

Transit Oriented Communities (TOC) Predevelopment Assistance 2024 Guidelines

Application period opens on January 18, 2024.

Applications are due February 15, 2024, by 3 pm.

Hennepin County's TOC Predevelopment Assistance provides no-cost, predevelopment assistance to qualified, emerging developers actively pursuing one of their first development projects. TOC Predevelopment Assistance is intended to supplement, not fully replace, developer funds, and selected developers must be able to commit at least 20% of the amount requested to complete the desired predevelopment activities. Eligible projects include commercial, mixed-use, or multifamily real estate development projects that advance TOC principles and must be located in Hennepin County within a [TOC Eligible Area as shown on this map](#).

Predevelopment assistance is intended to:

- Expand and diversify the pool of local real estate developers in Hennepin County
- Support emerging developers, particularly those from historically marginalized groups, overcome barriers to accessing financial and knowledge capital to succeed in the development industry
- Advance the goals of the TOC program in alignment with the [County's disparity reduction efforts](#).

Resources available

A total of approximately \$100,000 in predevelopment assistance is available.

Eligible developers can request:

- Up to \$30,000 in value for projects with site control
To be eligible, developer must provide proof of site control upon request or have a signed purchase agreement by June 2024.
- Up to \$7,500 in value for projects without site control
To be eligible, developer must be deciding between no more than 2 sites in eligible areas and able to demonstrate proof of active negotiation, such as an Option Agreement, upon request. Developers without site control are only eligible for

services that aid site selection, such as preliminary proforma and feasibility analysis.

The value awarded per eligible request will be determined by the HCHRA. The amount of predevelopment funding provided by other public or private sources, such as the [Local Initiatives Support Corporation \(LISC\)](#) or [City of Minneapolis](#), may affect the amount provided to ensure there is no duplication of funding from other sources. Developers are encouraged to apply for all sources of funding for which they are eligible.

The value of predevelopment services paid for by the HCHRA may or may not be subject to state and federal income taxes. Please consult with your tax professional.

Eligible Services

TOC Predevelopment Assistance supports specific architectural, financial, real estate development, and environmental assessment services, such as project feasibility analysis and conceptual design development at early stages of the development process. Services are performed by qualified third-party design, financial, and environmental consultants under contract with Hennepin County and are provided at no cost to selected developers. Hennepin County staff will match selected developers with a design, financial, and/or environmental consultant based on service needs and consultant capacity. Developers and consultants will establish a mutually agreed upon scope of work, include tasks, timeframe, and deliverables, based on the award amounts and the needs of each project and developer. Program funds may be used toward discrete predevelopment activities and deliverables.

Design Consultants

- Design by Melo
- Van Meter Williams Pollack

Financial Consultants

- Element Commercial Real Estate
- NEOO Partners

Examples of predevelopment activities include:

- Refining the project concept
- Determining development capacity of site
- Conceptual site plans
- Conceptual architectural renderings, e.g., elevations and floor plans

- Environmental assessment work, including Phase I/II Environmental Site Assessment and Hazardous Building Materials Survey (HBMS)
- Identifying and assembling relevant capital finance sources
- Preliminary cost estimates
- Developing a real estate development capital budget, proforma, financial analysis
- Assistance with assembling a development team, developing a milestone schedule, and preparing for the entitlement process

There are other predevelopment activities that are needed to make a development project happen that this program does not fund. Consultants may help developers identify additional needs, service providers, and other funding sources to help advance their projects.

This program is not intended to get a project through construction. Instead, it seeks to support early predevelopment activities to move a project forward and increase the technical capacity of participating developers.

Predevelopment activities already completed or paid for by other funding sources are **not eligible** for this program.

Process and timeline

- Applications will open **January 18, 2024, at noon.**
- Applications are due **February 15, 2024, by 3 pm.**
- Funds are limited and will be awarded on a first-come, first-served basis to eligible developers who submit completed applications by the due date.
- Once selected developers are notified, they will complete an intake process with the HCHRA to verify eligibility, award amount, approved services, and assigned consultant(s).
- Selected developers will then meet with their assigned consultant(s) to establish a mutually agreed upon scope of work.
- Predevelopment services must be completed by **September 30, 2024.** Participating developers agree to respond, provide necessary materials, and generally communicate with their assigned consultant(s) and HCHRA staff in a timely manner to meet this deadline. If developers do not respond as needed to complete their services on time, the predevelopment services may be cancelled.

Potential applicants are strongly encouraged to discuss program eligibility prior to applying. [Click here to book a TA session.](#) TA sessions are available January 22 – February 9.

Who can apply?

To be eligible, new or emerging for-profit or non-profit local developers (based in Minnesota) must:

- Have completed no more than two (2) real estate development projects, including new construction or substantial building renovation of commercial or multifamily residential properties, as an individual, as a partner, or as a development entity.
- Be actively pursuing commercial, mixed-use, or multifamily real estate development on one or more sites in eligible transit-oriented communities in Hennepin County.
- Have some degree of site control.
- Lack sufficient capital to support predevelopment activities and be in need of predevelopment technical assistance.
- Be able to commit at least 20% of the amount requested to complete the desired predevelopment activities. *For example, a minimum of \$1,500 is required to access \$7,500 in predevelopment assistance; \$6,000 is required to access \$30,000.*
- For applicants who are part of a development team, all members of the development entity and ownership group must meet eligibility requirements for the applicant to be eligible.

Mixed-used projects are strongly encouraged; however, we recognize that these projects can be complex and challenging to complete, even for established developers. We will consider applications from emerging developers who are pursuing commercial only projects with at least three (3) tenant spaces or multifamily residential only projects with at least six (6) units.

Applicants are strongly encouraged to have participated in real estate development education program, such as the City of Minneapolis Developers Technical Assistance Program (D-TAP), LISC Developers of Color Capacity Building Initiative, ULI Minnesota Real Estate Diversity Initiative (REDI), or a similar program offering education and training on the development industry prior to applying for predevelopment assistance.

Ineligible Requests

Established developers who have completed more than two real estate development projects either by entity or beneficial ownership are **not eligible** for this assistance.

Existing county contractors providing predevelopment consulting services under this program are **not eligible** for this assistance.

Other ineligible requests include:

- Single-asset entities (such as a limited liability company, or LLC) or members of the ownership group affiliated with an experienced and/or established developer
- Emerging developers who are based outside the region and/or state
- Predevelopment activities already completed
- Predevelopment activities paid for by other funding sources, such as Local Initiatives Support Corporation (LISC) or City of Minneapolis

Applicants are required to sign an attestation form that eligibility criteria is met.

Next steps: After applying

Upon completing the application, you will receive an email confirmation that the form has been received. Additional information may be requested by Hennepin County and the HCHRA as deemed necessary to evaluate whether the information provided meets program eligibility requirements and priorities. Final decisions to offer no-cost predevelopment assistance under the Program will be made in the sole discretion of the Hennepin County Housing and Redevelopment Authority following a thorough review of all information collected. The HCHRA reserves the right to offer no award of assistance. Selected developers will be notified by March 29, 2024.