# Housing and Development in Pittsburgh: Lessons from Minneapolis' Corridor Housing Initiative

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### **Executive Summary**

Minneapolis' Corridor Housing Initiative (CHI) has been able to address housing problems similar to those in Pittsburgh by orchestrating a collaborative effort among community members, designers, technical teams and financial experts. The participants work together to design mixed-use buildings that will provide housing for individuals and families with a range of incomes, in locations close to retail and office space for businesses, all centered on public transit options. Pittsburgh should look to the CHI program for guidance, especially as the city makes plans to redevelop parts of the downtown area. With the help of community members invested in Pittsburgh's future, a program modeled after CHI will help adjust Pittsburgh's "economic trajectory" by designing affordable housing units, engaging in transit oriented development, and emphasizing the importance of green design in new buildings. Compared to other redevelopment planning methods currently employed in Pittsburgh, a program similar to CHI will be more effective in achieving a consensus among stakeholders, using resources efficiently, and making progress happen faster.

As 2008 marks the 250<sup>th</sup> anniversary of Pittsburgh, Pennsylvania, the Allegheny Conference on Community Development is celebrating the milestone with promotional campaigns that characterize Pittsburgh as a city with a rich history, a great capacity for innovation, and the title of "most livable city" in 2007. For the first time since 1985, Pittsburgh earned the controversial title from the Places Rate Almanac. Proponents of Pittsburgh hope that the title challenges misconceptions, widely held by people unfamiliar with the region, that Pittsburgh is a dying city, one that is losing population, and cannot retain young professionals. My research suggests that with a little effort and focus on redevelopment, Pittsburgh can improve even on this record and dispel further, persistent misconceptions.

Already, more people have been recognizing that Pittsburgh has a bright future.

Last year, Pittsburgh was ranked #26 (in a 7-way tie) on the Economist Intelligence Unit's list of global livability rankings, which considered each city's ability to reinvent itself.<sup>2</sup> In 2006, the rate of growth in venture capital was greater in Pittsburgh than in any other American city, although the city has since dropped to the #2 ranking.<sup>3</sup> The downtown housing market has begun to pick up, too, as more apartments and condominiums are being planned and built; in addition to the 246 condominiums that are currently being built downtown, 1,300 more are on the way. By 2010, 2,000 more residents will be added to the 3,500 already living in downtown Pittsburgh.<sup>5</sup> However, a 2005 study by Carnegie Mellon graduate students at the Heinz School of Public Policy and Management predicts that the demand for downtown housing, especially among young professionals and parents with

grown children, exceeds the current supply.<sup>6</sup> This market imbalance is an opportunity for further development of the downtown area.

By employing a strategy that combines thoughtful planning with innovative design, Pittsburghers can revitalize the downtown area, attract more residents to the region, and offer an even higher quality of life to residents. Housing will be one of the main ways to affect improvements in the Pittsburgh area; besides the intrinsic value of new housing and neighborhoods, they also "bring major investment in job-generating retail trade, services, and entertainment in their wake." As the National Housing Institute recommends for "weak market cities," those that are losing residents and businesses, Pittsburgh should plan housing in conjunction with public amenities, including "green spaces, transit lines, and shopping districts...so that the money being invested in a neighborhood has the greatest cumulative impact on its market appeal and quality of life."

Thus, as Pittsburgh plans new downtown development, it should look to Minneapolis' Corridor Housing Initiative (CHI) for guidance. CHI, a collaborative effort among interested community members, designers, technical teams and financial experts, is a "proactive planning process to create viable development projects...that include affordable housing options along corridors that meet city goals and neighborhood interests." The Initiative integrates plans for housing with plans for commercial spaces and public areas that are strategically located near public transit lines. The fact that CHI has been successful in Minneapolis suggests that a similar program may be implemented successful in Pittsburgh, as well. The two cities share a similar industrial background and have faced comparable challenges in retaining population.

Both Pittsburgh and Minneapolis share a history as industrial centers, and lost ...

population as those industries collapsed in the 1970s and 1980s. 10 Perhaps because of these similar economic histories, the populations of both cities increased by approximately the same ratio until the 1950s. However, since that time, the cities have developed differently. For example, since the mid-20<sup>th</sup> century, both cities have experienced decreasing population trends, but only Minneapolis has since begun to recover. The city's prosperity is due in large part to its ability to attract young, college-educated adults. Minneapolis leads Pittsburgh with its younger age distribution, higher level of education, overall greater prosperity and newer development.

