

HENNEPIN COUNTY
MINNESOTA

Environmental Response Fund
Fall 2024
Funding Recommendations



Vista 44 Apartments in Hopkins received Fall 2020 ERF and Spring 2022 ERF grants to clean up contaminated soil and install a soil gas vapor mitigation system. This formerly vacant property has been replaced with a residential apartment building that provides supportive housing for low-income families, and people experiencing serious and persistent mental illness or other disabling behavioral health conditions. The building includes 25 units set aside for high priority households.

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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 gas vapor building intrusion

Since 2001, ERF has funded 496 projects totaling \$78,425,737. 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

Eleven applications were received and reviewed. The committee recommends awarding seven grants totaling \$2,165,055. Details on funding recommendations for each project are provided in the individual application summaries that follow.

- **Cedar Lake Road and Louisiana Avenue Improvements, St. Louis Park** — \$600,000 requested for soil cleanup and dewatering costs associated with the conversion of an at-grade roadway intersection into a roundabout. (Grantee: City of St. Louis Park) Recommended award: \$0
- **Cheatham Apartments Site, Minneapolis** — \$1,086,548 requested for soil cleanup, asbestos and lead abatement, demolition, and underground storage

tank removal. (Grantee: City of Minneapolis on behalf of Trellis Co.) Recommended award: \$777,265

- **CLCLT Homes – Fall 2024, Minneapolis** — \$480,000 requested for asbestos and lead-based paint abatement associated with the rehabilitation of 21 affordable owner-occupied single-family homes. (Grantee: City of Lakes Community Land Trust) Recommended award: \$480,000
- **Debre Selam Medhanealem Ethiopian Orthodox Tewahedo Church Site, Minneapolis** — \$437,000 requested for additional soil cleanup costs associated with the development of a church. (Grantee: Debre Selam Medhanealem Ethiopian Orthodox Tewahedo Church) Recommended award: \$81,057
- **Hamel Road Apartments, Medina** — \$215,251 requested for soil cleanup, disposal of contaminated groundwater, and soil gas vapor assessment costs associated with the development of a multi-unit, market-rate residential building. (Grantee: Medina Apartments, LLC) Recommended award: \$79,779
- **Hennepin Lead-Safe Housing 2024** — \$300,000 requested for continued assistance of a countywide program that performs lead-based paint abatement in residential homes occupied by low-income households with young children. (Grantee: Hennepin County Housing and Economic Development) Recommended award: \$300,000
- **Mwanyagetinge, Brooklyn Center** — \$1,000,000 requested for research, education, and continued outreach. (Grantee: Mwanagetinge) Recommended award: \$0
- **Rise Up Center, Minneapolis** — \$76,650 requested for soil gas vapor mitigation system associated with redevelopment community assistance and workforce development center. (Grantee: City of Minneapolis on behalf of Tending the Soil MN) Recommended award: \$0
- **Soo Line Gardens, Minneapolis** — \$678,197 requested for soil cleanup costs associated with an existing community garden. (Grantee: Minneapolis Park and Recreation Board) Recommended Award: \$0
- **The Springs, Minneapolis** — \$427,904 requested for soil cleanup, soil gas vapor mitigation system installation, demolition, and lead dust and asbestos abatement associated with renovation of an existing residential building and construction of an additional four-story, multi-unit residential building. (Grantee: City of Minneapolis on behalf of Minneapolis Public Housing Authority) Recommended award: \$364,134
- **Whittier Park, Minneapolis** — \$233,905 requested for soil cleanup costs associated with park amenities, stormwater infiltration, and landscape renovation. (Grantee: Minneapolis Park and Recreation Board) Recommended award: \$82,820

The recommended ERF grant awards will fund soil cleanup, vapor mitigation and sampling, abatement activities, and assessment. The awards will also assist developments that increase the tax base, create or retain permanent jobs, and create and retain affordable housing. The recommended grants provide for the renovation or construction of 346 affordable and 89 market-rate housing units, including 20 units set aside for families experiencing homelessness. Affordable housing units include single-family and multi-family occupants. 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. Four of the ERF Fall 2024 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)

