

HENNEPIN COUNTY
MINNESOTA

Environmental Response Fund
Spring 2025
Funding Recommendations



The Calvary Church/Belfry Apartments site in Minneapolis received a Spring 2022 ERF grant for asbestos abatement to support 41 units of deeply affordable housing. The redevelopment included construction of the Belfry Apartment building and renovation of the existing church buildings for use by the residents, church members, and a food shelf.

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Overview

Background

The Environmental Response Fund (ERF) helps revitalize properties by providing funding to assess and clean up contamination. This helps recipients overcome barriers that the cost of environmental cleanup poses to site improvement or redevelopment. Cleaning up these sites also reduces the risk to human health and the environment.

ERF grants are used for a variety of activities that provide community benefit, including:

- Assessment and cleanup of soil and groundwater
- Evaluation and abatement of asbestos and lead-based paint
- Protecting buildings and occupants from contaminated soil vapor building intrusion

Since 2001, ERF has funded 503 projects totaling \$80,590,792.60. Funding for the ERF grant program comes from the Hennepin County mortgage registry and deed tax that was authorized in 1997 under Minnesota Statutes, section 383B.80. The board established the ERF in 1997 (Resolution 97-06-410R1) and authorized the grant program in 2001 (Resolution 01-615).

Applications and review process

A committee of seven staff from Hennepin County's Environment and Energy, Housing and Economic Development, and Land Information and Tax Services departments reviewed the applications and made recommendations for funding. Applications were evaluated on project need, the risk posed by the contamination and the appropriateness of the cleanup approach, creation or preservation of affordable and/or moderately priced market-rate housing, the fostering of economic development, and the readiness of the project to proceed.

The timing of the ERF grant round coincides with contamination cleanup grant programs administered by the Minnesota Department of Employment and Economic Development (DEED) and the Metropolitan Council to maximize collaboration among the three funders.

Summary of award recommendations

Nine applications were received and reviewed. The committee recommends awarding seven grants totaling \$1,866,428. Details on funding recommendations for each project are provided in the individual application summaries that follow.

- **Clare Apartments, Minneapolis** — \$68,120 for additional assessment and installation of a soil vapor mitigation system in an existing affordable housing building. (Grantee: Clare Housing)
- **Little Earth Housing, Minneapolis** — \$135,058 for soil vapor mitigation system associated with the renovation of existing affordable housing. (Grantee: Little Earth of United Tribes Housing Corporation).
- **Minnesota Brownfields Brownfield Gap Financing Program** — \$400,000 to continue the Brownfields Gap Financing Program, which provides small environmental grants to government entities, non-profit organizations, and emerging developers. (Grantee: Minnesota Brownfields)
- **Northeast Green Campus Expansion, Minneapolis** — \$500,000 for disposal of contaminated soils and installation of active vapor mitigation system in a new affordable housing building. (Grantee: City of Minneapolis on behalf of Mississippi Watershed Management Organization)

- **Rogers Civic Campus Gateway Development, Rogers** — \$150,000 for soil cleanup associated with the development of a new city hall, police department and public plaza. (Grantee: City of Rogers).
- **Sochacki Park Water Quality Improvements, Robbinsdale** — \$477,000 for soil cleanup associated with the development of stormwater management ponds and landscaping improvements at an existing park. (Grantee: Three Rivers Park District)
- **Tibyan Community Center, Minneapolis** — \$136,250 requested for the installation of an active vapor mitigation system and sump reroute associated with the redevelopment of the building for use as a community center. (Grantee: City of St. Anthony Village on behalf of Tibyan Community Center)

The recommended ERF grant awards will fund soil cleanup, vapor mitigation, and assessment. The awards will also assist developments that increase the tax base, create or retain permanent jobs, and create or retain affordable housing. The recommended grants provide for the renovation or construction of 277 affordable housing units. ERF grants reduce environmental contamination and support projects in communities with disparities in health, housing, employment, and income.

Additional funding mechanisms

In addition to the ERF, Hennepin County offers several other funding mechanisms for brownfields assessment and cleanup.

Through grants from the U.S. Environmental Protection Agency (EPA), Hennepin County has low-interest loans available for brownfields cleanup from its Revolving Loan Fund (RLF) program.

Hennepin County also provides funding for brownfields environmental assessments to cities and nonprofit organizations on a rolling basis. This assessment funding comes from the county's RLF loan repayment proceeds and the Minnesota Brownfields Gap Financing Program (funded through an ERF grant).