These differences must be recognized when translating CHI from one city to another. Despite the apparent value in adding housing downtown to attract young professionals to Pittsburgh, it is important to note that housing alone, while a vital part of the equation, will not immediately begin to draw the age group. For young professionals to want to move to Pittsburgh, the city will also need to attract respected, innovative businesses to the region. Minneapolis, in comparison, has a strong employment base which is a significant factor, perhaps more so than housing options, in attracting young people.

#### Minneapolis' Population is Growing Faster

Historically, the population of the Pittsburgh metropolitan statistical area (MSA) was larger than the Minneapolis MSA. In 1900, the population of the Pittsburgh MSA was

nearly 249,000 greater than that of Minneapolis. By the 1950s, as happened in many cities after World War Two, they began to lose population because people opted to move out of cities and into suburban areas. The decreasing population trends in both cities continued throughout the 1970s and 1980s, as the steel industry in Pittsburgh and the mill industry in Minneapolis collapsed, forcing some laborers to move away. The population of the Minneapolis MSA leveled out by the 1990s while the Pittsburgh MSA continued to plummet so that by 2000, the population of the Minneapolis MSA surpassed it by 48,055 people. That trend has continued; the U.S. Census Bureau estimated that in 2006, the population of the Pittsburgh MSA lagged by approximately 60,014 (see Figure 1).

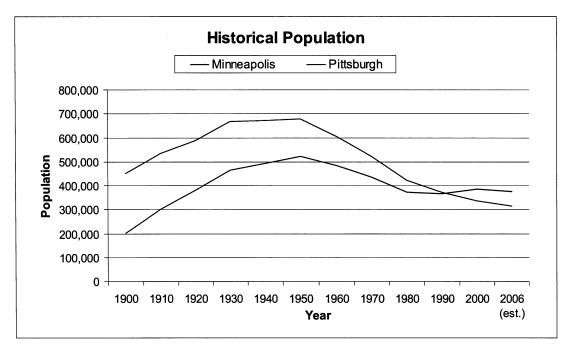


Figure 1

In addition, the rate of population change from decade to decade fell to a negative rate in both cities between 1950 and 1960, but only the rate in the Minneapolis MSA has recently crept back to a positive rate. However, it is unclear how long the rate will stay positive in

Minneapolis; the U.S. Census Bureau estimated the rate would become negative again in 2006 (see Figure 2). 12 13

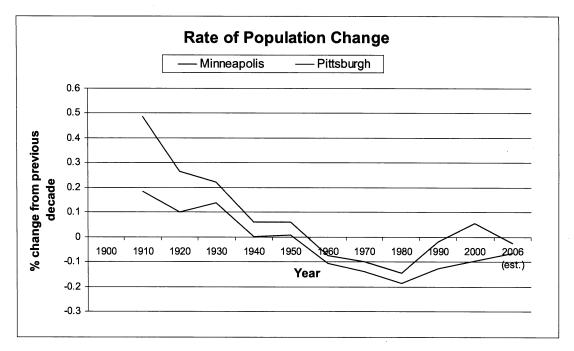


Figure 2

In October 2003, the Southwestern Pennsylvania Commission predicted that the population of the Pittsburgh MSA will see a net increase by 2030. However, they estimate that the suburbs of Pittsburgh will be the areas acquiring new residents, while the population of the city itself will continue its decline by -16.3%. In contrast, the Minneapolis MSA expects to see 19,250 more residents by 2010 and 33,000 more residents by 2030. 15

Minneapolis' Age Distribution Favors Young People

Despite the fact that the Pittsburgh area is home to about 20 colleges and universities, the region has long recognized the difficulties it has had retaining young professionals.<sup>16</sup> When comparing the distribution of ages across the population, it is clear

that while Pittsburgh's population has grown older because of young people leaving the city, Minneapolis has succeeded in attracting these young adults (see Figure 3).<sup>17</sup> Over the period from 1995 to 2000, Minneapolis' net population increase has included an increase in the number of young, single, college-educated people (ages 25-44) living in the region.<sup>18</sup>

