Metropolitan Livable Communities Fund

Report to the Minnesota State Legislature

June 2009

Metropolitan Council

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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 2008 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 reports on grant-making procedures; Appendix B contains descriptions of 2008 LCA-funded projects, and Appendix C contains maps of the locations of 2008 funded projects.

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 grants and loans for 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 (ALHOA[1]) specific to each community.

Funding Sources

The sources of Livable Communities Fund money available in 2008 were:

[1] To participate in the Local Housing Incentives Account Program, communities are required to contribute toward or expend locally 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 an amount equal to the community's Livable Communities Demonstration Account levy. The ALHOA is not a grant from the Livable Communities Fund. 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-qualifying 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.

	TBRA	LCDA	LHIA	Total
Property Tax		$13,184,070		$13,184,070
- Estimated Uncollectible Taxes		(122,761)		(122,761)
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 2007	628,739	1,394,652	127,737	2,151,128
+ Relinquished Funds from Previously Awarded Grants	2,308,510	2,063,603	-	4,372,113
	$7,937,249	**$11,019,564**	**$1,627,737**	**$20,584,550**

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 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.

2008 Response to LCA Programs

The Metropolitan Livable Communities Fund has made available an average of about $13.8 million annually through the three program accounts. The total funding budgeted for awards during 2008 was $20.5 million. Several years of program experience have proven that this incentive-based approach works, although the impact of the slowed housing industry has also been reflected in 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 2008, 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	LAAND
Number of applications	21	50	32	7
Number of awards	12	8	22	4
Total amount requested	$17,027,100	$31,500,000	$8,968,261	$9,478,835
Total amount available	$11,000,000	$1,620,000	$7,900,000	$4,000,000
Total amounts awarded	$6,999,500	$1,620,000	$6,958,500	$3,560,000
Oversubscribed / (undersubscribed)	$6,027,100	$29,880,000	$1,068,261	$5,478,835

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.

As the above table reflects, demand for Tax Base Revitalization Account funding in 2008 was $8.9 million. Only $7.9 million was available; $6.9M was awarded, leaving over $1M in unfunded need. The demand has been greatest in the Livable Communities Demonstration Account program. The total amount of LCDA funding requested totaled $17 million in 2008, compared to $7 million awarded.

In 2008, the Council, in partnership with Minnesota Housing and the Family Housing Fund, initiated the Land Acquisition for Affordable New Development (LAAND) program using $ 4 million in Livable Communities Demonstration Account funds to provide no-interest loans that would assist communities in efforts to address their affordable housing need. The Metropolitan Council's intended purpose for the LAAND initiative was to provide funds to enable LCA-eligible communities to purchase land to be held for future affordable housing development. The funds are expected to enable Awardees to take advantage of current land prices to acquire parcels that will help them meet their affordable housing needs. The funding initiative gives priority to applications for proposed land purchases close to job growth areas or significant numbers of lower wage jobs, those that allow density that is consistent with achieving affordability, minimizes vehicle miles traveled, and implements Green Communities criteria, Minnesota Overlay or comparable programs. Seven loan applications, totaling $9,478,835 were received. $3.56 million in loan funding was awarded to four recipients.

The total for LHIA funding requests is substantial also. Applications for gap financing to the Metropolitan Housing Implementation Group (MHIG) totaled $105 million, of which $31,500,000 was eligible for LHIA funding. All the MHIG funding partners together were able to fund $60 million (including $1.6 million from LHIA funds). 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.

2008 Funding Expenditures

The Council awarded grants and no-interest loans totaling $19,138,000 in 2008, as follows:

LIVABLE COMMUNITIES FUND	NUMBER OF GRANTS	TOTAL 2008 AWARDS	COMMUNITIES
LCDA	12	$6,999,500	8
LAAND	4 (loans)	$3,560,000	4
LHIA	8	$1,620,000	6
TBRA	22	$6,958,500	9
TOTAL		$19,138,000	

Disbursements totaling $7,722,907 were made to Livable Communities grants in 2008 as follows:

- Tax Base Revitalization Account: $3,994,821
- Livable Communities Demonstration Account: $2,231,396
- Local Housing Incentives Account: $1,496,690

LCA Results

Projects funded in 2008 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 2008 assisted projects that are expected to achieve:

- Over 140 new ownership housing units and over 600 new rental housing units, many affordable to low income households
- 100 improved or rehabilitated existing housing units
- Over 3,400 new or retained jobs

- 152 acres of reclaimed polluted land
- LCDA grants leveraged over $85 million in private investment and $61 million in other public investment.
- TBRA grants leveraged over $424 million in private investment and $34 million in other public investment.

Note that since some projects received multiple grants and others received grants from more than one account, this leveraged investment information may include some duplication. Information for all accounts should not be combined and represented cumulatively as expected LCA outcomes.

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 2008, the TBRA awarded grants to help with cleanup and reuse of a total of 152 acres of brownfields in the cities of Bloomington, Edina, Minneapolis, Minnetonka, New Brighton, Roseville, South St. Paul, Saint Paul, and Wayzata. These economic development projects are expected to provide 3,400 new or retained jobs, many paying an hourly wage of $12.50 or more per hour. A $5.3 million increase in net tax capacity is anticipated from these cleanup projects, and they involve over $424 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, 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. The 2008 LCDA grant awards will leverage over $85 million in private investment. Grants were awarded to seven cities and one county, with project locations in Apple Valley, Centerville, Chaska, Forest Lake, Minneapolis, Norwood Young America, Saint Paul, and White Bear Lake.

Local Housing Incentives Account grants have helped produce new and rehabilitated affordable rental and homeownership housing in 57 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 2008, six communities received funds: Lexington, Minneapolis, Oakdale, Saint Paul, Wayzata, and White Bear Lake. Funded projects include 20 affordable new units and 100 units rehabilitated for resale. All of the 80 new rental units will be affordable to households earning less than 50% of the 2008 area median income ($40,450 for a family of four).

The new **Land Acquisition for Affordable New Development** loan program will assist communities in acquiring land for future affordable housing developments. The first round of loans was awarded to Minneapolis, St. Paul, the Dakota County Community Development Agency and the Washington County Housing and Redevelopment Authority.

The following table summarizes amounts awarded from 1996 through 2008:

Cumulative Awards, 1996 - 2008		
Fund Name	Award Amount	Total Grants/Loans
Grants		
Livable Communities Demonstration Account	$83,470,339	112 grants
Tax Base Revitalization Account	$77,519,106	263 grants
Livable Housing Incentives Account	$19,945,706	119 grants
Livable Communities Demonstration Account - Opportunity Grants*	$3,921,145	50 grants
Inclusionary Housing Account*	$4,577,700	13 grants
Total grants	$189,433,996	557

Loans		
Land Acquisition for Affordable New Development	$3,560,000	4 loans

*These accounts are not currently funded.

Since the inception of the program, $77.5 million in TBRA grants have leveraged $4.3 billion in private investment; $87.4 million in LCDA grants have leveraged over $2.8 billion in private investment. Note that since some projects received multiple grants and others received grants from more than one account, this leveraged investment information may include some duplication. Information for all accounts should not be combined and represented cumulatively as expected LCA outcomes.

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

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

Appendix A - LCA Award-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.

Land Acquisition for Affordable New Development. The Metropolitan Council allocates funds in the Land Acquisition for Affordable New Development (LAAND) program in partnership with Minnesota Housing and the Family Housing Fund. Representatives from each of the partner agencies participating in project funding serve on a joint selection committee.

In 2008, Minnesota Housing included the LAAND program in their fall single family Community Revitalization Fund (CRV) Request for Proposals (RFP) to simplify the process for accessing housing development dollars. The Super RFP is part of the larger Metropolitan Housing Implementation Group (MHIG) funding process and includes descriptions of, and requirements for, all funding sources available during a funding cycle, including the LAAND 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 three funding agency partners reviewed the LAAND applications as part of the MHIG selection committee process.

In 2009, the funding partners will re-evaluate whether to include the LAAND program in the larger RFP process, or conduct a separate process just for the LAAND program.