These flexible funding sources have helped many organizations develop the environmental assessment information needed to submit applications to the ERF, DEED, and the Metropolitan Council for cleanup funding. Five of the ERF Spring 2025 applicants have received assessment funding from one or more these other county funding sources.

Application summaries

Summaries of the individual applications received are attached to this report and include a description of each project and the funding rationale.

Key of acronyms

Affordable Housing Incentive Fund (AHIF)

Area Median Income (AMI)

Black, Indigenous, and People of Color (BIPOC)

Capital Improvement Plan (CIP)

Full Time Equivalent (FTE)

Human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS)

Minnesota Department of Employment and Economic Development (DEED)

Minnesota Park and Recreation Board (MPRB)

Minnesota Pollution Control Agency (MPCA)

Polychlorinated biphenyls (PCBs)

Polycyclic Aromatic Hydrocarbons (PAHs)

Transit Oriented Communities (TOC)

United States Environmental Protection Agency (EPA)

Volatile Organic Compounds (VOCs)

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Clare Apartments

Address: 929 Central Avenue NE, Minneapolis

Applicant: Clare Housing

Property owners: Clare Apts Ltd Ptrnshp Et Al

Recommended award: \$68,120 (\$68,120 requested)

Award recommendation

The activities are eligible for funding. The recommended award is equal to the amount requested in the grant application.

Previous ERF awards: Minnesota Brownfields Gap Financing Program (ERF funded) – \$15,346 in 2025.

Other funding sources

- Hennepin County AHIF: \$500,000 (committed)

Economic development/housing impact

- Renovation of 32 affordable housing units consisting of 16 studio and 16 one-bedrooms at 30% of the AMI
- Retains 24 FTEs

Site description:

Multi-tenant residential building consisting of 32- units of supportive and affordable housing for individuals living with HIV/AIDS.

Contamination issues: Soil vapor contaminated with petroleum.

Project plans: Rehabilitation of the existing residential building.

Requested use of ERF grant: Funding for additional soil vapor assessment and installation of a soil vapor mitigation system.



The Curve Northeast

Address: 1501 Johnson Street NE, Minneapolis

Applicant: City of Minneapolis on behalf of the Quarry Developers LLC

Property owner: Minneapolis Park Property LLC

Recommended award: \$0 (\$81,606 requested)

Award recommendation

The applicant applied for funding from both the ERF program and the Metropolitan Council. The Metropolitan Council has agreed to fund the ERF request in addition to the request they received, which will reduce the administrative burden for the grantee.

Previous ERF awards: None

Other funding sources

- Metropolitan Council: \$477,000 (committed)
- DEED: \$652,849 (requested)

Economic development/housing impact

- Increases the tax base
- Estimated 75 new FTEs
- Providing childcare and grocery store options

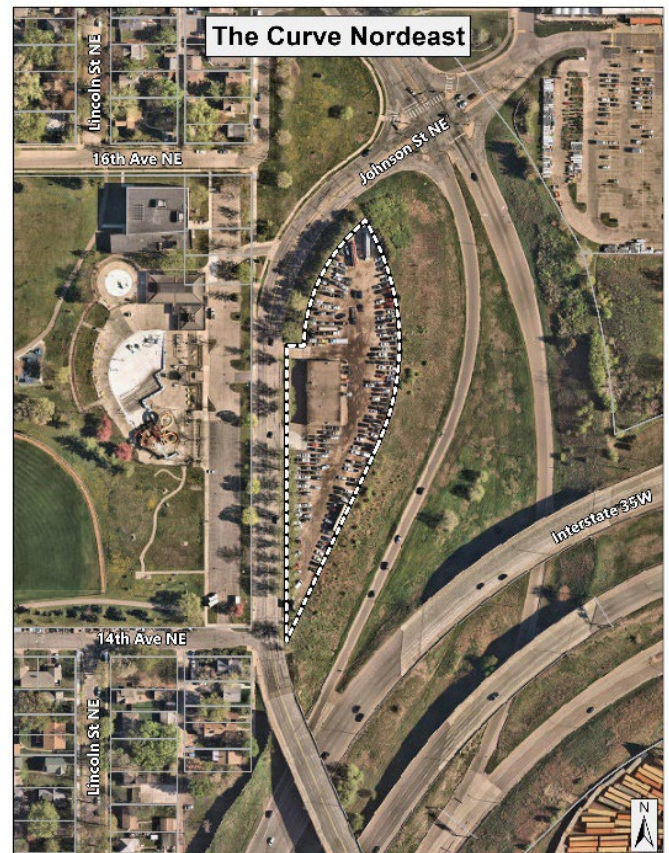
Site description:

Former office and light industrial storage and maintenance building.