Full Time Equivalent (FTE)

Minnesota Department of Employment and Economic Development (DEED)

Minnesota Park and Recreation Board (MPRB)

Minnesota Pollution Control Agency (MPCA)

Polycyclic Aromatic Hydrocarbons (PAHs)

Transit Oriented Communities (TOC)

United States Environmental Protection Agency (EPA)

Volatile Organic Compounds (VOCs)

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Cedar Lake Road and Louisiana Avenue Improvements

Address: Intersection of Cedar Lake Road and Louisiana Avenue, St. Louis Park, MN

Applicant: City of St. Louis Park

Property owners: City of St. Louis Park and Mak Property Management LLC

Recommended award: \$0 (\$600,000 requested)

Award recommendation

The project is not recommended for funding due to ERF budget limitations and the relatively low levels of contamination identified. This project ranked low in comparison to other applications received.

Previous ERF awards: None.

Other funding sources

- None

Economic development/housing impact

- Improved traffic flow and safety through a busy commercial and residential intersection.

Site description:

Public road intersection historically adjoined by gasoline filling stations.

Contamination issues: PAH impacts to soil and groundwater.

Project plans: Renovation of existing at-grade intersection with a roundabout and sidewalks.

Requested use of ERF grant: Funding for contaminated soil cleanup and treatment of groundwater during construction dewatering.



Cheatham Apartments

Address: 3716 Cheatham Avenue, Minneapolis
Applicant: City of Minneapolis on behalf of Trellis Co.
Property owner: Checkerboard LLC

Recommended award: \$777,265 (\$1,086,548 requested)

Award recommendation

The activities are eligible for funding. The recommended award reflects a reduction to exclude \$69,283 ineligible costs associated with excavation for an underground parking lot and soil management for a portion of the site where sample analytical data does not support evidence of contamination. The recommended award also reflects an additional \$240,000 reduction, which the Metropolitan Council has agreed to fund that then allows us to provide more funding to other projects.

Previous ERF awards: Minnesota Brownfields Gap Financing Program (ERF funded) — \$14,706 in 2023, and \$4,450 in 2024; Fall 2018 ERF \$290,000 (relinquished).

Other funding sources

- Hennepin County Assessment Grant \$19,435 (2024)
- Hennepin County AHIF \$943,612 (committed)
- Metropolitan Council \$1,086,548 (requested)

Economic development/housing impact

- Increases the tax base
- Estimated five new FTEs
- Cleanup blighted vacant property
- 20 units designated for families experiencing homelessness, 32 project based vouchered units
- Adds 98 units at 30% to 50% AMI
- Adds 120 units of workforce housing at moderately priced market rates

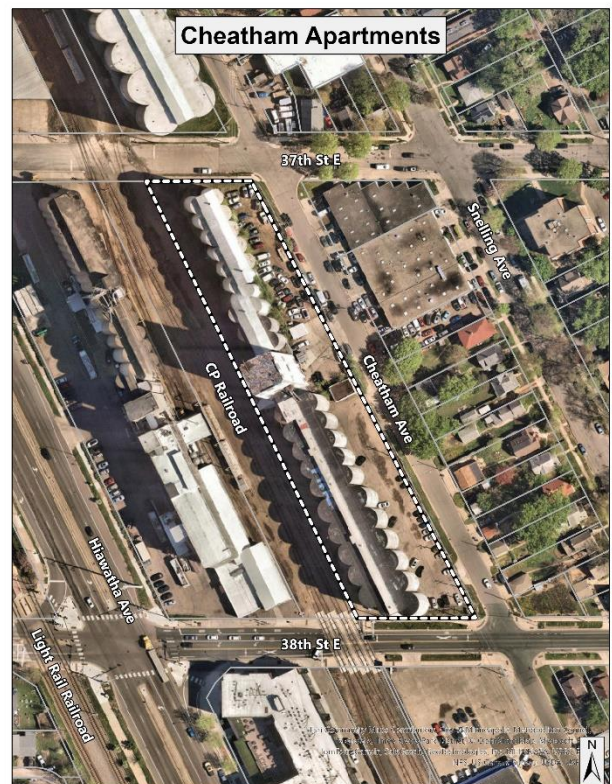
Site description

Vacant former industrial grain silos and headhouse.