Appendix B - 2008 LCA-Funded Projects

(Listed alphabetically by community within each program)

Tax Base Revitalization Account Grants

Bloomington-The Corners/Bloomdale II
Award amount – $94,100

The applicant requested $94,192 in non-matching TBRA funds for additional asbestos abatement within 3 buildings totaling approximately 54,841 square feet on a 5.64-acre site that formerly included a gas station and dry cleaner. Expected benefits included a mixed-use retail and commercial development to be built in two phases. Phase one includes 36,728 square feet of commercial/retail space in three stand-alone buildings. Phase two includes an additional 10,000 square feet of office space with a projected increase of $80,487 in net tax capacity and $10, of private investment. Previous funding includes $75,000 from TBRA for asbestos abatement and $256,500 from DEED and $55,600 from Hennepin County for soil remediation, groundwater monitoring, and soil vapor mitigation in the fall 2007 application cycle. The TBRA award was $94,100. Funds are to be used for asbestos abatement. (Removal of other hazardous materials is not eligible for grant funding.)

Edina-Pentagon Park Hotel
Award amount – $317,400

The applicant requested $317,429 in funding from TBRA for asbestos abatement of two buildings on 2 acres of an 8-acre site formerly used a multi-building office complex. Expected benefits include the development of a Starwood Hotel. The proposed redevelopment site was previously awarded $59,220 from Hennepin County for environmental investigation. The TBRA award was $317,400. Funds are to be used for asbestos abatement. (Removal of other hazardous or regulated materials is not eligible for grant funding.)

Minneapolis-Broadway Plaza
Award amount – 224,400

The applicant requested $224,489 in TBRA funding, $77,274 from DEED and $198,867 from Hennepin County for environmental investigation, asbestos abatement, soil remediation and soil vapor mitigation on a 2.4-acre site with former commercial uses including a gas station and auto service business. The contamination of concern identified includes Diesel Range Organics, Volatile Organic Compounds, and metal (selenium) in the soil, Gasoline Range Organics in the ground water and Asbestos Containing Minerals and lead-based paint in the existing structures. Expected benefits include the development of a 21,000 square feet fitness center, 44,000 square feet retail and office space, 327 units of structured parking and a public outdoor plaza. The TBRA award was $224,400. Funds are to be used for environmental investigation, asbestos abatement, off-site disposal of contaminated soil and soil vapor mitigation. Costs for excavating, loading and hauling excess soil (including contaminated soil) off-site are considered a development cost and are not eligible. Costs associated with geotechnical activities also are not eligible.

Minneapolis-Dunwoody Flats
Award amount – $161,600

The applicant requested $328,000 in TBRA funding for asbestos abatement and $328,000 from Hennepin County for asbestos and other hazardous materials abatement on a 4-story building built in 1920 on a 1.7 -acre site formerly used as a hospital facility. Expected benefits include the development of 125 units of work force rental housing (including 10 affordable units).The TBRA award was $161,600 to fund the portion of the eligible request remaining after higher-ranked projects are funded. Funds are to be used for asbestos and lead-based paint abatement. Costs related to environmental investigation, bidding and removal and disposal of other hazardous or regulated materials are not eligible for TBRA funding.

Minneapolis-Digigraphics
Award amount – $22,400

The applicant requested $22,455 in TBRA funding and $259,099 from DEED and $22,455 from Hennepin County for environmental investigation, soil remediation and soil vapor mitigation on a 2.8-acre site formerly used as a railroad yard including parts and supply sheds, roundhouse, print shops, machine shops, boiler repair services. Oils and petroleum storage for railroad operations also occurred on properties west of the site. The site is currently owned and used by Digigraphics, a printing business providing large format items for marketing purposes, retail use and trade shows displays. Expected benefits include the development of 16,000 square feet one-story addition to their existing 24,000 square feet building. The TBRA award was $22,400, the full amount of the TBRA request. Funding is to be used for environmental investigation, soil remediation and soil vapor mitigation.

Minnetonka-BMW Dealership
Award amount – $311,400

The applicant requested $311,432 in TBRA funding and $311,432 from DEED for soil remediation and soil vapor mitigation on a 16.2-acre site formerly used as a demolition materials dump. Expected benefits include the development of a 268,161 square feet BMW automobile dealership. The TBRA award was $311,400. Funding is to be used for soil remediation and soil vapor mitigation. (Cleanup costs incurred prior to the grant award date are not eligible for grant funding.)

New Brighton-Eastern Northwest Quadrant
Award amount – $1,400,000

The applicant requested $1,400,000 in TBRA funding, $2,600,000 from DEED and $725,000 from Ramsey County for environmental investigation, soil remediation, soil vapor mitigation and ground water monitoring on a 42-aCre site formerly used as an unpermitted dump. The contamination of concern identified includes Benzo(a)Pyrene -equivalents, Diesel Range Organics (DRO) and metals (lead and copper) in the soil, Volatile Organic Compounds, Semi-Volatile Organic Compounds, DRO in the groundwater and elevated levels of soil vapors (methane). Expected benefits include the development of a 200-room hotel, 322,000 square feet of office space, 84,000 square feet of commercial space, with a projected 200 units of rental housing and 15,000 square feet of retail space. (Funding previously awarded includes $800,000 from TBRA in the spring of 2004 and $1,500,000 from DEED for a different development plan. The grants were subsequently cancelled after the development plan had been withdrawn.) The TBRA award was $1,400,000, the full amount of the TRBA request. Funds are to be used for environmental investigation, soil remediation, soil vapor mitigation, well abandonment and ground water monitoring. Costs associated with bidding, clearing and demolition of existing structures are not eligible.

Roseville-Cent Ventures
Award amount – $189,000

The applicant requested $189,020 in TBRA funding and $427,041 from DEED for environmental investigation, asbestos abatement, soil remediation and soil vapor mitigation on an 8.3-acre site formerly used as a commercial trucking terminal. The contamination of concern identified includes petroleum contamination related to the former USTs and chlorinated solvents associated with the regional groundwater contamination. The extent and location of current petroleum impacts in the surface soil were unclear based on the old data (1989) provided. Expected benefits include the development of a 123-unit extended stay hotel, 54,000 square feet of office space and up to 27,000 square feet of office/retail space. (Funding previously awarded includes $350,000 from TBRA in spring 2006 and $692,000 in the fall of 2005 and $1,300,000 from DEED in fall of 2005 for a larger mixed-use Twin Lakes redevelopment plan that included the current project site. Both grants were subsequently cancelled after the redevelopment plan had been withdrawn.)The TBRA award was $189,000, the full amount of the eligible TBRA request. Funds are to be used for asbestos abatement and soil vapor mitigation. Removal and disposal of petroleum-impacted soil is considered a construction contingency and is not eligible for TBRA funding.

Saint Paul-Arlington Jackson West (Parcel 10)
Award amount – $571,000

The applicant requested $571,000 in TBRA funding, and $2,100,000 from DEED for environmental investigation, soil remediation and soil vapor mitigation on a site 10-acre site formerly used as an asphalt plant, unpermitted dump and more recently for heavy equipment storage. The contamination of concern identified includes Diesel Range Organics (DRO), Gasoline Range Organics, metals (arsenic and lead) in the soil, DRO and metals in the groundwater and elevated levels of soil vapors (methane). Expected benefits include the development of 143,000 square feet of commercial/industrial space. Previous funding includes a $245,000 EPA Assessment grant an a $200,000 EPA clean up grant, and a $1,243,400 EPA revolving loan awarded in 2006.The TBRA award was $571,000, the full amount of the TBRA request. Funds are to be used for environmental investigation, soil remediation and soil vapor mitigation. Costs associated with the petroleum-impacted soil are ineligible due to insufficient response action approval for petroleum impacts at the time of application.

Saint Paul-Carleton Lofts Phase II
Award amount – $114,200

The applicant requested $114,270 in TBRA funding and $659,250 from DEED for soil remediation, soil vapor mitigation and ground water treatment on a vacant 1.8-acre site formerly occupied by a warehouse as well as two gas stations and prior to that was used as a railroad loading area. The contamination of concern identified includes Diesel Range Organics (DRO), Gasoline Range Organics (GRO), 1,2,4-trimethylbenzene, 1,3,5-trimethlybenzene, xylene in the soil and DRO, GRO, benzene and toluene in ground water. Expected benefits include the development of a 295,000 square feet residential building with approximately 174 rental units (including 13 live-work units and 1 affordable unit and possibly up to 5% of total units will be affordable units) and a total of 325 underground and surface parking spaces. A prior environmental investigation grant for $50,000 was awarded by DEED in spring 2007. (Two prior TBRA grants were awarded in the spring of 2005 and 2006, respectively, for asbestos abatement of existing buildings that comprised phase one of the housing development adjacent to the site in this application.)The TBRA award was $114,200. Funds are to be used for soil remediation, soil vapor mitigation and ground water treatment.

