

METROPOLITAN COUNCIL
390 North Robert Street, St. Paul, Minnesota 55101

REGULAR MEETING OF THE COMMUNITY DEVELOPMENT COMMITTEE
Monday, December 1, 2008

Committee Members Present: **Chair, Kris Sanda; Georgeanne Hilker; Tony Pistilli; Daniel Wolter; Richard Aguilar; Sherry Broecker,**

With no quorum present at 4:05 pm, and with the absence of the committee chair and vice-chair, Ms Sanda chaired the meeting and started with the information item.

INFORMATION

Libby Starling presented a PowerPoint presentation on Regional Economic Conditions titled “Key Economic Trends affecting the Twins Cities or riding the economic roller coaster”

CALL TO ORDER

A quorum being present, Chair Sanda called the regular meeting of the Council’s Community Development Committee to order at 4:20 p.m. on Monday, December 1, 2008.

APPROVAL OF AGENDA AND MINUTES

It was moved by Wolter seconded by Broecker, to approve the agenda. **The motion carried.**

Action to approve the minutes of the November 17, 2008 regular meeting of the Community Development Committee was passed to the December 15, 2008 regular meeting of the Community Development Committee.

BUSINESS

2008-265 Local Housing Incentives Account (LHIA) Funding Recommendations Linda Milashius, Senior Planner, requested that the Metropolitan Council award Local Housing Incentives Account (LHIA) grants totaling \$1,120,000 as follows, and with the stipulation that for the Anoka county Manufactured Housing Revitalization project, LHIA funds be used only for the purchase of new units:

Project	City	Number of New Units	Number of Units to be Rehabilitated	LHIA Funding Recommendation
Ownership Housing Proposals				
Habitat for Humanity Foreclosure Remediation	Minneapolis and St. Paul		20	\$220,000
Anoka County Manufactured Housing Revitalization	Lexington	20	10	\$100,000
Rental Housing Proposals				
Granada Lake Townhomes	Oakdale		57	\$300,000
Wayzata Gateway	Wayzata	20		\$200,000
Hoffman Place	White Bear Lake	60		\$300,000
	TOTAL:	100	87	\$1,120,000

Committee member Pistilli raised concerns regarding the per unit subsidies for some of the programs that in his opinion are high. He stated that he would like the committee to consider introducing some regulatory reform and/or additional incentives to perhaps decrease the proposed levels of public subsidy even more to create additional affordable housing opportunities through this program. Acting Chair Sanda requested that committee member Pistilli draft up some of his ideas relating to the issues he raised for committee members

to review and discuss. Committee member Pistilli agreed to do this and bring back something to the Committee at a future meeting to respond to.

Regarding the Anoka County Manufactured Housing Revitalization Program which is targeted to the Paul Revere Manufactured Housing Cooperative in Lexington, Committee member Pistilli raised a concern over subsidizing units that are already very affordable. The proposed program states that it will assist households at 80% of area median income, with priority given to households at or below 50% of area median income. Based on the 2008 income levels established by HUD, the metro area median income for a family of four is \$80,900. Eighty percent of that income is \$64,720; 60 percent is \$48,540; 50 percent is \$40,450, and 30 percent is \$24,270. Staff indicated it would gather additional information to explain why these modestly priced ownership units would still require a subsidy to make them affordable to manufactured home buyers in this program.

Acting Chair Sanda, whose district includes the city of Lexington, said that she was very familiar with the Paul Revere Cooperative and agreed that there was a need to preserve the affordable housing there. However, she did not feel that rehabbing existing units that would most likely need to be replaced in the future, was the best use for LHIA funds, and so requested that it be stipulated within the contract that LHIA funds be used only for the purchase of new units. Committee members concurred and staff will ensure the appropriate language is included in the contracts.

Broecker moved, seconded by Hilker that the Metropolitan Council approve the recommendations for funding. Opposed, Pistilli

The motion carried.

2008-270 Livable Communities Demonstration Account (LCDA) Funding Recommendations

Joanne Barron, Planning Analyst, and Ruth Grendahl, Livable Communities Advisory Committee Chair discussed the grant proposals and the following recommendations.

ID, Project Name	Applicant	Requested Amount	Recommended Amount
A.5 Salem Redevelopment	Minneapolis	\$850,000	\$850,000
A.2 Creekside Commons	Minneapolis	\$211,764	\$211,764
A.3 Jackson Street Artists Housing	Minneapolis	\$408,977	\$408,977
A. 1 Bystrom Brothers/Franklin Station	Minneapolis	\$550,000	\$550,000
A.9 Schmidt Brewery	St. Paul	\$575,000	\$575,000
B.2 Cobblestone Senior Housing	Apple Valley	\$556,834	\$556,834
C.2 The Landing	Chaska	\$240,636*	\$240,636
C.4 Oak Grove Dairy Redevelopment	Carver County CDA	\$708,153	\$708,153
C.3 Forest Oak Apartments	Forest Lake	\$500,000	\$500,000
A.10 2700 the Avenue	St. Paul	\$1,986,250	\$204,259
C.1 Redevelopment of Block 8	Centerville	\$763,100	\$763,100
B.5 Boat Works Square	White Bear Lake	\$1,500,000	\$1,385,036
A – Center Cities, B – Developed Cities, C – Developing Cities			
Projects are listed in point rank order			Total \$6,953,759

Staff explained that an additional \$45,741 for the 2700 the Avenue project would bring the total award for that project to \$250,000, which would fully fund two project elements. The additional amount is above the 40 percent the LCAC can recommend for projects located in Minneapolis and St. Paul, according to the Council-adopted LCDA criteria. However, the funding criteria state that the Council may award more than 40 percent of the funding in a grant cycle to projects located in Minneapolis and St. Paul, provided the project has been determined by the LCAC to be an exemplary demonstration and has satisfactorily met the advisory committee's readiness assessment. The increase in funding for the 2700 the Avenue project would result in 40.7 percent of the available 2008 funding being awarded to Minneapolis and St. Paul projects, a slight increase from the 40 percent figure. The table above reflects the addition of the \$45,741 to the 2700 the Avenue project.