Contamination issues: Soil contaminated with petroleum & PAHs, metals, asbestos and lead building materials and solvent impacts in groundwater.

Project plans: Construction of new multi-story affordable and market rate residential buildings and commercial space.

Requested use of ERF grant: Funding for soil cleanup, ACM and lead abatement.



CLCLT Homes – Fall 2024

Addresses: 1026 Irving Ave N, 1134 James Ave N, 1714 Irving Ave N, 1923 Willow Ave N, 2308 Elliot Ave S, 2314 Elliot Ave S, 2424 17th Ave S, 2506 James Ave N, 2833 30th Ave S, 3015 Colfax Ave N, 3204 Elliot Ave, 3318 N 6th St, 3406 Penn Ave N, 3709 24th Ave S, 3909 11th Ave S, 3937 23rd Ave S, 4033 16th Ave S, 4209 41st Ave S, 5246 Knox Ave N, 5305 46th Ave S, 5317 41st Ave S, Minneapolis

Applicant: City of Lakes Community Land Trust (CLCLT)

Property owners: Buildings are owned by the homeowner, and the land is owned by CLCLT to preserve affordability.

Recommended award: \$480,000 (\$480,000 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: 91 homes through nine previous ERF grants (\$220,000 Fall 2023, \$175,000 Fall 2022, \$270,000 Fall 2021, \$150,000 Fall 2020, \$200,000 Fall 2018, \$225,000 Fall 2017, \$230,000 Fall 2016, \$115,000 Fall 2015, and \$170,000 Fall 2014)

Other funding sources

- Hennepin County AHIF \$205,000 (committed)
- Metropolitan Council \$67,000 (committed)

Economic development/housing impact

- Creates and preserves permanently affordable single-family housing. The CLCLT program provides a pathway for low-income families to become homeowners with support and has an emphasis on improving minority homeownership rates.

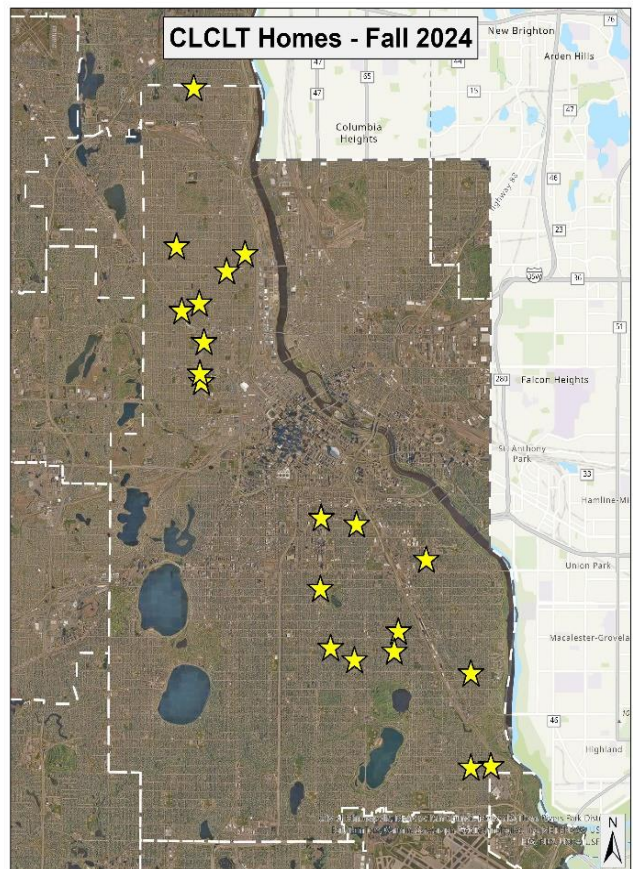
Site description:

Occupied single-family homes.

Contamination issues: Asbestos-containing materials and lead-based paint are present in the existing homes.

Project plans: Rehabilitation of single-family homes in exchange for making the homes permanently affordable.