Saint Paul-Commerce Building Phase II
Award amount – $210,200

The applicant requested $540,410 in TBRA funding for asbestos and lead-based paint abatement of the basement through floor five prior to the second phase of renovation of an historic 12-story building formerly used as office space. Expected benefits include the development of 42 affordable rental housing units on floors 2 through 5 and retaining the existing commercial space on the first floor. The TBRA award was $210,200 to fund the portion of the eligible request after higher-ranked projects were funded while keeping the total below the maximum grant allowable to a single community. Funds are to be used for asbestos abatement only. (Lead abatement costs are ineligible due to the lack of bulk sampling data.)

Saint Paul-Lexington Commons
Award amount – $448,800

The applicant requested $460,278 in TBRA funding for environmental investigation and asbestos abatement of a 30,000 square feet vacant nursing home on 1-acre site. Expected benefits include the adaptive reuse of the nursing home building into 48 permanent, supportive apartments for long-term homeless individuals. The apartments will be approximately 450 square feet each and the building will also include 3,000 square feet of administrative, community and program space for tenant use. The site is within one-quarter mile of the proposed Central Corridor

Light Rail route.(Additional asbestos abatement of a former 3,101 square feet medical clinic and three single-family homes adjacent to the nursing home are expected to occur prior to the grant award and are not part of the current grant request. CommonBond Communities is constructing a new 40,000-square feet office with two stories of structured parking adjacent to the project site. The associated abatement for the office is not part of the grant application.) The TBRA award was $448,800, to fully fund the eligible costs requested. (Abatement costs incurred prior to the grant award date are not eligible for grant funding.)

Saint Paul-Minnehaha Lanes
Award amount – $500,000

The applicant requested $500,000 in TBRA funding and $1,200,000 from DEED and $400,000 in EPA funding for environmental investigation, demolition, ground water monitoring, soil remediation, soil vapor mitigation and lining a storm water pond on a 4.9-acre site formerly used as an unpermitted dump that was later developed with retail uses including a bowling alley, grocery store, and a strip retail center with a restaurant/bar. Expected benefits include the development of a 67,288 square feet commercial/industrial building. The TBRA award was $500,000, the full amount of the TBRA request. Funds are to be used for environmental investigation, limited demolition to access soil contamination, ground water monitoring, soil remediation, soil vapor mitigation and lining a storm water pond. (Removal and disposal of debris and other solid waste not intermixed with metal, PAH or petroleum impacted soils are not eligible for grant funding.)

Saint Paul-Mississippi Market
Award amount – $68,000

The applicant requested $68,098 in TBRA funding and $67,948 in DEED funding for environmental investigation, soil remediation and soil vapor mitigation of a 1.23-acre site formerly part of the Koch-Mobile bulk petroleum storage facility. Although no tanks were known to have existed on the site, contaminated fill soils were found on the site. Expected benefits include the development of 13,345 square feet natural foods retail store. The TBRA award was $68,000. Funds are to be used for environmental investigation and soil vapor mitigation. (Cleanup costs incurred prior to the grant award date are not eligible for grant funding.)

Saint Paul-Ramada Inn
Award amount – $374,400

The applicant requested $630,000 in TBRA funding for environmental investigation, demolition, asbestos abatement and vermiculite abatement of a vacant 96-room hotel on a 2.5-acre site. Expected benefits include the development of 110 senior housing units. The TBRA award was $374,400, to fund the portion of the eligible request remaining based on the lowest abatement bid provided. Funds are to be used for environmental investigation, limited demolition of exterior block walls, asbestos abatement and vermiculite abatement. (Demolition costs not directly associated with asbestos or vermiculite abatement are considered a redevelopment cost and are not eligible for grant funding.)

Saint Paul-Renaissance Box
Award amount – $192,500

The applicant requested $193,700 in TBRA funding for asbestos and lead-based paint abatement of a seven-story, 70,360 square feet building built in 1914 originally used as a shoe factory and later as warehouse space and more recently as commercial retail space. Expected benefits include the renovation of the building into 67 affordable rental units. The TBRA award was $192,500 to fully fund the eligible costs requested. Funds are to be used for asbestos and lead-based paint abatement.

South St. Paul-Interstate Partners Site
Award amount – $214,300

The applicant requested $214,305 in TBRA funding and $1,236,375 from DEED for soil remediation and soil vapor mitigation of a 29.3-acre site formerly part of the livestock yards and related meat-packing houses. Expected benefits include the development of 315,111 square feet of new commercial space in three office/warehouse buildings. Only construction of building 1 is expected to be completed prior within a two-year grant term thus the projected increase in net tax capacity and jobs were reduced to correspond with the first phase of development. The TBRA award was $214,300, to be used for soil remediation and soil vapor mitigation. (Soil excavation, loading or hauling conducted for geotechnical purposes is not eligible for grant funding.)

Wayzata-Wayzata Bay Center
Award amount – $261,500

The applicant requested $261,544 in TBRA funding and $1,534,245 from DEED and $249,871 from Hennepin County for soil remediation of a 14.5-acre site formerly used as a retail mall which included an automobile repair business and a small warehouse. Petroleum contamination found at the site is likely from the adjacent Q Petroleum site. Some contaminants identified are also likely from contaminated fill soils previously used on the site. However, eligible soil remediation costs were reduced based on the volume of known petroleum-impacted soil (16,500 cubic yards). Expected benefits in Phase 1 include the development of 35,155 square feet of retail space, 27,000 square feet of office space and a 100-room hotel. Additional future development (Phases 2-5) will include 255 senior residences, 155 apartments, and 113,189 square feet of additional retail space. (The expected benefits resulting from additional development phases were not considered as part of the current grant request because the construction was not expected to be completed within a 2-year grant term.)The TBRA award was $261,500, to be used for soil remediation.

St. Paul-Schmidt Brewery Phase I
Award amount – $887,100

The applicant requested $887,145 in TBRA funding for asbestos abatement, lead-based paint abatement, soil remediation and soil vapor mitigation and $770,063 from DEED for soil remediation and soil vapor mitigation on a 3.9-acre site formerly used as a brewery and an ethanol plant. The contamination of concern identified includes Diesel Range Organics, metals (lead and arsenic), Volatile Organic Compounds in the soil and asbestos and lead-based paint in the existing structures. Expected benefits for this phase of the development include the renovation of the historic bottle house building with 96 affordable rental units, renovation of the existing office complex into 20,000 square feet of retail and commercial space and the construction of 13 ownership townhomes (including 2 affordable units) on the mostly vacant east side of the site. A prior environmental investigation grant for $50,000 was awarded by DEED in fall of 2007.The TBRA award was $887,100. Funds are to be used for asbestos abatement, lead-based paint abatement, soil remediation and soil vapor mitigation. Costs associated with the removal of the fuel oil tanks are ineligible due to insufficient response action approval for petroleum impacts at the time of application. Costs associate with site-wide investigation and assessment activities are also ineligible.

St. Paul-Commercial Club
Award amount – $96,000

The applicant requested $110,000 in TBRA funding for asbestos and lead-based paint abatement of a three-story 24,000 square feet vacant commercial building on a 1-acre site formerly used for residences and retail businesses. The existing building will be demolished. Expected benefits include the development of a new 10,000 square feet restaurant and deli. The TBRA award was $96,000, to fully fund the eligible costs requested. Funding is to be used for asbestos abatement and lead-based paint abatement. (Removal of other regulated materials or solid waste is not eligible for grant funding.)

