

## New effort supports affordable housing along Central Corridor line

by Bill Clements

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In St. Paul, city officials have purchased two parcels along University Avenue for building affordable housing along the Central Corridor light rail line.

In Minneapolis, officials who award financing and tax credits are taking a closer look at affordable housing projects proposed along transit routes.

And now housing and development officials from both cities are helping lead a fast-paced effort called the Big Picture Project, aimed at creating "innovative and doable" affordable housing proposals by the fall that can be built along the Central Corridor.

"One of the things we're hoping is that this is not another 'planning process,'" said Cecile Bedor, head of the St. Paul department of Planning and Economic Development, referring to the new program.

"This group will take a look at all these planning efforts going on along the corridor, so we can synthesize all that and then say, 'OK, we have done all this work, and now what are our goals?'" Bedor said.

The Big Picture Project is made up of 24 people, six each from four sectors: government, finance, development and the community, said Gretchen Nicholls, a program officer for Twin Cities LISC, a nonprofit responsible for helping develop the effort.

It also includes St. Paul City Council Member Russ Stark and his Minneapolis counterpart, Cam Gordon.

The Big Picture Project will convene three community forums in the next few months — the first will be 6 to 8 p.m. July 20 at the Profile Event Center, 2630 University Ave. SE, in Minneapolis. Recommendations will be made to local governments after the forums wrap up in September.

"It's hard to have a constructive conversation right now, because everything is so fragmented," Nicholls said. "There are competing players and goals, and it's very complicated. We're trying to help make the Central Corridor conducive to strategic investments."

Planners have estimated that in the next 20 years as many as 17,000 housing units — both market-rate and affordable, private and public — will pop up along the 11-mile Central Corridor that will connect the downtowns of St. Paul and Minneapolis when it opens in 2014.

And experience in other cities has shown there needs to be "proactive policies in place ... to ensure that the neighborhoods are still affordable to people with a variety of incomes," said Jonathan Sage-Martinson, executive director of the Central Corridor Funders Collaborative, one of the progenitors of the Big Picture Project.



The ongoing \$65 million rehabilitation of Riverside Plaza in the Cedar-Riverside neighborhood is financed in part by the city's low-income tax credits, which shows Minneapolis' commitment to affordable housing near transit, says Tom Streitz, housing director for Minneapolis. The Cedar-Riverside station of the Central Corridor light rail line will be built near the complex, where more than half the 1,303 units are affordable. (Staff photo: Bill Klotz)

The divisive issue of gentrification will need to be part of this effort, said Luis Pereira, a PED housing planner for St. Paul.

"We will be getting more specific about minimizing gentrification," Pereira said. "What are the funds available? What regulatory tools are available? ... We are aligning the two cities so that we have more concrete plans."

The St. Paul neighborhoods that the Central Corridor will pass through — especially along the more low-income eastern end of University Avenue — are mostly very different from the neighborhoods in Minneapolis along the light rail route.

Tom Streitz, director of housing policy and development in the Minneapolis Community Planning and Economic Development department, said that for the most part, the Big Picture Project will help guide the affordable housing development market in the Minneapolis portion of the Central Corridor, while it will have to help create that market in St. Paul.

Last year, St. Paul received a \$2 million loan from the Metropolitan Council and the Family Housing Fund to acquire sites for affordable housing development along the corridor before land values escalate.

St. Paul acquired two properties: the former Sexton Ford dealership at 255 University Ave. and the former Midway Chevrolet at 1433 University Ave. The city had to "land-bank" the properties for a year and is now looking for development partners. The small size of the properties — the largest is about an acre — is making that a challenge.

"Developers are wondering if [an affordable housing development] there is feasible," Pereira said. "The question is there's a property next door and the business didn't want to sell."

Bedor said buying the property next door is possible in just about any development — "it's just a question of money." But financial packages for affordable projects are always complex and without much to spare.

She hopes the Big Picture Project will develop overall goals for affordable housing but not specify where the projects should go to prevent property owners from jacking up prices.

"We can do more units if we don't have to pay a premium to buy the property," she said.

In Minneapolis, Streitz said the city has developed "a renewed interest in funding programs for TOD [transit-oriented development] in all transit corridors."

In particular, the city's Affordable Housing Trust Fund (\$8 million to \$10 million a year) and its low-income tax credit program are adding points to development proposals that are sited along the transit corridors as additional incentives for affordable projects — either new developments or preservation efforts.

In both programs, the city has added 10 percent to the weighting for projects proposed along transit corridors.

The deadline for developers to submit proposals to the city is Friday. (For more information, contact Donna Wiemann at the Minneapolis Department of Community Planning and Economic Development at 612-673-5257 or [Donna.Wiemann@ci.minneapolis.mn.us](mailto:Donna.Wiemann@ci.minneapolis.mn.us).)

Streitz added, "That can be a significant boost. In Minneapolis we always have eight to 10 project proposals, and we can do one or maybe two projects a year. So anything that can give a project a leg up is significant."

For more information about the Big Picture Project, contact Nicholls at Twin Cities LISC at 651-265-2280 or [gnicholls@lisc.org](mailto:gnicholls@lisc.org).