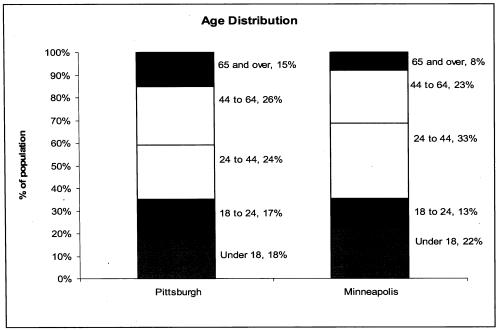


Figure 3

Minneapolis has been able to retain young professionals recently because in addition to the employment growth in the region, due to the significant number of Fortune 500 companies that are headquartered in the Twin Cities region – 17 in Minneapolis and St. Paul in 2007, not including those in the surrounding suburban areas – housing costs have remained low. According to U.S. Census data, a higher proportion of young, single, college-educated adults relocate to metropolitan areas than to suburbs or non-metropolitan areas. Young adults stay up later, spend more money, and socialize in more locations. The energy that young adults bring to a city gives it a sense of vitality and attracts trendy businesses to the area. Therefore, they are a vital constituency in any city.

Although senior citizens comprised only 8% of Minneapolis' population in 2006, the number of people over age 65 is expected to more than double by 2025. However, the city is anticipating this shift in population composition, and is taking action to ensure that they will be able to care for those seniors. For example, through guidance from CHI, developers are focusing on incorporating "more flexibility into housing projects and regulations, preparing communities to accommodate residents at all stages of life," as recommended by a 1999 report on senior living trends by the Wilder Research Center. <sup>23</sup>

#### Minneapolis Has a More Educated Population

As Minneapolis has attracted a greater number of young, college-educated individuals, the city's population has grown more educated overall. Meanwhile, Pittsburgh's population has grown less educated because of its inability to do the same. In both cities, the percentage of people ages 25 and older with at least a high school degree was roughly equivalent in 2006 (86.3% in Pittsburgh and 87.1% in Minneapolis), but the number of people with at least Bachelor's degrees differs significantly. In Pittsburgh, 31.3% of residents ages 25 and older hold a Bachelor's degree or higher, but in Minneapolis, that number is 40.4%, a difference of approximately 9 percentage points. <sup>24</sup> Both percentages are higher than the national average of 27.0% the same year.

## Minneapolis is More Prosperous

The relatively large number of young and college-educated people in Minneapolis may be key to the city's prosperity. Economists consider regions with a more educated population to show better economic performance in the form of greater productivity

growth, when compared to less educated regions.<sup>25</sup> For example, the ten U.S. metropolitan areas with the most college graduates in 1980, of which Minneapolis is one, experienced greater productivity growth from 1980 to 1994 than the ten cities with the fewest college graduates. The more educated cities also had a per capita income growth that was 1% greater from 1980 to 1997.<sup>26</sup> Indeed, the median household income in Minneapolis in 2006 was \$43,369, while the median household income in Pittsburgh was \$31,779.<sup>27</sup>

## Minneapolis Has Better/Newer Development

The median age of housing stock in the Minneapolis region is about 30 years, compared to 45 years in Pittsburgh. In fact, Pittsburgh has the second highest median age, after Boston, while Minneapolis is the fourth lowest out of 15 benchmark cities identified by PittsburghToday.org. The age of housing units is related to the number of building permits issued for new privately-owned residential buildings issued in each region. In 2005, Pittsburgh issued 234 permits per 100,000 population and Minneapolis issued 700, more than three times as much. It is important to note that the number residential building permits issued in both cities has fallen in recent years, most drastically in Minneapolis; in 2003, the first year of CHI, Pittsburgh issued 270 permits per 100,000 people while Minneapolis issued 895.<sup>28</sup>

## What This Means for Pittsburgh

Pittsburgh's population has been growing older and less educated, and the city itself has seen little new development. This does not bode well for the region; few young people mean few young families, and as the older citizens pass away, the population will

continually decline unless Pittsburgh figures out how to retain young people. Indeed, cities that are losing overall population can be made "more dynamic than they would be otherwise" by retaining young, college-educated singles.<sup>29</sup> As urban areas across the country are becoming popular places to live and work, seen "as centers of intellectual and creative capacity," young adults are more likely to relocate to metropolitan areas than to the suburbs or rural areas.<sup>30 31</sup> Therefore, to retain more young people, increasing housing options in the downtown area is a promising strategy to ensure future growth.