Minneapolis-Soo Line Building II
Award amount – $207,600

The applicant requested $254,628 in supplemental TBRA funding for additional asbestos abatement for partial conversion of an existing office building (floors 1-10) into a hotel on a 0.38-acre site directly adjacent to the Hiawatha LRT. Expected benefits include the development of 185-room hotel and 126,437 square feet of retail and office space. New retail space will occupy floors 1 and 2 and existing office space will remain on floors 11 and above. Previous funding includes $614,500 from TBRA for asbestos abatement in the fall 2007 application cycle. The TBRA award was $207,600, to fully fund the eligible costs requested. Funding is to be used for additional asbestos abatement within floors 1-10 as well as upper and lower sub-basement, roof, and east and west stairwell pipe chases needed to upgrade mechanical systems to accommodate the hotel use.

Minneapolis-200 1st Street North
Award amount – $92,600

The applicant requested $92,609 in TBRA funding and $65,875 from Hennepin County for environmental investigation, asbestos and lead-based paint abatement, soil remediation and soil vapor mitigation of a vacant commercial building on a 0.2-

acre site with various former uses including carriage manufacturing, hide and fur tanning, farm implement storage, stoker repair and manufacturing and most recently for manufacturing measuring equipment and wire cutter tools. Expected benefits include the renovation of the existing building into 20,500 square feet of new multi-tenant commercial space for two to three small to mid-size businesses. The TBRA award was $92,600. Funds are to be used for environmental investigation, asbestos abatement, lead-based paint abatement, soil remediation and soil vapor mitigation.

Livable Communities Demonstration Account Grants

Apple Valley-Cobblestone Senior Housing
Award amount - $556,834

The proposed Apple Valley Senior Apartment development will include 60 units, composed of approximately 30 one-bedroom units and 30 two-bedroom units on property located within the Cobblestone Lake master planned development. The developer, the Dakota County Community Development Agency, has developed 21 affordable senior housing developments totaling 1,190 units, through one of the largest locally-financed senior housing development programs in the country. The primary financing source for development of this type of senior housing is the issuance by the CDA of tax-exempt bonds credit enhanced with a general obligation pledge from Dakota County. Developments are occupied by low- and moderate-income seniors. Residents pay 30 percent of their income toward rent for one-bedroom units and 32 percent of income for two-bedroom units, but not less than the established minimum rents of $348 for a one-bedroom unit and $513 for a two-bedroom unit. Average income of housing residents is $19,000, which translates to approximately 30 percent of the area median income. The 323-acre master planned Cobblestone development is planned to have up to 3,000 unattached/attached dwelling units and 300,000 square feet of commercial space.

Carver County Community Development Agency (Norwood Young America)-Oak Grove Dairy Redevelopment
Award amount – $708,153

This second phase of the Oak Grove Dairy Redevelopment project will construct City Center, a mixed-use 77,644 square feet building with fifty senior housing apartments on the upper floors, to be owned and operated by the Carver County CDA; a 9,696 square feet Carver County library on the main street level; a 8,617 square feet new Norwood Young America City Hall; a new Carver County sheriff's office; underground resident/sheriff surface and public parking areas; new sidewalks, and new curb and gutter. Reconstruction of Reform Street, located on the western border of the redevelopment site, will connect the City Center site with Highway 212 and provide better access. The Carver County Community Development Agency has been working with the City of Norwood Young America in a joint powers agreement to redevelop the former Oak Grove Dairy site in downtown Norwood Young America. The City of Norwood Young America was awarded LCDA funds in 2006 to acquire the 4.04 acre site and demolish it in partnership with the Carver County Community Development Agency. The first phase of the project, as well as demolition and cleanup of the site, has been completed.

Centerville-Redevelopment of Block 8
Award amount – $763,100

The project includes construction of 15,000 square feet of retail space and 48 senior condominiums on a one-acre redevelopment site of 1920s-era housing and a mixed use building in the original Centerville Plat that has limited street/curb/gutter service. By signed agreement with the City, the Beard Group will develop this underutilized project site and will assemble the site, raze all structures (three single-family homes, two structures with four multi-family housing units each and a mixed use building with 1,200 square feet of retail and two apartment units) and install public infrastructure. This redevelopment will create a prototype for the redevelopment of the entire downtown, facilitate investment in the redevelopment in downtown Centerville, intensify land use density of the project site from 13 housing units per acre to 48 units housing per acre, initiate the redevelopment of the 9-block original Centerville Plat downtown area, stabilize surrounding neighborhoods, and create new housing within one-half mile of a Metro Transit park and ride facility. The redevelopment project site meets the definition of a ‘redevelopment district’ (M.S. 469.174 subdivision 10). Grant funding is requested for land acquisition elements not funded by the maximum use of tax increment financing generated by the proposed redevelopment.

Chaska-The Landing
Award amount – $240,636

The Landing, situated on a gateway corner into historic downtown Chaska, will create quality housing options for seniors with incomes at or below 30 percent of area median income. The Landing will include 51 units of affordable rental housing for persons 62 years and older and will use traditional urban design to enhance the small town aesthetic of Chaska's downtown. The site is situated within walking distance to downtown. The Landing's proposed pedestrian pathways will connect to downtown's pedestrian walkways, thus integrating The Landing into the community and providing connections to area entertainment, restaurants, library, parks, medical, and shopping. The Landing will build a public connection to the Minnesota River Regional Trail system, which now doesn't have any direct access to downtown. Creating the public trail connections to the Minnesota River will support walking, biking and promote awareness of the river as an important natural resource and amenity. The project will manage storm water through environmentally sensitive methods such as rain gardens and pervious pavement. The site is one of the last available redevelopment sites in downtown Chaska; its southern border runs along the $42 million levee system constructed by the City of Chaska, which took the historic district out of the designated flood plain and allowed reinvestment to occur. The Landing is part of this reinvestment and supports the City’s goal to make the historic district a viable, walkable mixed-use area well into the future. It aligns with the City’s goals to provide a variety of housing in downtown Chaska, and to establish new residential units to support and promote retail/service demand.

Forest Lake-Forest Oak Apartments
Award amount – $500,000

Forest Oak Apartments is planned to include 36 units of apartment housing for low-to moderate-income households within the 620-acre mixed use Headwaters Planned Unit Development. Two- and three-bedroom apartments will be affordable to citizens earning 60 percent of area median income, and will meet the demand in the area for workforce family housing. Located in one three-story V-shaped elevator building, Forest Oak Apartments will include underground parking, a children's playground, in-unit washers/dryers, a community room, and be constructed using brick and hardy board siding. The Headwaters PUD includes a variety of housing options, office and retail uses, a county service center and library, a transit station, multiple parks, and a large community recreation facility. Walking paths and trail will give residents access to all of the commercial, service and recreational uses within the Headwaters development.

Minneapolis-Bystrom Brothers/Franklin Station
Award amount - $550,000

Complete purchase of the right-of-way required for the realignment of East 22nd Street, the first phase of the street improvements around the Franklin station on the Hiawatha LRT line. The Bystrom Brothers site has been identified as the catalyst for transit-oriented development in the Franklin station area. Re-routing E 22nd Street is the essential first component for the redevelopment of the 5.15 acre site that has direct at-grade access along the LRT trail and visibility from three major arterials. The new road will provide access to the Bystrom site and connect Cedar Avenue to Minnehaha away from the Cedar/ Franklin/ Minnehaha intersection, a major focus of a federally-funded street project. Just under $3 million in federal transit funds are committed for the integration of transportation infrastructure and economic development in this location, and will be lost unless the right-of-way for East 22nd Street is purchased in 2009 to complete road design and obtain required federal approval. Two additional properties are proposed for private acquisition to minimize costs and maximize developable land. The first phase of the redevelopment can begin in spring 2009, as soon as the roadwork is scheduled. The first building, with 10,000 square feet of commercial space and 39 rental units, is located on the southern edge of the site, away from the roadwork. Seward Redesign, a community development corporation founded in 1974, is serving as master developer to acquire the land, plan and execute needed pollution remediation, rezone and select developers for individual building sites that are carefully planned and connected to a highly sustainable district-wide infrastructure. LHB Architects, under contract with Hennepin County, is designing a green development master plan for both public and private infrastructure to fulfill a goal to reduce resource use 30 percent over current codes.

