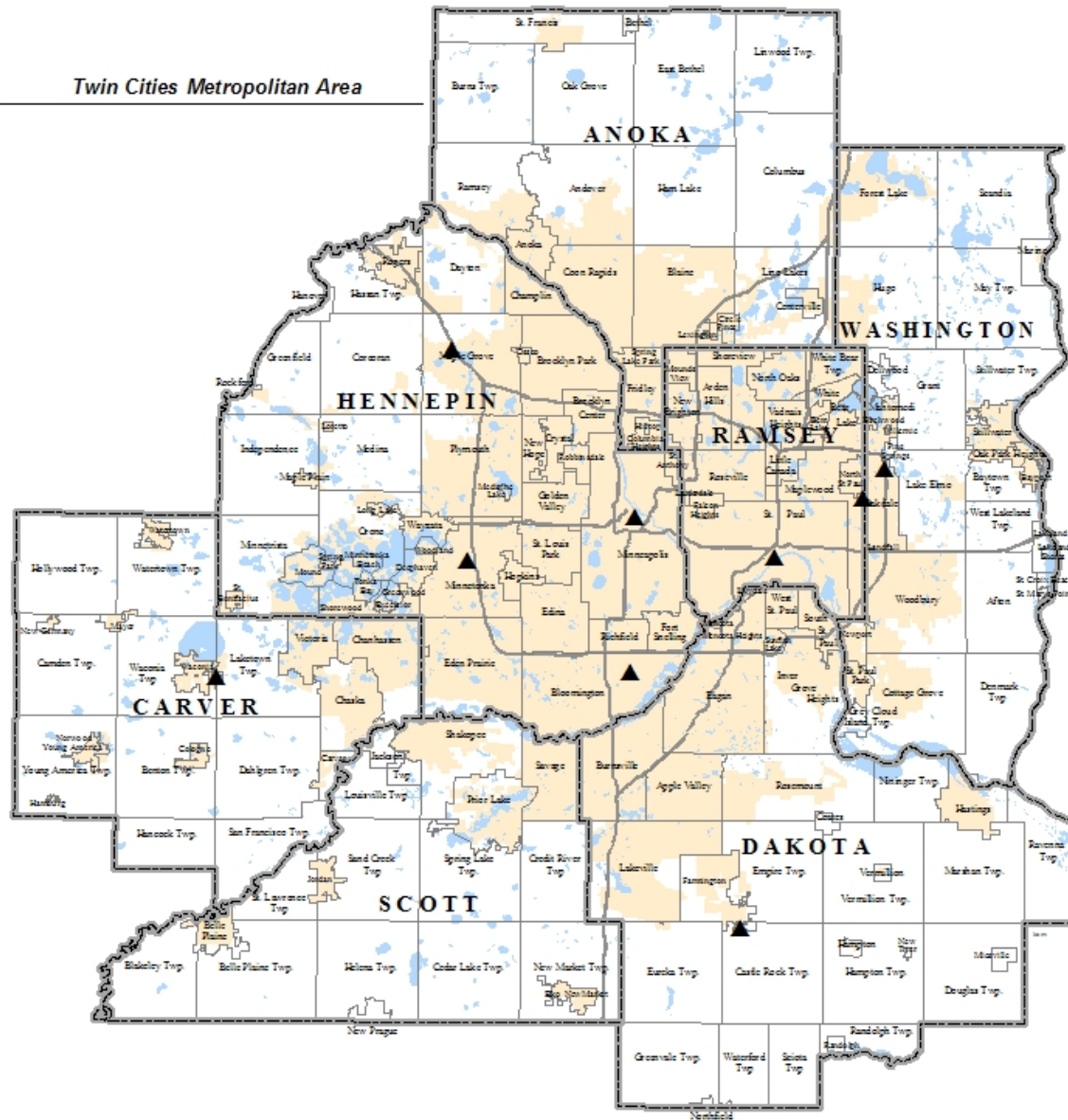
Waconia - InterLaken Place**Grant amount -\$211,806**

The project involves the construction of a 48 unit, three-story elevator apartment building with underground parking on a 3.40 acre site located on Airport Road in the newly developed InterLaken Subdivision in the southeastern portion of Waconia. This is within a PUD consisting of housing, retail and greenspace. The design is a "V" shaped single building, which will provide privacy and security while maximizing the existing views for the residents. The project will have 26 two-bedroom and 22 three-bedroom units. All of the units will be affordable to households at 50 percent of the area median income (\$39,250 for a family of four). Rents (including utilities) will range from \$783-\$920.

