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 Title: 2024 TOC funding recommendations - neg 7 2024 award agmts, 06/12/24-12/31/26, NTE \$3,495,000
 Attachments: 1. [2024 TOC - Attachment A](#)

History (0) Text

Item Description:

2024 TOC funding recommendations - neg 7 2024 award agmts, 06/12/24-12/31/26, NTE \$3,495,000

Resolution:

BE IT RESOLVED, that the 2019 Transit Oriented Development (TOD) award to the City of Brooklyn Center for the Brooklyn Center Opportunity Site project in the not to exceed amount of \$595,000 (Agreement PR00001161, Resolution 19-HCHRA-0021) be rescinded; that the 2021 award in the not to exceed amount of \$250,000 (Agreement PR00003369, Resolution 21-HCHRA-0017) and the 2022 award in the not to exceed amount of \$200,000 (Agreement PR00004671, Resolution 22-HCHRA-0032) to Saturday Properties for the Wooddale Station project be rescinded; that the 2021 award to the City of Bloomington Housing and Redevelopment Authority for the Rosa Apartments project in the not to exceed amount of \$250,000 (Agreement PR00003361, Resolution 21-HCHRA-0017) be rescinded; and that the combined rescinded total of \$1,295,000 be reallocated for distribution under the 2024 Transit Oriented Communities (TOC) program as described herein; and that the controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that the Executive Director be authorized to negotiate the following TOC Grant Agreements during the period June 12, 2024 through December 31, 2026:

- PR00006318 with City of Brooklyn Center, or affiliated entity, for the Opportunity Site Phase I, with the amount not to exceed \$500,000;
- PR00006319 with Communities Organizing Latine Power and Action (COPAL), or affiliated entity, for the Latino Center for Community Engagement, with the amount not to exceed \$500,000;
- PR00006320 with Northgate Development, LLC, or affiliated entity, for The Plymouth Project, with the amount not to exceed \$450,000;
- PR00006322 with Pillsbury United Communities, or affiliated entity, for Pillsbury Creative Commons, with the amount not to exceed \$395,000;
- PR00006321 with 2709 East Lake LLC, or affiliated entity, for Viva, with the amount not to exceed \$450,000;
- PR00004664 with 1200 KMA Development, LLC, or affiliated entity, for The ZaRah, with the amount not to exceed \$800,000;
- PR00004640 with Riverfront Development Partners, or affiliated entity, for The Resolute, with the amount not to exceed \$400,000;

that following review and approval by the County Attorney's Office, the Chair be authorized to sign the agreements and related documents on behalf of the authority; and that the Controller be authorized to disburse funds as directed.

Background:

The Transit Oriented Communities (TOC) program, previously known as Transit Oriented Development (TOD), has been a mainstay of Hennepin County's community development efforts since 2003 because of the wide-ranging benefits that compact, efficient use of land and walkable development patterns generate. Transit-oriented communities are more resilient to climate change, reduce greenhouse gas emissions, and improve public health by making it easier to bike and walk to destinations.

Transit-oriented communities reduce disparities by lowering combined housing and transportation costs for residents and improving access between housing, employment, and other destinations. By providing gap funding for projects that otherwise would not be feasible, the TOC Program generates investments in low-income communities and communities of color that have historically experienced disinvestment. TOC Program investments support Hennepin County's Climate Action Plan through more efficient use of land and infrastructure, preservation of open space, reduced vehicle miles traveled (VMT) and reduced emissions through increased walking, biking, and transit ridership.

Since 2003, the Hennepin County Housing and Redevelopment Authority (HCHRA) has awarded approximately \$44.5 million to over 160 TOD projects that have leveraged more than \$2 billion in development, including approximately:

- 150 projects that either redeveloped brownfields, grayfields, or vacant buildings; or renovated existing buildings; contributing to the health and vibrancy of our communities and putting properties back on the tax rolls
- 120 projects that are reducing combined housing and transportation costs for over 11,500 households by making it easier to get where they need to go without having to own a car
- 90 projects that created commercial space, generating opportunities for small businesses to succeed and supporting more than 3,600 jobs accessible by transit
- 20 projects that improved bike and pedestrian infrastructure and the public realm, enhancing quality of life and access to goods and services for existing residents.

Funding for 2024 TOC Program distribution proposed in the current action includes \$2.2 million in the 2024 HCHRA budget, plus \$1,295,000 in prior year funding for three projects that did not move forward as planned.