Minneapolis-Creekside Commons
Award amount - $211,764

Plymouth Church Neighborhood Foundation, through a collaborative partnership with Mayflower Church, will build Creekside Commons, a residential building of 30 rental apartments for a variety of family sizes and incomes. The building, to be located on property owned by Mayflower Church, will include six units serving residents at 30 percent of median income, 11 units at 40 percent of median income, and 13 units at 50 percent of median income. To serve a variety of household sizes, there will be four one-bedroom apartments, 14 two-bedroom, nine three-bedroom, and three four-bedroom. The building will achieve a density of nearly 38 units per acre. The location, one-half block from Nicollet Avenue and within one-half block access to I-35W, has excellent walking access to four high-service bus routes and one high-frequency route on Nicollet Avenue, and to a commercial crossroads, at Nicollet and Diamond Lake Road, with neighborhood retail and local employers. Creekside Commons will provide affordable housing in a higher-income neighborhood near Minnehaha Creek.

Minneapolis-Jackson Street Artists' Housing
Award amount – $408,977

The project will create a four-story, fully accessible, environmentally sustainable, land trusted, artist live/work condominium building with a large arts production studio/artist in residence program. The building will include 43 condominiums, 18 of them affordable to those with incomes at 50 percent of median income, and a 3,200 square foot arts production building. The project is located in the heart of the northeast Minneapolis arts district, where a recent study has alerted the community to the possibility of artist displacement as a consequence of rising property values. Marketing efforts have been coordinated with cultural and disability-specific artists groups to reach underserved populations. Located one-half block from Central Avenue, a major commercial corridor, the project will help provide high density development in a location guided for this use. The development will replace blighted rental housing.

Minneapolis-Salem Redevelopment
Award amount - $850,000

Brighton Development will acquire the Salem English Lutheran Church property located at 28th and Lyndale Avenue South in Minneapolis, renovate and preserve the original 1904 church, demolish the newer church building additions, and construct a new four-story 'L' shaped building adjacent to the old church that will primarily face Lyndale Avenue. The early 20th century Salem Church is important to local and national history for its deep ties to Minneapolis's Scandinavian population and its association with the English Evangelical Lutheran Synod of the Northwest that promoted use of English in church services. The new buildings will include 9,000 square feet of neighborhood-oriented commercial space on the first floor plus three floors of rental housing space totaling 65 affordable residential units. Five to six commercial spaces are envisioned as a combination of retail, restaurant and office uses with a focus on local businesses. The affordable housing units will be targeted to underserved populations, including households of color and single-family headed households with children. Other activities and features will include: environmental abatement of the site to ensure it is free of chemicals, petroleum and other pollutants; inclusion of LEED building components such as geothermal heating; construction of a 52-stall underground parking facility below the mixed-use building; and returning the fully renovated 1904 church to community service as a place of worship.

White Bear Lake-Boat Works Square
Award amount – $1,385,036

The City proposes to develop, own and operate a mixed-use 11,000 square feet building, parking ramp, surface parking, and plaza on the site of the former Johnson Boat Works site on the west shore of White Bear Lake. The project area is approximately 1.58 acres and currently consists primarily of warehouse type structures. Two new buildings will replace the existing concrete block, frame and pole barn type structures. The new development will feature a 5,000 square feet 125-seat full service restaurant, along with an additional 2,000 square feet of retail or commercial in a 7,000 square feet lakeside structure. The second building will feature a possible marina ship's store, leased offices, and a public assembly space along with a possible nautical museum. This two-story structure will have a total of 11,000 square feet with 5,500 square feet per floor. In addition to the ship's store, the first floor will contain a 4,000 square feet multi-purpose public gathering space for banquets, receptions, and other special occasions. Public restrooms will be provided. The second floor will house the possible museum along with 3,500 square feet of first class leased office space. A central public plaza area of 9,000 square feet is also planned. The plaza will commemorate the Marina/Triangle district's rich sailing heritage through sculpture, a water feature and special paving details. Parking for all the various uses will be provided in a 123-stall two-level parking structure, along with additional surface parking. A third level green roof with patio space overlooking the lake would create a distinct amenity for the public while providing for significant storm water management. While the project contains both public and private uses, ownership of all the land may be retained by the city. The restaurant/retail building pad site would be offered as a ground lease with the developer or restaurant owner constructing the building.

St. Paul-Schmidt Brewery
Award amount – $575,000

The City of St. Paul / PED and Public Works propose to build Oneida Street between West 7th Street and James Street as a catalyst for private development in Phase One of a new neighborhood, the Schmidt Brewery Project. Historically Oneida Street was a north/south street that ran from West 7th Street to Randolph Avenue. The street segment between West 7th and James Streets was abandoned decades ago, resulting in a mega-block that functioned as various brewing and micro brewing companies, including Schmidt Brewery. Reconstructing Oneida Street, thus reinstating a smaller block pattern, is in keeping with the new pedestrian-friendly urban village planned for the site as well as helping to reconnect the site to the larger existing neighborhood by relating to the surrounding street grid. Oneida

Street will also serve as the "front door" for Phase One adaptive reuse of the historic Bottle House, which will be converted into 96 units of affordable housing by Dominium Development. The construction of Oneida Street and the Bottle House project is scheduled to begin in the spring of 2009. The reconstruction of Oneida Street supports the objectives of the District 9 Area Plan and the Saint Paul Comprehensive Plan as well as the Saint Paul on the Mississippi Development Framework as a guide for redevelopment. Extending the street will provide access, on-street parking and an "address" for new housing, commercial and retail, and improve the pedestrian and bike connections to and through the neighborhood to the river.

St. Paul-2700 The Avenue
Award amount – $250,000

2700 the Avenue is a state of the art, LEED certified, mixed-use office and retail development that will feature up to 100,000 square feet of office space above a grocery store and additional retail. The first new multi-tenant office development in over 20 years on University Avenue, 2700 the Avenue will offer Midway office users modern amenities and up-to-date technology. Located two blocks west of Highway 280 on the border of Minneapolis and St. Paul, 2700 the Avenue will serve as the ‘gateway’ to St. Paul. A planned Central Corridor stop will be located at the front door of this development. The project will complete a 15-acre area bounded by University Avenue, Emerald Street, Ellis Avenue and Curfew Street that for the last eight years has focused on primarily developing new housing units. 2700 the Avenue development will round out this quadrant with an office/retail building that connects the new housing with employment and retail amenities, intensifies the land use, demonstrative of the type of new development for the future Central Corridor LRT.

Local Housing Incentives Account Grants

Lexington-Anoka County Manufactured Housing
Award amount – $100,000

The city of Lexington is partnering with the Anoka County Community Action Program (AACAP) to assist up to 20 low- and moderate-income families acquire new manufactured homes, provide deferred financing for rehabilitation of 10 existing homes, and fund buyout and removal of six homes needing replacement in the Paul Revere manufactured housing cooperative. This is a resident-owned, 149-unit manufactured housing community. Manufactured homes comprise approximately 4,500 units of homeownership in Anoka County. They provide critically affordable housing, especially for larger families. ACCAP's role involves providing a package of assistance to the current manufactured home owners to make it possible to acquire and demolish substandard units, prepare the site for a new manufactured home, and provide a need-based affordability gap based loan of up to $15,000 to the owner so that they can afford acquisition and site placement of a new manufactured home or up to $10,000 to rehabilitate existing housing units. Residents who choose to relinquish their deteriorated manufactured home can receive buyout assistance. This component will provide funds to purchase their units and dispose of them. LHIA funds will be match by a $75,000 CDBG from the city and a $25,000 contribution to the local HRA. LHIA funds will assist with the purchase of 6 of the 20 new homes, or the rehabilitation of the 10 homes that this overall program is expected to assist. The program will assist homeowners at or below 80% of area median income, with priority given to households below 50% of area median income.

Minneapolis-City of Lakes Community Land Trust
Award amount – $150,000

The City of Minneapolis is partnering with the City of Lakes Community Land Trust (CLCLT) to transform foreclosed and boarded/vacant homes in North Minneapolis into long-term affordable homeownership opportunities for lower to moderate income households at or below 80% of area median income ($64,720 for a family of four).The initiative will utilize $468,000 of previously committed grant funds awarded to the Greater Metropolitan Housing Corporation in April 2007, to acquire and rehab homes in North Minneapolis though the community land trust model. The Council and Minnesota Housing will contribute a total of $360,000, matched by a $420,000 contribution through Hennepin County, to enable the CLCLT to buy up to seven homes. The homes will be sold for their improved appraised value minus the land value, thus making them affordable to low- and moderate-income families. The CLT will own the land; the family will own the home. The affordable homeownership efforts of the City of Lakes Community Land Trust have been assisted previously through an LHIA grant - $100,000 in 2006, which assisted in the acquisition, rehabilitation and resale of six affordable ownership units.