However, if these young, potential downtown residents do not expect to have easy access to parking, a variety of local stores, and affordable housing options to choose from in Pittsburgh, they will not want to relocate to the downtown area. Therefore, simply building housing is not necessarily enough to capture the young adult population; instead, successful redevelopment will require extensive planning to add more public spaces, amenities and businesses in addition to a variety of housing options.

To achieve the kind of coordinated planning that will be necessary to successfully revitalize the downtown area, Pittsburgh should observe the methods and results of Minneapolis' Corridor Housing Initiative (CHI). CHI has been able to address similar housing problems by orchestrating a collaborative neighborhood effort to design mixed-use buildings to house individuals and families with a range of incomes, and provide retail and office space for businesses, all coordinated with access to public transportation.

Minneapolis' Corridor Housing Initiative (CHI), convened and coordinated by the Center for Neighborhoods in 2003, "models a new way to build consensus around key development opportunities." CHI assembles community members, designers, technical teams and financial experts in a collaboration to plan mixed-use buildings that offer a variety of housing options along the main streets of the city (termed "corridors" by CHI), while integrating ideas for affordable housing options, easy access to public transportation, green design, public safety, and other features throughout the planning process. All community members are welcome to participate in CHI, and are encouraged to provide their opinions about how to improve neighborhoods to better reflect the community's and residents' priorities, values and interests. This purposeful planning enables efficient land use through smart designs that capitalize on the strengths of the current infrastructure. CHI is comprised of three innovative phases that complete the development process; site acquisition, planning, and funding.

#### Site Acquisition

One of the most important aspects of CHI's mission is to redevelop corridors that are critical to transit in Minneapolis. These sites were once the main streets of the city, along what used to be street car routes. The sites are important areas for development because they link parks, schools, shopping centers, homes, and offices. The theory of CHI is that affordable housing should be available in pedestrian-friendly communities which connect to the public transit systems that access retail and office spaces.<sup>34</sup>

The Department of Community Planning and Economic Development (CPED) City of Minneapolis distinguishes two types of corridors: community and commercial.

Community corridors are areas that connect 3 or more neighborhoods that have a traffic rate of 4,000-15,000 vehicles per day. They may have small business centers, but unlike commercial corridors, are primarily residential. Commercial corridors are busier, identified as areas with 20,000-30,000 cars passing through each day.<sup>35</sup>

#### **Planning**

The planning process, which typically spans a 6 month period, begins with an open application process, where any neighborhood or community-based organization can propose a corridor for redevelopment by submitting a letter of interest to the Center for Neighborhoods. Those corridors most likely to be selected are along major streets, in high-priority development areas especially where affordable housing is scarce, and in areas where opportunities for new housing and mixed-used (housing and business) building options are available. CHI asks that the application letter include:

- Ideas of sites for housing development,
- A list of community stakeholders that would like to be included in the meeting and planning process, including property owners and business associations,
- A letter of support from the local government, and
- If any, a list of neighborhood resources that support the area's development.

The selection committee, comprised of representatives from the city and surrounding neighborhoods, chooses one or two proposals from each round of applications, which are generally collected twice a year.<sup>36</sup>

After a corridor is selected for development, the project enters a goal setting stage, in which community members and city planners decide how they want to approach the project and how they can make the most of their resources to accomplish it. Initial discussions cover issues such as the desired identity of a corridor, how the location of the corridor will affect development (urban, rural, etc.), how much housing density is appropriate, potential housing types (single family homes, townhouses, high-rise), and how the redeveloped space will be used (housing, retail, parks).<sup>37</sup>

For example, community members composed a wish list during in the initial July 2007 planning workshop for the Fridley Corridor, an area along University Avenue in the City of Fridley, just north of Minneapolis. During this meeting, participants answered questions such as what they thought made University Avenue interesting, what they would like to see achieved through development, and what questions they had for the city or about the Fridley project ("how much money do we have?" and "what is the market for office condos?"). 38

