

Legislation Text

File #: 24-0052, **Version:** 1

Item Description:

Neg 12 fall 2023 ERF grant agmts for cleanup and assessment of contaminated sites, various periods, total combined NTE \$1,842,279

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate the following Environmental Response Fund grant agreements for the cleanup of contaminated sites, during periods of one and two years beginning on the dates of execution:

- Agreement PR00005956 with 3561 Minnehaha LLC or affiliated entity, with the amount not to exceed \$25,000;
 - Agreement PR00005959 with Aster Commons-GP LLC or affiliated entity, with the amount not to exceed \$21,641;
 - Agreement PR00005954 with the City of Minneapolis, with the amount not to exceed \$303,550;
 - Agreement PR00005946 with the City of Bloomington, with the amount not to exceed \$119,000;
 - Agreement PR00005948 with the City of Lakes Community Land Trust or affiliated entity, with the amount not to exceed \$220,000;
 - Agreement PR00005957 with 2545 Portland GP LLC or affiliated entity, with the amount not to exceed \$50,000;
 - Agreement PR00005962 with the City of Minneapolis, with the amount not to exceed \$202,790;
 - Agreement PR00005958 with the City of Minneapolis, with the amount not to exceed \$191,513;
 - Agreement PR00005949 with the Minneapolis Park and Recreation Board, with the amount not to exceed \$102,959;
 - Agreement PR00005955 with the City of Plymouth, with the amount not to exceed \$193,000;
 - Agreement PR00005953 with the City of Minneapolis, with the amount not to exceed \$189,913;
 - Agreement PR00005947 with the Three Rivers Park District, with the amount not to exceed \$222,913;
- and

BE IT FURTHER RESOLVED, that following review and approval by the County Attorney's Office, the County Administrator be authorized to sign the agreements on behalf of the county; that costs incurred by the grantees after the board approval date be eligible for reimbursement upon execution of the agreements; that the County Administrator be authorized to approve extensions of a 12-month period to the agreements; and that the Controller be authorized to disburse funds as directed.

Background:

The Environmental Response Fund (ERF) helps revitalize sites by providing funds to assess and clean up contamination. The grants reduce barriers to site improvement or redevelopment caused by the added costs of environmental cleanup and lessen the risk to human health and the environment posed by the contamination.

Minnesota Statutes, sections 383B.80 and 383B.81, authorize the county to collect a mortgage registry and deed tax for the purpose of establishing an environmental response fund. The board established the ERF in 1997 (Resolution 97 06 410R1) and authorized the grant program in 2001 (Resolution 01 615).

Since 2001, ERF has funded 468 projects totaling \$70,238,626.

Projects supported by ERF grants provide a variety of community benefits, including creating affordable and moderately priced housing, supporting economic development, improving green space, and making infrastructure improvements. Many ERF grants address environmental contamination in communities with significant disparities in health, including low-income areas and communities of color. Some of these sites become catalysts for new development in neighboring areas, which can help address racial disparities in housing, employment, and income.

As a major economic center for 150 years, the county has a concentration of contaminated sites. Much of this contamination was caused by chemical spills or improper disposal of hazardous waste prior to the existence of environmental regulations. These improper disposal practices of the past can still cause soil and groundwater pollution that present environmental risks today. In addition, many buildings in Hennepin County, particularly in Minneapolis and the inner ring suburbs, were constructed prior to 1970 when the use of asbestos and lead-based paint was prevalent.

Current Request: This request is to authorize the County Administrator to negotiate 12 ERF grant agreements during various periods, with the total combined amount not to exceed \$1,842,279.

In August 2023, the county solicited proposals from municipalities and nonprofit and for-profit developers. To maximize collaboration between funders, the timing of the ERF grant round coincides with additional contamination cleanup grant programs administered by the Minnesota Department of Employment and Economic Development and the Metropolitan Council.

The county received 14 applications. A committee of staff from Environment and Energy, Housing and Economic Development and Land Information and Tax Services reviewed the grant applications and recommended funding 12 projects. Applications were evaluated on:

- eligibility,
- project need,
- degree of contamination,
- appropriateness of the cleanup approach,
- creation or preservation of affordable and/or moderately priced market-rate housing,
- creation of economic development, and
- the readiness of the project to proceed.