Minneapolis-Habitat for Humanity Foreclosure Remediation
Award amount – $220,000

The cities of Minneapolis and St. Paul are partnering with Habitat for Humanity to acquire foreclosed properties in these communities, make improvements either through rehabilitation or demolition and reconstruction, and resell the properties to low- and moderate-income families. Funds will assist families with incomes between 30%-50% of area median income. Habitat will purchase foreclosed properties, perform the rehab or reconstruction, recruit and train income-qualified families for homeownership, sell the homes, and issue the mortgages and service the loans. Habitat provides zero-percent financing, charges no developer fee and completely covers the costs of the construction staff. Homeowners contribute sweat equity for their down payment rather than cash. Nearly 20,000 foreclosures are projected to occur in the metro area in 2008, with a large majority of those in the center cities. Both Minneapolis and St. Paul have identified targeted neighborhoods and specific properties that this project will assist. LHIA funds will be match with local funds expended annually by both Minneapolis and St. Paul on affordable housing needs. LHIA funds will assist with the purchase and/or improvements for four of the 20 units.

Oakdale-Granada Lake Townhomes
Award amount – $300,000

The project involves the acquisition and rehabilitation of a 68-unit townhome development in Oakdale. All of the units are currently available as market-rate rentals, although over 30% of the units are leased to Section 8 voucher holders. Funding this project provides a unique opportunity to acquire existing market rate units and after rehabilitation put them back on the market, and keep them on the market, as affordable housing opportunities. The entire project consists of 68 three-bedroom units, 57 of which will be available to households at 50% or less of area median income ($40,450 for a family of four). Four of those units will be set aside and marketed to households experiencing long-term homelessness. Eleven of the units will remain market rate. Rents (including utilities) for the 57 units will be $1,051.Local resources used to match the LHIA funds will be a $500,000 Washington County grant dedicated to this project. LHIA funds will be used for costs associated with acquisition or rehabilitation of the 57 affordable housing units.

Oakdale-Two Rivers Community Land Trust
Award amount - $200,000

The Two Rivers Community Land Trust (CLT) sought funding to provide value and affordability gap assistance to acquire, rehabilitate and sell up to nine previously foreclosed single-family homes in Cottage Grove, Forest Lake, Newport, Oakdale, and St. Paul Park to families with incomes at 60 to 80 percent of area median income. The Council and Minnesota Housing will contribute a total of $450,000, matched by approximately $346,000 from Washington County funds, plus an additional $90,000 in local funds to enable the CLT to buy up to nine homes. The homes will be sold for their improved appraised value minus the land value, thus making them affordable to low- and moderate-income families. The CLT will own the land, the family will own the home. In its past programs, the CLT has allowed the original CLT home buyer to keep 25 percent of the increased value of the home, not including the value of the land, upon resale to another CLT qualified family. The affordable homeownership efforts of the Two Rivers CLT have been assisted previously through four LHIA grants totaling $392,000 ($42,000 in 2003, $100,000 in 2004, $150,000 in 2005, and $100,000 in 2006) which assisted in the acquisition, rehabilitation and resale of 17 affordable ownership units.

Saint Paul-MCASA / Model Cities
Award amount – $150,000

The City of St. Paul is partnering with MCASA, LLC/Model Cities Community Development Corporation to acquire and renovate foreclosed/vacant single-family homes in the Thomas-Dale and Summit-University neighborhoods of St. Paul. These neighborhoods contain one of St. Paul’s Invest St. Paul 'priority areas' where resources are being targeted to combat foreclosure and vacant/blighted building conditions. Construction activities will be supplemented with financial and homeownership training, continued home maintenance training, case management, and coaching/mentoring to prevent foreclosure. MCASA utilizes a unique 6-24 month contract-for-deed process to ease the transition from renting to full homeownership assisting the families in becoming credit worthy, and helping ensure that the homebuyers are able to afford and stay in their new home. MCASA has successfully completed 6 homes through this implementation model. All homes will be sold to households at or below 80% of area median income ($64,720 for a family of four).The Council and Minnesota Housing will contribute a total of $550,000, matched by a $300,000 investment by the city of St. Paul, to buy up to seven homes.

Wayzata-Wayzata Gateway
Award amount – $200,000

The project involves land acquisition and new construction of six three-bedroom townhomes and a two-story, wood frame building containing one and two-bedroom units, plus community/service space. The project is located on Central Avenue North in Wayzata. The project will have three one-bedroom, 11 two-bedroom and six three-bedroom units. All of the units will be affordable to households at or below 50 percent of the area median income ($40,450 for a family of four). Four of those units will be set aside and marketed to households experiencing long-term homelessness. Rents (including utilities) will range from $758-$1,051.Local resources used to match the LHIA funds will be a combination of TIF and HOME funds dedicated to this project. LHIA funds will be used for costs associated with land acquisition or the construction of 20 affordable housing units.

White Bear Lake-Hoffman Place
Award amount – $300,000

The project involves the construction of a 60 unit, three-story elevator apartment building with underground parking located on Hoffman Road in White Bear Lake. The building will include one elevator, leasing office, community room, resident storage, and patios/decks. This project is phase one of a two-phase project with an identical building planned for future construction. The project will have six one-bedroom, 39 two-bedroom and 15 three-bedroom units. All of the units will be affordable to households at 50 percent of the area median income ($40,450 for a family of four). Rents (including utilities) will range from $758 to $1,051. Local resources used to match the LHIA funds will be $400,000 in TIF that the city has dedicated to this project. LHIA funds will be used for costs associated with the construction of 60 affordable housing units.

Land Acquisition for Affordable New Development Awards

Dakota County Community Development Agency (Lakeville)-Lakeville Cedar Transit
Award amount – $1,000,000

This loan application was for $1,000,000 for land acquisition of ten acres for one of two priority land acquisition sites for affordable housing adjacent to the Bus Rapid Transit park and ride site along Cedar Avenue in Lakeville. The County’s application indicated that at least 40% of the medium density housing would be affordable (approximately 50 units) at 60% of median income.

Minneapolis-Franklin Station/Bystrom Bros. Redevelopment
Award amount – $500,000

This loan application for Metropolitan Council funding was for $500,000 for land acquisition for part of the four-acre Bystrom development, which is near the Franklin LRT station on the Hiawatha Light Rail corridor. The site is adjacent to the bike trail along the Hiawatha LRT line, 24th Avenue on the south, Snelling Avenue to the east, and 22nd Street and Cedar Avenue on the north. The overall concept for the Bystrom site is to build 187 housing units and 28,000 square feet of commercial space in mixed-use, mixed-income buildings. The application indicated a minimum of 27% of the housing units will be affordable, a mix of rental and ownership.