Requested use of ERF grant: Funding for asbestos and lead-based paint abatement.



Debre Selam Medhanealem Ethiopian Orthodox Tewahedo Church

Address: 2629 30th Avenue South, Minneapolis

Applicant: Debre Selam Medhanealem Ethiopian Orthodox Tewahedo Church

Property owners: Debre Selam Orthodox Church

Recommended award: \$81,057 (\$437,000 requested)

Award recommendation

The activities are eligible for funding. However, new analytical data provided during the application review process indicated that the volume of contaminated soil is significantly smaller than the applicant originally anticipated. Therefore, the recommended award has been reduced to match the reduced volume of contaminated soil requiring disposal.

Previous ERF awards: Minnesota Brownfields Gap Financing Program (ERF funded)
\$12,000 in 2016, \$572,800 ERF Spring in 2022

Other funding sources

- Assessment funds from Hennepin County Revolving Loan Fund loan repayment proceeds: \$29,000

Economic development/housing impact

- Estimated 10 new FTEs and 11 retained FTEs
- Redevelopment of a vacant site

Site description:

The site has been vacant since 2014. Historically, the site was used for industrial purposes including elevator equipment manufacturing and painting, and automobile repair.

Contamination issues: Soil is contaminated with petroleum, metals, and PAHs. Groundwater and soil vapor are contaminated with solvents.

Project plans: Construct a new church building with Sunday school classrooms.

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



Hamel Road Apartments

Address: 500 Hamel Road, Medina

Applicant: Medina Apartments, LLC

Property owners: Medina Apartments, LLC

Recommended award: \$79,779 (\$215,251 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 where sample analytical data does not support evidence of contamination.

Previous ERF awards: None

Other funding sources

- Metropolitan Council: \$738,005.09 (requested)
- DEED: \$384,377.66 (requested)

Economic development/housing impact

- Increases the tax base
- Estimated two new FTEs
- Creates 89 new market-rate housing units consisting of 18 studios, 29 one-bedrooms, 30 two-bedrooms, and 12 three-bedrooms

Site description:

Vacant land with a stormwater pond that was historically agricultural land and wetland which was filled with debris.

Contamination issues: PAHs in soil and arsenic and PAHs in groundwater.

Project plans: Development of a new 89-unit residential building.

Requested use of ERF grant: Funding for excavation, transportation, and disposal of contaminated soil, disposal of contaminated groundwater (if encountered), and additional soil vapor sampling.



Hennepin Lead-Safe Housing 2024

Address: Multiple homes throughout Hennepin County

Applicant: Hennepin County Housing and Economic Development Department

Property owner: Individual property owners

Recommended award: \$300,000 (\$300,000 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: \$300,000 Fall 2021; \$300,000 Fall 2019; \$200,000 Fall 2016; \$150,000 Spring 2014; \$150,000 Spring 2010; \$150,000 Spring 2006; \$250,000 Spring 2004; \$29,350 Spring 2002

Other funding sources

- Hennepin County HRA \$150,000 (expended) and \$150,000 (requested for 2025)

Economic development/housing impact

- The grant will preserve existing affordable housing units while improving health outcomes by reducing lead-based paint hazards that have disproportionately impacted low-income communities and communities of color. The target population for this grant are families with a household income below 80% AMI with a child under age six.

Site description:

Occupied residences.

Contamination issues: The lead-based paint hazard control program includes assessment and abatement or removal of lead-paint hazards including lead in soils.

Project plans: ERF funds will be used as matching funds to the HUD Office of Lead Hazard Control and Healthy Homes FY22 Lead Hazard Reduction Grant to create at least 300 lead-safe housing units by the end of 2026.

Requested use of ERF grant: Funding for a portion of lead-based paint abatement.

Mwanyagetinge

Address: None provided

Applicant: Mwanagetinge

Property owner: None provided

Recommended award: \$0 (\$1,000,000 requested)

Award recommendation

The request is ineligible for ERF funding because it does not include the assessment or cleanup of contamination. The applicant instead requests funding to conduct regional environmental inventories and to conduct education and outreach to residents on the environmental risks posed by contaminated sites. Hennepin County staff will follow-up with the applicant to provide guidance on existing regional environmental databases and resources and to discuss alternative programs for funding.