Contamination issues: Soil contamination solvents, PAHs and PCBs. Soil vapor contaminated with solvents.

Project plans: Construction of a mixed-use building with a daycare and grocery store.

Requested use of ERF grant: Funding for installing of a soil vapor mitigation system.



Little Earth Housing

Address: 2501 Cedar Avenue S, Minneapolis

Applicant: Little Earth of United Tribes Housing Corporation

Property owner: Little Earth of United Tribes Housing Corporation

Recommended award: \$135,058 (\$135,058 requested)

Award recommendation

The activities are eligible for funding. The recommended award is equal to the amount requested in the grant application.

Previous ERF awards: Minnesota Brownfields Gap Financing Program (ERF funded) — \$32,284 in 2015 and \$21,106 in 2024

Other funding sources

- Hennepin County AHIF \$1.7M (committed)
- Metropolitan Council \$2M (committed)

Economic development/housing impact

- Increases the property value
- Estimated 26 retained FTE
- Renovates 212 units priced at 30% of the AMI. Unit size ranges from studio to five-bedrooms.

Site description

The site is currently residential housing for the Little Earth Native Community and was historically occupied by a machine shop, school, and other residential properties.

Contamination issues: Soil vapor contaminated with solvents.

Project plans: Renovation of existing 212 residential units.

Requested use of ERF grant: Funding for installing of a soil vapor mitigation system.



Minnesota Brownfields Brownfield Gap Financing Program

Address: County-wide, multi-site (to be determined)

Applicant: Minnesota Brownfields

Property owners: Various (to be determined)

Recommended award: \$400,000 (\$400,000 requested)

Award recommendation

The activities are eligible for funding. The recommended award is equal to the amount requested in the grant application.

Previous ERF awards:

\$400,000 Spring 2024, \$200,000 Fall 2022, \$200,000 Fall 2021, \$200,000 Fall 2020, \$225,000 Fall 2019, \$200,000 Fall 2018, \$200,000 Fall 2017, \$250,000 Fall 2016, \$200,000 Fall 2015, \$150,000 Fall 2014, and \$150,000 Fall 2013

Other funding sources

- None

Economic development/housing impact

- Will promote affordable housing and neighborhood level economic development
- Program success in Hennepin County inspired Ramsey County to create a similar program, expanding brownfields site assistance regionally
- Over ¼ of recent applicants are emerging developers

Site description:

The county established the Brownfields Gap Financing (BGF) Program in 2007 to provide timely funding for local units of government and non-profit organizations to address smaller-scope environmental issues for projects with limited budgets. Minnesota Brownfields, a non-profit organization, has administered the program since 2013. Projects requesting assistance from the program submit applications on a rolling basis and are evaluated by Minnesota Brownfields and county staff. This grant round, five projects were also assisted by BGF Program grants: Clare Apartments, Little Earth Housing, Northeast Green Campus Expansion, Penn Station Apartments, and Rogers Civic Campus Gateway Development.

The current funding request reflects continuation of 2024 changes to the program. These changes included increasing the maximum award per site to \$25,000 to reflect current rates for environmental services and expanding the list of eligible applicants to include for-profit emerging developers. These changes made the program consistent with a similar BGF program in Ramsey County and reflective of Hennepin County goals on supporting historically marginalized groups with overcoming financial barriers.

Contamination issues: To be determined.

Project accomplishments: As of May 2025, Minnesota Brownfields has committed 56% of the funds from the last grant award of \$400,000 in Spring 2024. Full expenditure of remaining funds is expected before the end of 2025. Since 2013, 121 affordable housing projects, 22 school and community garden projects, 29 neighborhood revitalization projects, 15 projects related to arts and culture, and 23 projects related to youth, family, and health services have benefited from the BGF Program.

Requested use of ERF grant: Funding for environmental assessment to support the continuation of the BGP Program.