Capital Recommendations

In March 2024, a competitive request for proposals garnered 20 capital applications requesting a total of over \$15.7 million in funding. Fifteen projects in Minneapolis requested almost \$12 million and five projects in suburban Hennepin County requested over \$3.7 million. A multi-agency panel consisting of staff from Hennepin County, Ramsey County, Metro Transit, and urban design professionals evaluated the applications. An independent financial consultant conducted an in-depth financial analysis assessing feasibility and verifying the funding gap.

Attachment A provides a detailed summary of the seven projects recommended for funding.

Recommended funding will support plans for over 880 housing units, including more than 480 affordable units; over 98,000 square feet of commercial space and more than 65 affordable commercial spaces; and over 500 total new or retained jobs supporting transit-oriented communities. The total investment value of these

projects is approximately \$98 million.

- PR00006318- City of Brooklyn Center - Brooklyn Center Opportunity Site Phase I Public Infrastructure - \$500,000
Brooklyn Center; 770 housing units, including 330 affordable units; 19,100 square feet commercial space; 27 affordable commercial spaces; 114 jobs created; public infrastructure to facilitate 18-acre mixed use development; located within METRO C Line BRT and METRO D Line BRT Brooklyn Center Transit Center station area, and served by local bus routes
- PR00006319 - Communities Organizing Latine Power and Action (COPAL) - Latino Center for Community Engagement - \$500,000
Minneapolis; 25,500 square feet commercial and community space; 10 affordable commercial spaces; 68 jobs created or retained; served by local high-frequency bus routes and planned METRO B Line BRT at Lake & 31st Ave station
- PR00006320- Northgate Development, LLC - The Plymouth Project - \$450,000
Minneapolis; 68 affordable housing units; 13,000 square feet commercial space; 6 affordable commercial spaces; 31 jobs created or retained; located within METRO D Line BRT Emerson & Plymouth station area, and served by local bus routes
- PR00006322 - Pillsbury United Communities - Pillsbury Creative Commons - \$395,000
Minneapolis; 6,800 square feet community space; 6 jobs created or retained; served by METRO D Line BRT at Chicago & 34th Ave station and served by local high-frequency bus routes
- PR00006321 - 2709 East Lake LLC - Viva - \$450,000
Minneapolis; 46 affordable housing units; 6,300 square feet commercial space; 2 affordable commercial spaces; 80 jobs created; served by METRO Blue Line LRT at Lake Street Midtown station and local high-frequency bus routes, and located within planned METRO B Line BRT Lake & Minnehaha station area
- PR00004664 - 1200 KMA Development, LLC - Zarah -- \$800,000
Minneapolis; 18,000 square feet commercial space; 20 affordable commercial spaces; 184 jobs created or retained; located adjacent to METRO D Line BRT Fremont & W. Broadway Avenue station, served by local high-frequency bus routes and planned METRO Blue Line Extension at James Avenue Station
- PR00004640 -- Riverfront Development Partners - The Resolute -- \$400,000
Minneapolis; 10,000 square feet commercial space; 2 affordable commercial spaces; 38 jobs created or retained; served by METRO D Line BRT Fremont & W. Broadway Avenue station, local high-frequency bus routes, and planned METRO Blue Line Extension at James Avenue Station

Two of the above projects, The Zarah and The Resolute, were previously awarded funding through the Community Investment Initiative (CII), a one-time program funded with pandemic recovery resources. Both projects experienced financing challenges and construction schedules delayed beyond the required timeline for use of pandemic recovery funds. Located along West Broadway and within proposed Blue Line Extension station areas in north Minneapolis, both projects meet established criteria for Transit-Oriented Communities (TOC) Program funding and merit awards based on program evaluation standards. A concurrent action under consideration by the Hennepin County Board, if approved, will effectively rescind prior CII funding awards to these two projects.

TOC guidelines require that the municipality in which the project is located approve the project seeking TOC funding, and that the project be located within a redevelopment area or district adopted in accordance with Minnesota Statutes, Section 469.

Current Request: Authorize the reallocation of \$1,295,000 in prior years TOD Program budget authority; negotiate seven Transit Oriented Communities Grant Agreements during the period June 12, 2024 through December 31, 2026 with a combined total not to exceed amount of \$3,495,000.

Impact/Outcomes: Seven projects receiving awards will leverage approximately \$98 million in total investment value to create more than 880 housing units, over 98,000 square feet of commercial space, including over 65 affordable spaces, supporting approximately 500 new or retained jobs, and improved connections to support TOD in current and planned light rail transit, bus rapid transit, and within the high-frequency bus network.

Disparity Domains: This request supports Hennepin County disparity reduction efforts in income, employment, housing, and transportation by supporting a range of investments that create employment opportunities, affordable housing, community services and amenities in areas well-served by public transit, including low-income communities and communities of color.

Recommendation from County Administrator: Recommend Approval