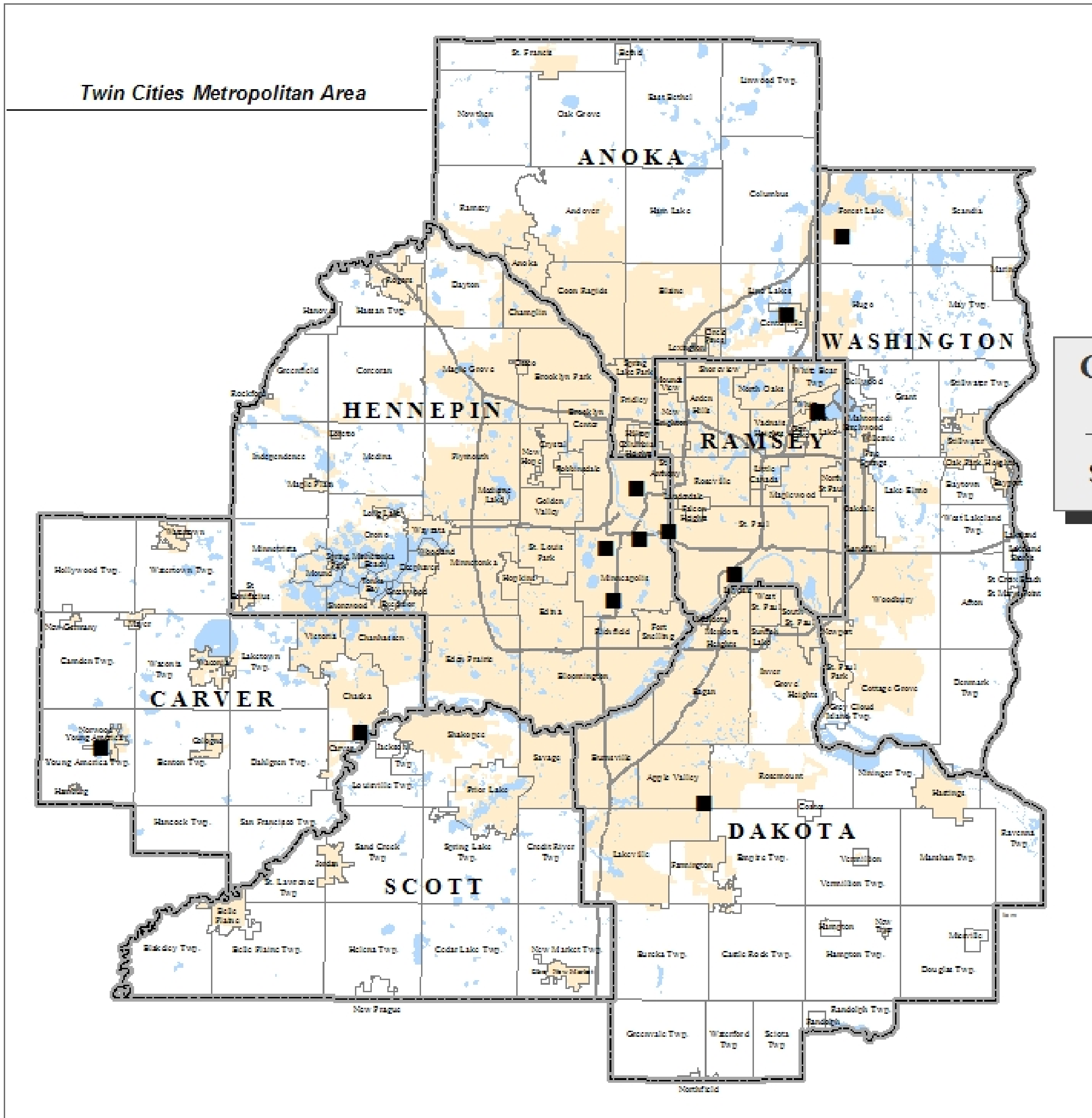
Saint Paul-Saint Paul Central Corridor LAAND Program
Award amount - $1,000,000

This loan application was for $2,000,000 for land acquisition for affordable housing near the Central Corridor Light Rail Transit future alignment along University Avenue. The City had two Acquisition Strategies. Acquisition Strategy #1: If full funding had been awarded, the city would have acquired one or more of the opportunity sites the city has identified along the Corridor; or Acquisition Strategy #2: If partial funding was awarded, acquire contiguous single-family parcels, creating opportunity for new development at greater density, within the Invest Saint Paul Target Area (an area generally bordered by I-94 on the south, Lexington Avenue on the west, Minnehaha Avenue on the north and Rice Street on the east). The application indicated a minimum of 30% of the development will be affordable.

Washington County HRA (Woodbury)-Washington County Strategic Land Acquisition
Award amount – $1,060,000

This loan application was for $1,964,000 for land acquisition at three locations in Washington County: land in the Headwaters PUD in Forest Lake, for a 36 unit multifamily rental tax credit building (100% affordable), for a price of $620,000; a site in Newport formerly used as an auto salvage yard, body shop and three residences, to be developed for home ownership and possibly rental units, for $904,000; and a yet-to-be-determined site in Woodbury along the 494/94 corridor to be developed into rental units, for $440,000.