The fall 2023 ERF requests recommended for approval are summarized as follows and are described in the attached report, “Environmental Response Fund Fall 2023 Funding Recommendations.”

- **3561 Minnehaha, Minneapolis** - \$25,000 for asbestos abatement costs associated with the construction of a mixed-use building comprised of 32 affordable housing units and approximately 1,550 square feet of commercial space. (Grantee: 3561 Minnehaha LLC)
- **Aster Commons, Richfield** - \$21,641 for assessment costs associated with the redevelopment of a vacant site into 38 deeply affordable housing units targeting young adults with neurodiverse conditions with select units set aside for High Priority Homeless and Persons with Disabilities. (Grantee: Aster Commons-GP LLC)
- **Avenues for Youth, Minneapolis** - \$303,550 for soil cleanup costs associated with the construction of eight temporary affordable housing units and 23 emergency beds for young adults facing homelessness or needing supportive services. (Grantee: City of Minneapolis on behalf of Avenues for Youth)
- **Bloomington 78th Street Project, Bloomington** - \$119,000 for soil cleanup costs associated with the development of a five-story apartment complex with 79 affordable and 122 market-rate housing units and onsite daycare center. (Grantee: City of Bloomington on behalf of Enclave Development, LLC)

- **CLCLT Homes - Fall 2023 - Minneapolis** - \$220,000 for lead and asbestos abatement costs associated with the rehabilitation of one duplex and nine affordable owner-occupied single-family homes. (Grantee: City of Lakes Community Land Trust)
- **Ebenezer Redevelopment, Minneapolis** - \$50,000 for assessment costs associated with renovating 110 small senior long-term care facility rooms into 54 new larger affordable residential units. (Grantee: 2545 Portland GP LLC)
- **Mikwanedun Audisookon Center for Art and Wellness, Minneapolis** - \$202,790 for soil cleanup costs associated with construction of a community center building to support youth programs, education, and work force development for the Native American community. (Grantee: City of Minneapolis on behalf of Indigenous People's Task Force)
- **Park Plaza, Minneapolis** - \$191,513 for asbestos and lead abatement costs associated with the rehabilitation of five six-story buildings with approximately 134 affordable housing units. (Applicant: City of Minneapolis on behalf of Trellis)
- **Powderhorn Park, Minneapolis** - \$102,959 for soil cleanup costs associated with the playground and landscape renovation at Powderhorn Park. (Grantee: Minneapolis Park and Recreation Board)
- **Prudential Campus Redevelopment, Plymouth** - \$193,000 for asbestos abatement costs associated with demolishing the existing building and constructing 20 affordable housing unit, 180 market rate units, and commercial space, with future construction plans to include a public park. (Grantee: City of Plymouth on behalf of Scannell Properties and Roers Companies - (SPRC Land Ventures Plymouth, LLC))
- **Snelling Yards Family Housing, Minneapolis** - \$189,913 for soil cleanup and vapor mitigation costs associated with the redevelopment of 90 affordable housing units with a portion targeted to veterans experiencing homelessness. (Grantee: City of Minneapolis on behalf of Snelling Yards Family Housing)
- **Sochacki Park Classroom Development, Robbinsdale** - \$222,913 for soil cleanup associated with the development of a one-story public park classroom building and associated park facilities. (Grantee: Three Rivers Park District)

This request also seeks approval for the county administrator to sign the agreements; allows the grantees to incur costs after the board approval date, with reimbursements being paid upon execution of the grant agreements; and authorizes the county administrator to approve extensions of a 12-month period to the grant agreements.

Impact/Outcome:

The recommended ERF grant awards will fund soil cleanup, vapor mitigation, asbestos and lead abatement, and pre-development assessments. The awards will also assist developments that increase the tax base, create permanent jobs, enhance green space, and create affordable and moderately priced market-rate housing. The recommended grants support the renovation or construction of 466 affordable housing units and 302 units of market-rate units.

ERF grants reduce environmental contamination and support projects in communities with disparities in health, housing, employment, and income. Many of the projects supported by these grants include the construction or renovation of buildings that incorporate sustainable features, including electric vehicle infrastructure, a solar array, and stormwater management, which support the county's climate action goals.

Recommendation from County Administrator: Recommend Approval