Once those involved identify priorities for a corridor and settle on the approach they will suggest to developers, the project enters a planning dialogue. This phase consists of a variety of forums for people to express ideas and explore development options. From focus groups for business owners, to forums to reach out to community stakeholders, the most innovative aspect of the planning phase is the Block Workshop meeting. This handson workshop helps community members, designers and financial experts to "understand the financial issues and tradeoffs a developer will be working with when considering options for a specific site."<sup>39</sup>

In order to encourage the greatest participation possible from the community, the Block Workshops are usually held at public events such as farmers' markets and festivals. 40 Multiple tables are set up at each workshop, covered with a large aerial photograph of the corridor in question. Community members model potential development options by arranging wooden blocks on top of the photographs. Two designers at each table are present to help, one to sketch the resulting design and one to help the group achieve a feasible layout. A development consultant calculates the cost and revenues from each proposed model, using standard assumptions of fees, costs and prices. As each model takes 15-20 minutes to finish, tables can build multiple designs during each workshop. 41

The results from each table of the Block Workshops are published on a pamphlet that can be referenced for future consideration. The design outcomes from each table can vary significantly in both their proposed design and purpose. For example, the Fridley Corridor, at University Avenue and 60<sup>th</sup> Avenue NE, was considered during a Block Workshop on August 16, 2007, and the two tables came up with very different ideas.

Table 1 created two scenarios; the first consisted of 60 housing units (25% affordable rental, 75% for ownership) and the second of 48 housing units (12.5% affordable rental, 87.5% for ownership) with 30,000 square feet of commercial and/or office space. At the second table, where the same area was considered, the community members and designers came up with three scenarios; the first had no housing units with 32,000 square feet of commercial space, the second had no housing units with 39,900 square feet of commercial space, and the third had 7 housing units, all available for ownership. These vastly

different suggestions for the corridor were discussed by the community at a panel with developers later in August 2007 before CHI published the final recommendations.

Besides obtaining development ideas, the Block Workshops are meant "to give community members a greater working knowledge of what it takes to make a development project financially viable" and to come up with multiple conceptual designs that can inform future development of the area."<sup>44</sup> This emphasis on community input and participation from residents is one of the strengths of CHI. Throughout the Fridley Corridor project, approximately 50 community members participated.<sup>45</sup> Strong community relationships are an essential characteristic of sustainable communities. These relationships are built on the desire and ability of residents to contribute to the community, to help shape its future, and, most importantly, to see their ideas being implemented.<sup>46</sup> When residents see that their ideas for development and their requests for improvement to community amenities are being executed – the third stage of the CHI planning process – their quality of life is improved and their satisfaction with their community is increased.

As part of the implementation phase, CHI produces brochures about the project that outline potential objectives and guidelines. In addition, the final written summary of suggestions for a corridor encompasses all previous planning workshops regarding it. For example, the final report for the Fridley Corridor project

- expressed "strong support for" mixed-use buildings (a combination of offices, residential, services and restaurants),
- suggested landscaping and new fencing along the street in order to "strengthen the positive identity of Fridley,"
- asked developers to "consider opportunities for strengthening access and connections between new developments and other nearly amenities, such as trail systems, transit,...retail areas, parks, and job centers," and
- recommended that developers "enhance the visual appeal of the area" by making use of strategic plants, art, ornamental lighting, and other design elements. 47

All of these recommendations reflect the community's ideas and concerns, as presented in the initial "wish list" from the July 2007 workshop, which suggested that the area

- "needs life" in the form of commercial space and restaurants that attract people to spend time there,
- should have more landscaping,
- should be "a part of the city instead of a route through it," and
- needs to be made attractive.<sup>48</sup>

These concerns were also addressed in the Block Workshop; for example, the first scenario at table 2 had no housing units, but allowed for "large amounts of green space" to support the request for more landscaping.<sup>49</sup>

At this stage, "neighborhoods are better positioned to partner with prospective developers" to reach the outlined objectives that are already financially feasible.<sup>50</sup> As an organization, CHI also has strategies and partnerships for obtaining development partners and funding support, as well as resources to deal with zoning and city land use policies.<sup>51</sup> However, as with any other planning process, CHI has little influence over market conditions, and no matter how promising a particular plan for a corridor may be, it may not be built. For example, due to a slump in the market for condos at the end of 2006, not all of the corridors planned by CHI were built that year.<sup>52</sup>

