

C Community Development Committee
Meeting date: October 3, 2011

ADVISORY INFORMATION	
Date:	September 28, 2011
Subject:	City of Saint Paul Request to Amend the PPL West 7 th Housing LCDA Grant Agreement SG010-142
District(s), Member(s):	All
Policy/Legal Reference:	MN Statutes Sec. 473.25
Staff Prepared/Presented:	Deb Jensen, Grant Administrator, Livable Communities Program – 651.602.1554 Paul Burns, Manager, Livable Communities Program – 651.602.1106
Division/Department:	Community Development/Livable Communities

Proposed Action

That the Metropolitan Council authorize reallocation of a portion of the \$233,550 Livable Communities Demonstration Account (LCDA) grant awarded to the City of Saint Paul in 2010 for the *PPL West 7th Housing* project; the reallocation will shift \$40,950 from site preparation and grading costs to utility line relocation in accordance with a request from the grantee.

Background

Standard Livable Communities Act grant agreement language requires prior approval by the Council's governing body for reallocations that exceed 20% of any single budget line item.

Utility line relocation for this project was originally budgeted at \$106,800, but factors realized during the bidding phase have increased those costs considerably, largely due to geotechnical requirements. Furthermore, soil at the site was discovered to be contaminated with diesel range organics, requiring specialized soil remediation for which LCDA funds cannot be used. The grantee has requested that the entire \$40,950 originally budgeted for soil preparation and grading be reallocated to utility line relocation.

Rationale

Staff supports the requested reallocation. This change will allow the grantee to utilize funds awarded for soil preparation that will go unused due to the unexpected contamination found on the site, to cover increased utility relocation costs.

Funding

This action would have no impact on funding.

Known Support / Opposition

There is no known opposition to the budget reallocation request. This project is the subject of a lawsuit regarding variances issued by the City of Saint Paul, but the resolution of that issue is not germane to the question of reallocation of grant funds from one purpose to another.

REVISED PROJECT SUMMARY

SG010-142

Applicant: City of Saint Paul **Type:** Development
Project Name: PPL West 7th Street Housing
Project Location: 2236 West 7th Street (West 7th & Springfield Streets)
Council District: 14 – Steven T. Chávez

Project Description:

Project for Pride in Living (PPL) proposes to develop a 3-story, 44-unit apartment building near the intersection of West 7th Street and Springfield Street. The building will provide a combination of family and workforce rental housing geared toward low-to-moderate incomes. Resident incomes will be restricted to 60% Area Median Income (AMI) for 17 units and to 50% AMI for the balance of the units. The building will provide ten units of permanent supportive housing serving families who meet the State of Minnesota's definition for long term homeless, with supportive services provided by Catholic Charities. The building will have many green elements, featuring a state-of-the-art stormwater management system that reuses stored rain water for the irrigation of the property grounds. Walkways, parking lots and other hard surfaces will be composed of pervious materials that allow for water infiltration. The stormwater management plan will exceed the City's rate control requirements, as well as the Minnesota Pollution Control Agency's and watershed district's water quality requirements. The development is located on West 7th Street, a major transportation corridor with bus service immediately available to downtown Saint Paul, the Minneapolis-St. Paul International Airport and many other destinations. An abundance of retail and commercial services are in very close proximity on West 7th Street. The site is also close to many area parks, including Crosby Park, one of the largest in the city. PPL has already acquired the six properties with financial assistance from the City of St. Paul. Demolition on the first house commenced during the summer of 2010. LCDA funds will be used as a loan to garner low-income housing tax credits for the project.

Funding:

Amount awarded: \$233,550

Amount Awarded	Revised Budget	Use of Funds	Timeline
\$106,800	\$147,750	Utility line relocation	Completed by 12/31/12
85,800	85,800	Demolition and removal of existing structures	Completed by 12/31/12
40,950	0	Site preparation / grading	n/a
		44-unit apartment building	Construction commenced by 12/31/12
\$233,550	\$233,550		