Northeast Green Campus Expansion

Addresses: 1900, 1912, and 1922 Monroe Street NE, and 661 19th Avenue NE, Minneapolis

Applicant: City of Minneapolis on behalf of Mississippi Watershed Management

Organization (MWMO)

Property owners: MWMO

Recommended award: \$500,000 (\$908,560 requested)

Award recommendation

The activities are eligible for funding. The recommended award is less than the amount requested in the grant application. The Metropolitan Council has agreed to fund the \$408,500 of the reduced amount to allow the ERF program to provide more funding to other projects. Additionally, ERF staff intend to pursue a subgrant from Hennepin County's RLF later in 2025 to support this project. The RLF is funded through a grant from the U.S. Environmental Protection Agency. If possible, RLF funds will be used in lieu of the ERF award recommendation.

Previous ERF awards: Fall 2015 — \$250,000 awarded for partial cleanup and abatement (different applicant); Minnesota Brownfield Gap Financing Program (ERF funded) — \$9,908 in 2024

Other funding sources

- DEED \$759,333 (requested)
- Metropolitan Council \$965,500 (committed)
- Assessment funds from Hennepin County RLF loan repayment proceeds \$7,377 (committed)

Economic development/housing impact

- Increases the property value
- Estimated 15 new FTE
- Creates 33 new affordable housing units consisting of one-bedrooms at or below 30% of the AMI.

Site description:

Vacant lot historically occupied by a metal plating facility.

Contamination issues: Soil contaminated with metals, petroleum, VOCs, PAHs, and cyanide. Groundwater contaminated with metals, petroleum, VOCs, PFAS, and pentachlorophenol. Soil vapor contaminated with VOCs.

Project plans: Development of a new affordable housing building for individuals living with



HIV/AIDS, stormwater management and re-use systems, and an urban agricultural lab intended for youth education.

Requested use of ERF grant: Funding for soil cleanup, removal of concrete slabs and footings, and installation of a soil vapor mitigation system.

Penn Station Apartments

Address: 6501 and 6252 Penn Avenue S, Richfield

Applicant: City of Richfield Housing and Redevelopment Authority on behalf of Penn Station Apartments LLLP

Property owners: City of Richfield Housing and Redevelopment Authority

Recommended award: \$0 (\$150,191 requested)

Award recommendation

The applicant applied for funding from both ERF program and the Metropolitan Council. The Metropolitan Council has agreed to fund the ERF request in addition to the request they received, which will reduce the administrative burden for the grantee.

Previous ERF awards: Minnesota Brownfield Gap Financing Program (ERF funded) — \$24,950 in 2025

Other funding sources

- Hennepin County HOME funding — \$875,000 (committed)
- Met Council - \$1.15M (committed)

Economic development/housing impact

- Increases the tax base
- Estimated one new FTE
- Creates 42 new affordable housing units consisting of 8 one-bedrooms, 22 two-bedrooms, 8 three-bedrooms, and 8 four-bedrooms. Proposed 16 units at or below 30% of the AMI and 26 units at or below 60% of the AMI.

Site description:

Vacant land and building historically occupied by commercial businesses including an automotive repair, cabinet making, electronic repair, and a motorcycle dealership.

Contamination issues: Metals and solvents in soil, and solvents and petroleum in soil vapor. Asbestos-containing materials in the vacant building.

Project plans: Development of a new 42-unit affordable residential building.

Requested use of ERF grant: Funding for excavation, transportation, and disposal of contaminated soil, installation of a soil vapor mitigation system, and abatement of asbestos-containing building material.



Rogers Civic Campus Gateway Development

Address: 13007-13017 Main Street, Rogers MN

Applicant: City of Rogers

Property owner: City of Rogers

Recommended award: \$150,000 (\$500,000 requested)

Award recommendation

The activities are generally eligible for funding. The recommended award is reduced to exclude ineligible costs associated with soil management for a portion of the site.

Previous ERF awards: Minnesota Brownfields Gap Financing Program (ERF funded) — \$3,150 in 2023 and \$6,150 in 2024

Other funding sources

- Assessment funds from Hennepin County Revolving Loan Fund loan repayment proceeds: \$53,000 (committed)

Economic development/housing impact

- Estimated 10-15 new and 80 retained FTEs
- Adds public plaza to vacant downtown.

Site description

The site is an industrial storage facility, and historical operations were a residential building, gas station, and truck repair station.

Contamination issues: Soils are contaminated with petroleum.

Project plans: Construct a new city hall, police department, public parking, and public plaza.

Requested use of ERF grant: Funding for soil cleanup.