Appendix C - Maps of 2008 LCA-Funded Projects



Livable Communities

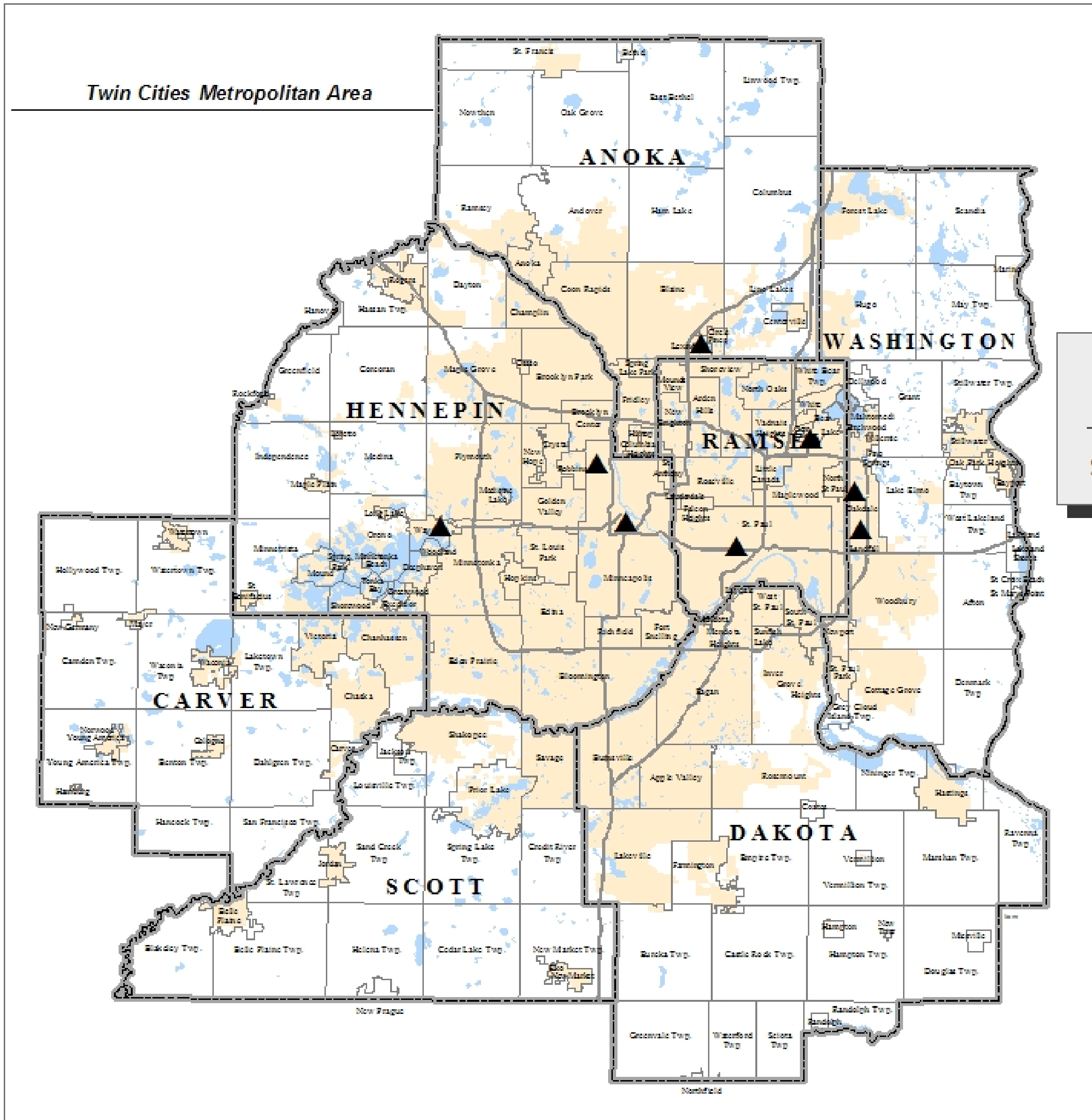
Demonstration Account Awards
2008

Community Development Assistance

$7.0 million awarded in 2008

Metropolitan Council

January 2009



Livable Communities

Local Housing Incentives Account Awards

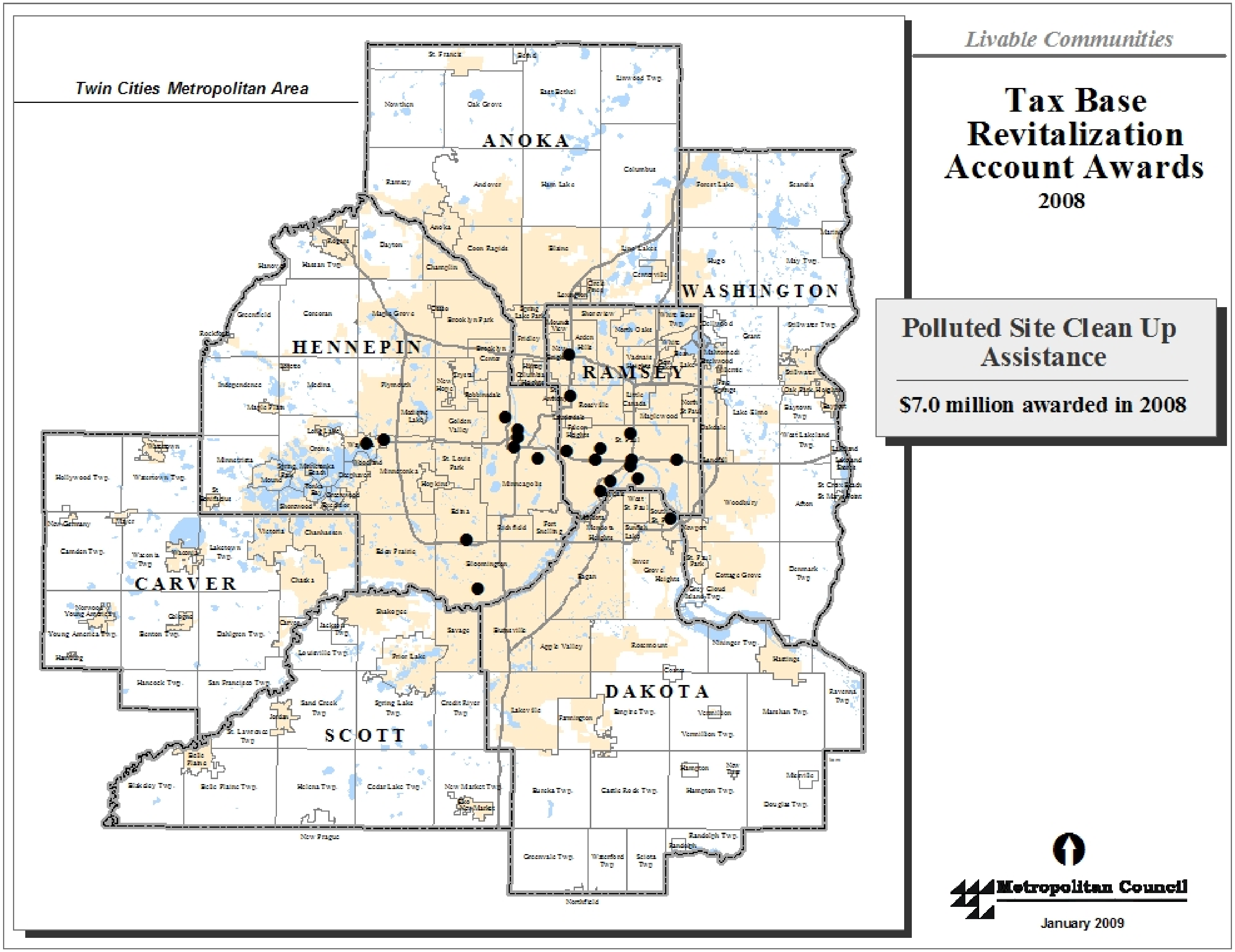
2008

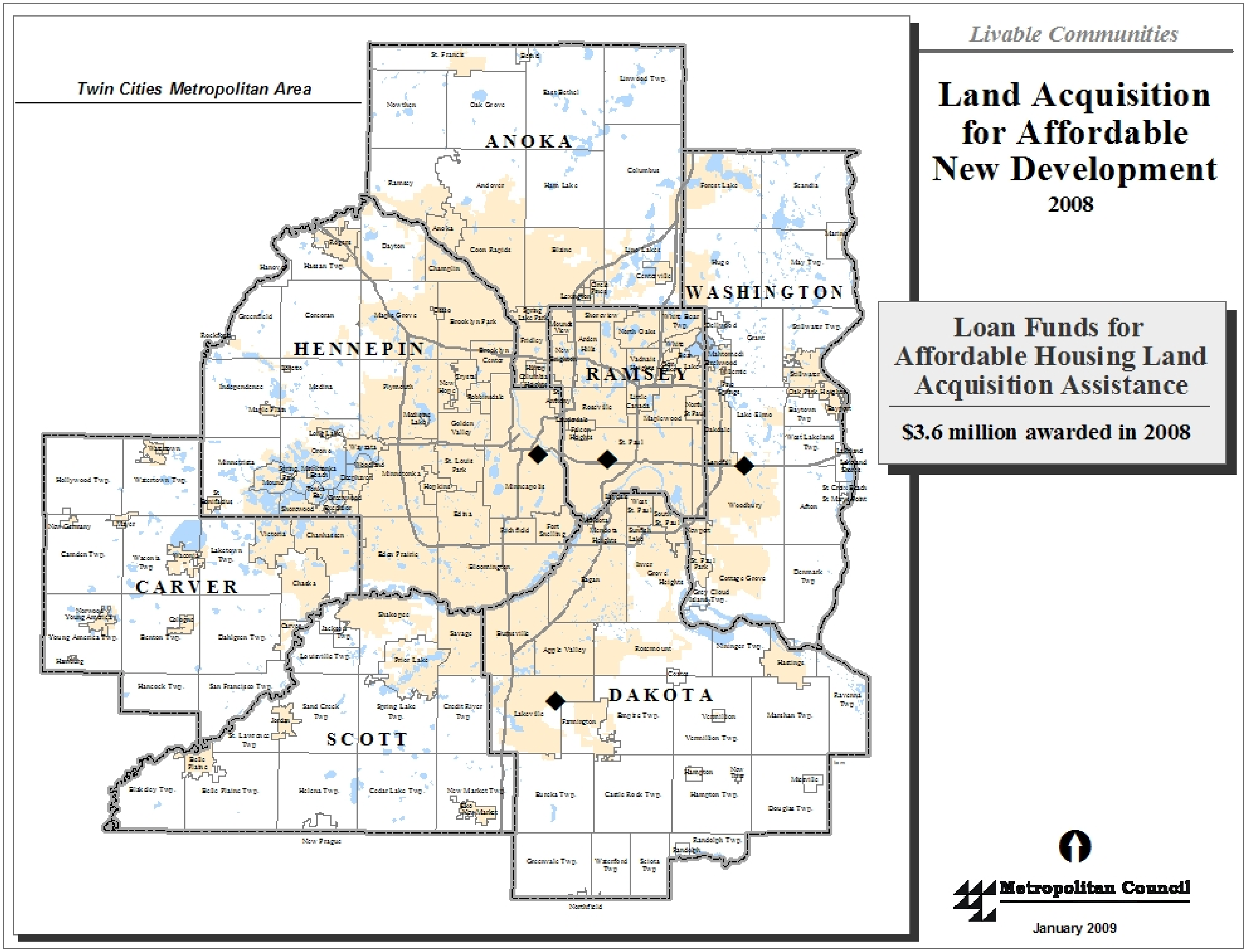
Affordable Housing Assistance

$1.6 million awarded in 2008

Metropolitan Council

January 2009


Livable Communities
Tax Base Revitalization Account Awards
2008
Polluted Site Clean Up Assistance
$7.0 million awarded in 2008
Twin Cities Metropolitan Area
ANOKA
HENNEPIN
RAMSEY
WASHINGTON
CARVER
SCOTT
DAKOTA
Metropolitan Council
January 2009


Twin Cities Metropolitan Area
ANOKA
HENNEPIN
RAMSEY
WASHINGTON
CARVER
SCOTT
DAKOTA
Livable Communities
Land Acquisition for Affordable New Development
2008
Loan Funds for Affordable Housing Land Acquisition Assistance
$3.6 million awarded in 2008
Metropolitan Council
January 2009