Previous ERF awards: None

Other funding sources

- None

Economic development/housing impact

- None specified

Site description:

No site description was provided.

Contamination issues: None provided.

Project plans: Conduct a baseline survey to identify environmental issues in Hennepin County; educate the public about the identified environmental issues; partner with local governments, businesses, and organizations to promote sustainable practices; and implement a related monitoring and evaluation framework.

Requested use of ERF grant: Funding for research, training, education, outreach, and collaboration.

Rise Up Center

Address: 2820 and 2828 Hennepin Avenue, Minneapolis

Applicant: City of Minneapolis on behalf of Tending the Soil MN

Property owner: YWCA of Minneapolis

Recommended award: \$0 (\$76,650 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: None

Other funding sources

- Hennepin County TOC: \$500,000 (pending request)
- Metropolitan Council: \$213,415(requested)
- DEED: \$1,500,000 (requested)

Economic development/housing impact

- Increases the tax base
- Estimated 119 new and/or retained FTEs
- Providing job training, education, and workforce development

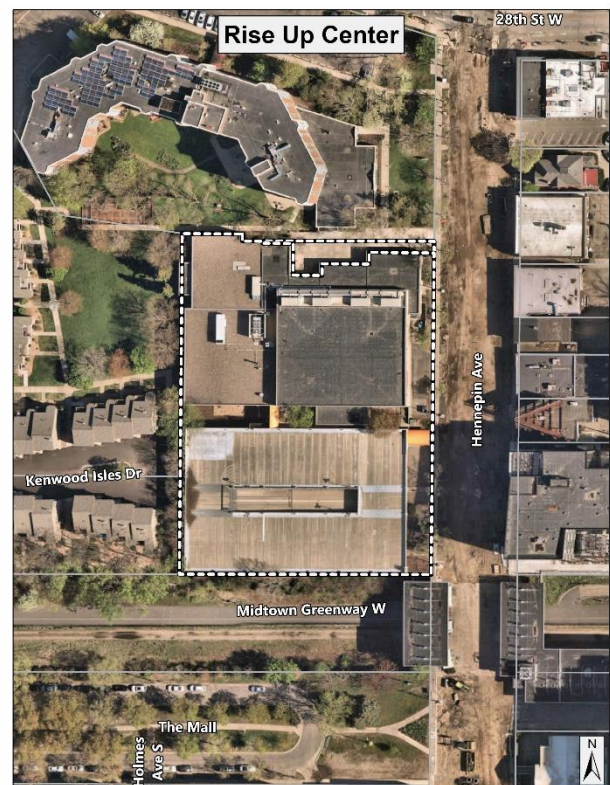
Site description:

Former YWCA athletic facility and gasoline filling station. Adjacent to historical dry cleaners, auto repair shops, and a printer.

Contamination issues: Soil vapor contaminated with solvents.

Project plans: Renovation of existing building into community assistance and workforce development center that is focused on the needs of BIPOC individuals facing barriers to economic stability and advancement. Facility will include job training and employment opportunities in clean energy and construction. Intent is to provide onsite childcare.

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



Soo Line Community Garden

Address: 2845 Garfield Avenue, Minneapolis

Applicant: Minneapolis Park and Recreation Board

Property owner: Minneapolis Park and Recreation Board

Recommended award: \$0 (\$678,197 requested)

Award recommendation

This project ranked low in comparison to other applications received and is not recommended for funding due to ERF budget limitations.