Appendix C - Maps of 2007 LCA-Funded Projects



Twin Cities Metropolitan Area



Livable Communities

Local Housing Incentives Account Awards

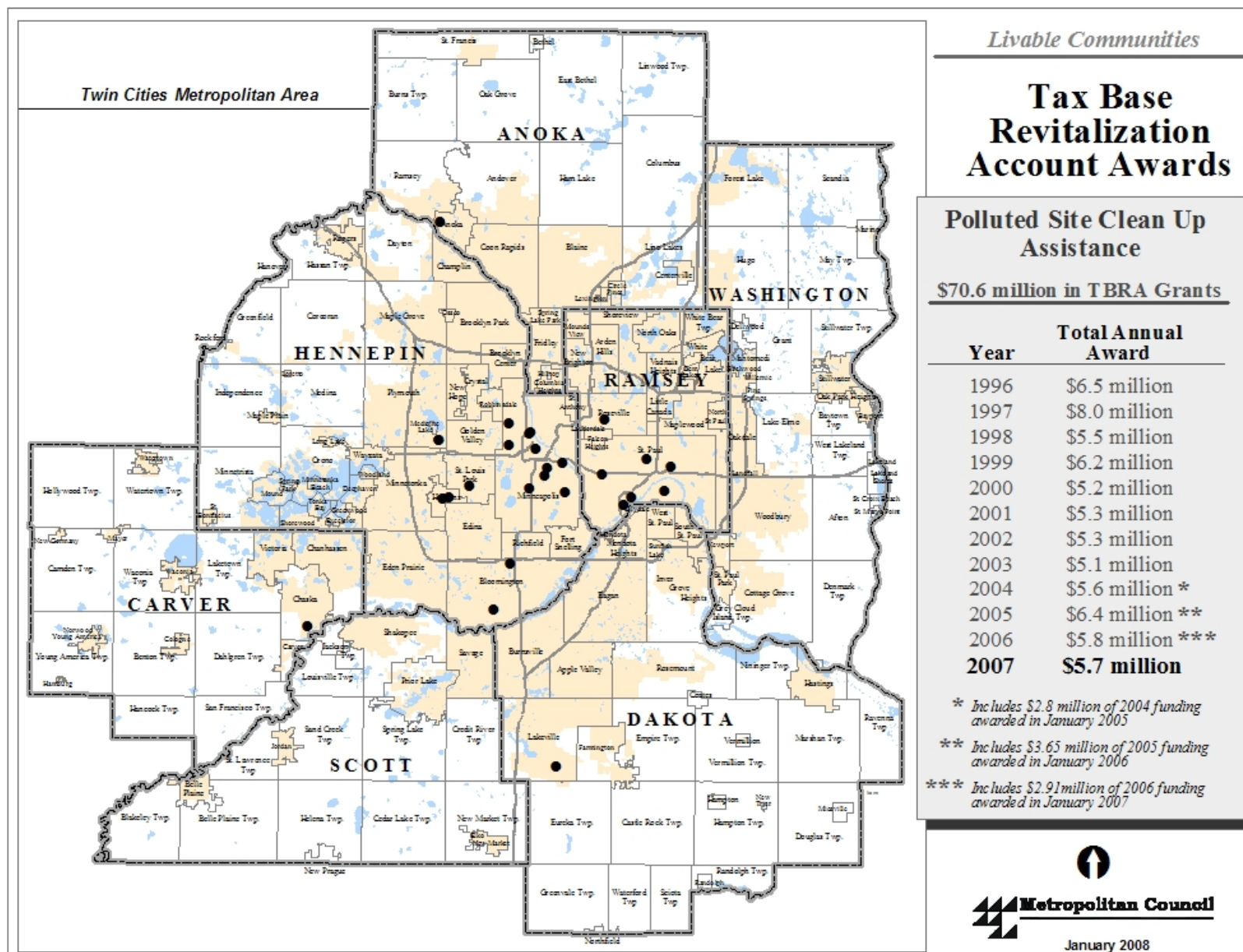
Affordable Housing Assistance

\$18.4 million in LHIA Grants

Year	Total Annual Award
1996	\$.9 million
1997	\$.6 million
1998	\$1.2 million
1999	\$1.9 million
2000	\$1.6 million
2001	\$1.9 million
2002	\$1.7 million
2003	\$1.4 million
2004	\$1.9 million
2005	\$1.7 million
2006	\$1.7 million
2007	\$1.9 million



January 2008



Appendix D - Examples of Past LCA-Funded Projects

Livable Communities Demonstration Account

Mendota Heights Town Center

Underutilized land becomes a town center



Brooklyn Park - Village Creek

Suburban redevelopment near Shingle Creek



Chaska - Clover Ridge

From undeveloped land to new suburban community



Bloomington - Central Station

Housing and park at a Hiawatha LRT station



Livable Communities Demonstration Account funds have been awarded to 48 communities and 3 multi-city coalitions since 1996. In all, 150 grants totaling \$80.6 million have assisted communities with development and redevelopment projects that included a variety of housing prices in owner and rental housing, a mix of retail serving the neighborhood or broader area, and public spaces such as parks and pedestrian connections – all linked to jobs and transit, where available. When completed, funded projects, including more than \$41.5 million in additional private investment, will add more than 23,500 new housing units and hundreds of jobs to the region.

Local Housing Incentives Account

Vadnais Heights –
Willow Ridge Apartments



Jordan Valley Townhomes



Rosemount Family Townhomes



Oakdale – Two Rivers Community
Land Trust



Since 1996, the Council has awarded \$18.3 million through 111 Local Housing Incentives Account grants to 52 communities. The funds will assist with financing gaps in affordable housing proposals expected to include over \$481 million in total development investments. Funded projects, when completed, will provide 2,676 new rental units, of which 2,022 will be affordable to low-income households. In addition, 666 existing affordable rental units will be rehabilitated. Grants to assist ownership housing will add 804 new affordable units to the region's housing supply and rehabilitate up to 305 more. More than 1,100 qualifying homeowners will also be assisted with low-cost home improvement loans.

Tax Base Revitalization Account

Minneapolis – Hubbard Building
From vacant tax-forfeited building to financial office



Minneapolis – Greenway Terrace
From tree trimmings and vehicle storage to condominiums



St. Louis Park – Highway 7 Corporate Center
From former state and federal superfund site to new office/warehouse



Blaine – Medical Center
From former scrap yard to medical office



Since 1996, the Tax Base Revitalization Account has awarded 241 grants totaling \$70.5 million. Projects have been funded in 35 metropolitan area communities. In all, more than 1,600 acres of polluted land have been cleaned up to make way for redevelopment projects that, when completed, will include an expected 30,000 new or retained jobs, additional affordable housing units to help meet regional needs, an increase of \$74 million in the region's net tax capacity, and nearly \$3.9 billion in private investment.