Sochacki Park Water Quality Improvements

Address: 3500 June Avenue North, Robbinsdale

Applicant: Three Rivers Park District

Property owner: City of Robbinsdale

Recommended award: \$477,000 (\$1,908,900 requested)

Award recommendation

The activities are eligible for funding. The recommended award is reduced due to the funding available this round. This project scored low in comparison with other applications received. A portion of this project can proceed with partial ERF assistance. It is recommended that the applicant consider phasing cleanup activities to pursue additional funding needs in future grant rounds.

Previous ERF awards: Spring 2023 \$220,000

Other funding sources

- None

Economic development/housing impact

- Creates new stormwater management areas to improve water quality in an underserved community.

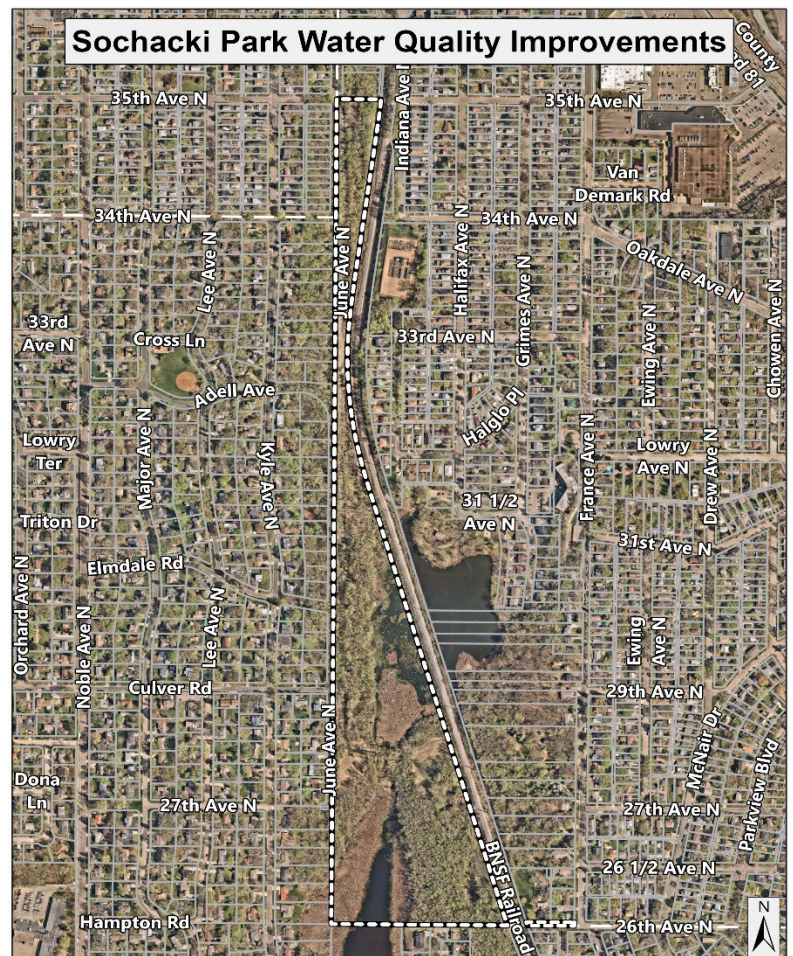
Site description

A regional park formerly occupied by an unpermitted dump.

Contamination issues: Soil contaminated with petroleum, metals, PAHs, and PCBs.

Project plans: Landscape improvements and creation of four stormwater ponds.

Requested use of ERF grant: Funding for a portion of soil cleanup costs.



Tibyan Community Center

Address: 2401 Lowry Avenue NE, City of St. Anthony Village

Applicant: City of St. Anthony Village on behalf of Tibyan Community Center

Property owner: Tibyan Community Center

Recommended award: \$136,250 (\$136,250 requested)

Award recommendation

The activities are eligible for funding. The recommended award is equal to the amount requested in the grant application.

Previous ERF awards: Fall 2022 \$265,825 for a different applicant and development plan, subsequently relinquished when project did not proceed.

Other funding sources

- None

Economic development/housing impact

- New community center with intent to serve BIPOC community with a focus on the Somali and East African immigrant community

Site description:

Vacant commercial building.

Contamination issues: Soil contaminated with metals, and soil vapor contaminated with VOCs.

Project plans: Reuse and eventual renovation of existing building for a community center.

Requested use of ERF grant: Funding for soil vapor mitigation and associated building repair required to prevent exposure to contaminants.