Previous ERF awards: None

Other funding sources

- City Wide Community Gardening Program
Minneapolis general fund \$54,000 (committed)

Economic development/housing impact

- Resumes use as a community garden
- Removes impacted soil

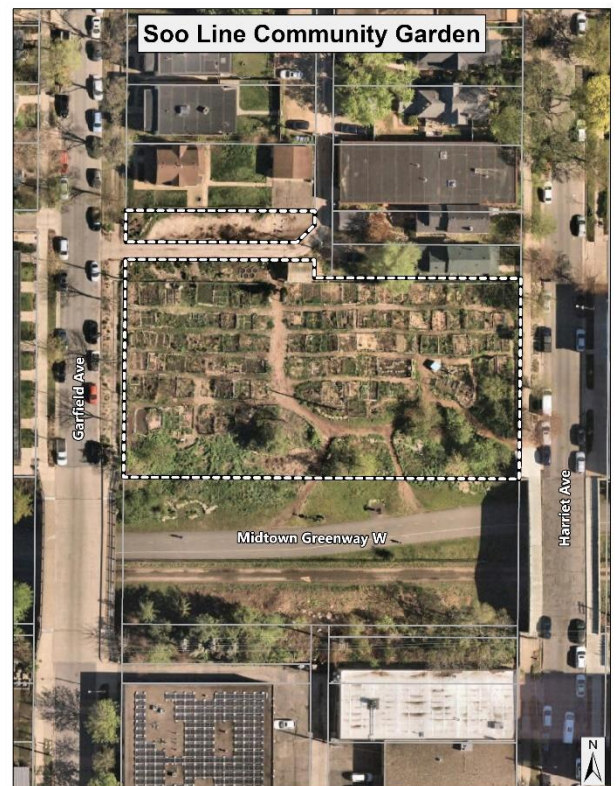
Site description

Existing community garden formerly occupied by a commercial grain elevator.

Contamination issues: Soil contaminated with petroleum and PAHs.

Project plans: Redesign and restoration as community garden.

Requested use of ERF grant: Funding for soil cleanup



The Springs

Address: 809 and 828 Spring Street NE, Minneapolis

Applicant: City of Minneapolis on behalf of Minneapolis Public Housing Authority

Property owner: Minneapolis Public Housing Authority

Recommended award: \$364,134 (\$427,904 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 where sample analytical data does not support evidence of contamination.

Previous ERF awards: Minnesota Brownfields Gap Financing Program (ERF funded) — \$14,955 in 2024

Other funding sources

- LIHTC Equity: \$24,675,485 (pending)
- Minneapolis City Budget Line Item: \$1,300,000 (pending)
- Public housing levy: \$6,000,000 (committed)
- Sales Tax Rebate: \$1,200,000 (committed)

Economic development/housing impact

- Increases the tax base
- Estimated one new FTE
- Adds 15 units and renovates 221 units priced at 30% and 60% of the AMI

Site description

Two parcels developed with multi-tenant residential buildings. 828 Spring Street NE was historically a machine shop and featured a petroleum underground storage tank.

Contamination issues: Soil and soil vapor contaminated with petroleum products and soil vapor contaminated with tetrachloroethene. Asbestos identified at both buildings and lead dust identified at 828 Spring Street NE.

Project plans: Renovation of existing 221 residential units and development of a new four-story residential building featuring 15 residential units.

Requested use of ERF grant: Funding for asbestos abatement at 809 and 828 Spring Street NE, lead dust abatement at 828 Spring Street NE, excavation, transportation, and disposal of contaminated soil and installing of a soil vapor mitigation system at 828 Spring Street NE.



Whittier Park

Address: 2600 Grand Avenue S, Minneapolis

Applicant: Minneapolis Park and Recreation Board

Property owner: Minneapolis Park and Recreation Board

Recommended award: \$82,820 (\$233,905 requested)

Award recommendation

The applicant's request includes ineligible costs. The recommended award is reduced to exclude ineligible costs associated with excavation and soil management for a portion of the site where sample analytical data does not support the presence of contamination.

Previous ERF awards: Minnesota Brownfields Gap Financing Program (ERF funded), \$14,418 in 2023

Other funding sources

- Hennepin County Youth Sports Program: \$100,000 (committed)
- MPRB: \$800,000 (committed)

Economic development/housing impact

- Estimated two to five retained FTEs
- Creates new park amenities in an underserved community

Site description

A city municipal park and recreation center.

Contamination issues: Soil contaminated with metals (arsenic and lead).

Project plans: Replacement and expansion of existing park amenities, addition of new amenities, and installation of stormwater management features.

Requested use of ERF grant: Funding for soil cleanup.