### **Funding**

One of the greatest benefits of CHI is its funding resources. CHI is able to acquire strategic corridors through funding programs from the City of Minneapolis' Department of Community Planning and Economic Development (CPED), including the Higher Density Corridor Housing Program and the Capital Acquisition Revolving Fund. The former program primarily provides funding "for public acquisition of sites for multifamily housing

development on or near community, commercial and transit corridors." Similarly, money from the Capital Acquisition Revolving Fund is allocated "for development projects located on commercial and transit corridors and at commercial nodes." <sup>53</sup>

In addition to funding programs through the CPED for site acquisition, CHI has formed partnerships with organizations such as the Family Housing Fund, the Fannie Mae Foundation, the City of Minneapolis and the Local Initiatives Support Corporation.

Through these relationships, CHI can help certain corridor projects get the financial support they need and may not otherwise have been able to acquire. 54

#### **Partners**

The CHI technical team is, like the rest of the Initiative, collaboration among a number of groups. Projects are coordinated by the Center for Neighborhoods and facilitated by the Center for Policy, Planning and Performance (CPPP). The Metropolitan Design Center at the University of Minnesota is responsible for overseeing designs, the Central Community Housing Trust and Dewar Associates for development, the Minnesota Environmental Initiative for environmental issues, and the Minneapolis Corridor Housing Strategy for managing relations with government agencies. 55

#### Contributions and Awards

So far, CHI has worked with 13 corridors, 5 of which are still in progress. In those corridors, CHI recommendations have led to the construction of 896 new housing units, 507 of which are considered affordable units. Of all the housing units built in the Twin Cities region between CHI's inception in 2003 and April 2007, 54.4% were added as a

result of work by the Initiative.<sup>56</sup> Besides helping neighborhoods reach a consensus on "significant and sensitive project[s]," the ongoing benefits of CHI include an increase in the property tax base, expanded housing options, greater transit use, improved public safety (through both design features and because more people are around), "pedestrian-oriented corridors," strategic retail development, and community members who are more educated and involved.<sup>57</sup> <sup>58</sup>

CHI has received multiple awards for its contributions to the Minneapolis region, including the American Planning Association (APA) National Planning Excellence Award for a Grassroots Initiative in 2007, the Innovations in Minnesota Government Award in 2006, a Special Community Initiative Award from the Minnesota Chapter of the APA in 2005. CHI also qualified as a finalist for the 2005 the Innovations in Minnesota Government Award. After choosing CHI to receive the National Planning Excellence Award in 2007, APA Awards Jury Chair, Carol Rhea, commented that "the initiative shows the importance of getting residents meaningfully engaged in shaping the future of their neighborhoods. Any community looking for a new way to resolve controversial neighborhood redevelopment and infill issues should consider using this as a model."

In a sense, Pittsburgh needs to "alter [its] economic trajectory" if it is to encourage economic development and attract more residents in the future, especially in the downtown area, where the number of housing facilities is growing, but remains sparse. The Centre for International Studies at the University of Toronto claims that this sort of economic adjustment requires "the presence of an 'economic community' – places with strong, responsive relationships between the economy and community that afford both firms and the community a sustained advantage." To facilitate that level of collaboration, the leading individual or organization must "mobilize those in the community" who are interested in adjusting that trajectory. The Corridor Housing Initiative has been a successful leader in Minneapolis by arranging that collaboration among interested residents, government agencies, developers, and financial experts, and can also be one in Pittsburgh. With the help of community members invested in Pittsburgh's future, CHI will be able to organize an adjustment to Pittsburgh's "economic trajectory" by continuing to focus on building affordable housing, engaging in transit oriented development, and emphasizing the importance of green design in new buildings.

#### Focus on Housing Affordability

Currently, the cost of living in Pittsburgh is relatively low, and it will be vital to the success of any redevelopment project in the downtown area to plan affordable housing units. Affordable housing is generally defined as that which requires no more than 30% of a resident's income.<sup>62</sup> Because the purpose of CHI is to attract "well-designed, higher-

density and affordable housing to transit corridors and town centers," the Initiative has experience keeping housing affordable. By engaging participating planners in a variety of extensive workshops, the Initiative provides various opportunities for development ideas to be explored. These ideas regard not only the uses for new space, but also the financial reality of them for both the developer and the future renters or owners. Because of the time and effort that is devoted to both identifying initial goals and then evolving various designs, CHI is well-suited to incorporate affordable housing into its plans for any area, if that is what is important to community members.