Staff also brought to the Committee's attention that a \$500 discrepancy in one of the applications accounts for the recommendations totaling \$6,999,500, leaving \$500 remaining of the total \$7 million available for 2008 awards.

Member Broecker asked Associate General Counsel David Theisen to explain Minnesota statute 103.B establishing the White Bear Lake Conservation District, and whether the City should have obtained a review by the Conservation District before submitting the application. Theisen said the requirements under this statute are a local issue for the city. If any needed permits are not obtained or requirements satisfied and the Boat Works Square project does not go forward, the city would need to return any grant funds awarded. Jim Robinson, White Bear Lake community development director, said the city is working with two watershed districts on issues related to the project.

Aguilar asked about the status of development plans for the St. Paul Schmidt Brewery project. Diane Nordquist, project manager for the City of St. Paul, said that although the Brewtown partnership has pulled out of the project, Dominion Group is proceeding with plans to develop townhouses in the former brewery head house.

Hilker asked what elements of the Boat Works Square, White Bear Lake project are set. Jim Robinson said that the restaurant, marina building, and parking structure are set. Hilker asked Robinson if the parking to be constructed in the ramp will meet the need and if there is community support for the project. Robinson said the new ramp parking will meet the need for the area and the marina, and that the community supports the project. Pistilli asked about a pending lawsuit in the area. Robinson clarified that the pending lawsuit does not affect the subject property. Pistilli asked what is the cost of the green roof. Robinson said the city had determined the weight load and cost would be about the same as a regular parking level, and estimated the green roof cost at \$500,000.

Members noted that the LCAC expressed a preference for a combination of parking and green roof on the top ramp level. Theisen asked for clarification on the committee's intent regarding this. Members said they concurred with the intent of the advisory committee and concurred with suggested language for inclusion in the grant agreement for Boat Works Square that would specifically state the project would have: "not less than 50 percent green roof on the top level."

Pistilli asked how bonus points for items added to the criteria this year were factored into the evaluation process. Grendahl said the committee was working through a process for incorporating the Minnesota Sustainable Building Guidelines into the process. Staff said that green building criteria and other criteria were built into the Step One scoring process, resulting in projects having these features receiving extra points. Pistilli said he would like to see a process more clearly stating which projects receive bonus points. Hilker said she would like to see the items that are considered in the evaluation, such as "clean and green", laid out better. Pistilli said he would like to see a focus on the 2030 transportation plan and green concepts. Acting Chair Sanda suggested that the Council should specify what it is looking for in projects. Other discussion included the balance between central city and suburban projects, and weighting of criteria.

Pistilli moved, seconded by Hilker to approve funding of the twelve projects recommended by the Livable Communities Advisory Committee, totaling \$6,953,759.

Pistilli moved, seconded by Wolter to approve the additional \$45,741 to 2700 the Avenue to fund two requested elements for this project.

The motion carried.

2008-301 Housing Link Funding Request

Beth Reetz presented a request that the Metropolitan Council authorize its Regional Administrator to execute an amendment to its existing funding assistance agreement with the HousingLink to: (1) extend the agreement for an additional year; and (2) provide \$50,000 from its Section 8 program administrative fees or administrative fee reserve fund to support the nonprofit organization's regional affordable housing information and referral services in calendar year 2009; and (3) provide for up to \$20,000 of ad hoc

customized housing related reports and data upon request.

Wolter moved, seconded by Hilker that the Metropolitan Council authorize its Regional Administrator to execute an amendment to its existing funding assistance agreement with the HousingLink

There was no discussion and the motion passed unanimously.

The motion carried.

2008-302 Section 8 Project Based Assistance Funding Recommendations

Terri Smith requests that the Metropolitan Council approve proposals for Section 8 Project Based Assistance (PBV) and authorize staff to execute necessary documents with the U.S. Department of Housing and Urban Development and the owners of the projects to assign a total of 34 Section 8 Vouchers in two projects as follows:

Project	City	Number of Units in Project	Number of PBV Units Requested	Targeted Population
Har Mar Apartments	Roseville	120	30	General Occupancy – Families and Children – long term homeless
Trails Edge Townhomes	Maplewood	48	4	Supportive Housing – long term homeless
			34	

Hilker moved, seconded by Pistilli to award the described proposals for the 34 Project based vouchers.

Council Member Pistilli asked what happens to the vouchers if the projects do not proceed. Staff explained the contract to award the vouchers is not executed until the project is complete, and therefore if the project does not go forward, the contract is not executed and the vouchers remain tenant based. There was no further discussion and the motion passed unanimously.

The motion carried.

ADJOURNMENT

There next regularly scheduled CDC meeting will be held on Monday, December 15, 2008, at 4:00 p.m. in the Council Chambers.

Business completed, Chair Sanda adjourned the meeting at 5:55 p.m.

Respectfully submitted,

Michele Wenner
Recording Secretary