There are already a number of programs in Pittsburgh that focus on making housing affordable, especially for people with incomes below the poverty line. These programs, such as the Hilltop Housing Initiative, are commendable and certainly should continue, regardless of what happens with a CHI-related program in Pittsburgh. However, what CHI provides that these affordability programs cannot is a high level of community participation, as well as a steady focus on acquiring important Pittsburgh corridors. Corridors are selected not for their location in an area with many low-income families, but for their location along a street that connects people, businesses, and public amenities — areas which often have high real estate values. Despite these high prices, CHI still manages to plan efficient use of resources and space so that even housing in those highly-valued areas can be affordable.

Transportation Improvements through Transit Oriented Development

One of the major obstacles to increasing downtown housing in Pittsburgh is establishing accessible and affordable parking and transit systems. For those who own a

car, Pittsburgh has the highest parking tax in the nation at 50%. When added to the rising cost of gasoline, overall transportation costs for city residents can be very expensive.

Generally, after housing, transportation is the highest budgetary expense for most Americans, requiring 18 cents per dollar from the average household. Ninety-eight percent of those 18 cents are spent on car-related costs, "rather than on investments that appreciate over time and can raise a family's standard of living, such as homeownership." However, for most downtown residents without a car, relying on public transportation to get around is not a viable option in Pittsburgh. The Port Authority, with a bad reputation for being deep in debt, inefficient and often unreliable, provides the current public transit system, demanding one of the highest fares in the country. 65

CHI has addressed public transit problems in the Twin Cities region by espousing a theory that people want to live where it is easy to get around and where they feel connected to their community. This method is also referred to as transit oriented development (TOD), a "development activity" that prioritizes development along transit routes, especially those routes that cover areas with a variety of residential, retail, and public spaces. <sup>66</sup> In fact, CHI's definition of a "corridor" is "the physical [pathway] linking home, work, shopping, schools and parks." <sup>67</sup> Consistent with the aims of CHI, the design of a typical transit oriented development project incorporates a variety of uses for land and buildings, from retail space and business offices, to residential housing and community facilities. <sup>68</sup> The goal of TOD is to provide alternative transportation methods for residents by encouraging – and, indeed, making it a realistic alternative to – travel by methods other than automobile, such as public transit, walking, biking, etc.

CHI engages in TOD by encouraging participants and developers to be mindful of transit options during planning sessions by designing corridors that provide easy access to transit lines. The program also helps to build transit-friendly areas by selecting strategic sites that cater to the greatest amounts of traffic and connect important amenities in the area. Fueled by concerns about rising transportation costs and environmental issues, some of CHI's TOD-inspired recommendations include requests that the bicycle parking should be provided, and that that sidewalks in commercial areas be "at least 14 feet wide, to allow for sidewalk cafes and pedestrian movement" along the West Broadway Corridor in Minneapolis. These features would contribute to creating a walkable, pedestrian-friendly street and provide alternative modes of transportation to those who wish to take advantage of it.

Because people who live near a transit station "are up to six times more likely to commute to work by transit than other people living in the same region," TOD has also become a promising way of increasing ridership. <sup>70</sup> By engaging in TOD, Pittsburgh could rescue the Port Authority from ruin, especially if the Pittsburgh system were made more efficient and the ridership increased enough that the fare could be reduced. However, realistically, it will take more than participating in a program similar to CHI to revive the current Port Authority transit system. In order to have potential CHI corridors in Pittsburgh be successful, the Port Authority bus system must be revamped. Robert Firth of Informing Designs, Inc. believes that the current bus routes need to be reworked so that they mimic subway systems. He claims that by thinking of them as subway routes, Pittsburgh bus routes can be simplified so that service is faster and more frequent. He also stresses the value of certain amenities, such as architecturally-inspired bus shelters and

more stops in "comfortable, happening places." What he describes as "comfortable, happening places" is the ultimate manifestation of a redeveloped, CHI-inspired corridor. With cooperation from the Port Authority, CHI can coordinate efficient transit through vital Pittsburgh corridors by strategically incorporating bus shelters into its designs; for example, CHI can recommend that developers provide more benches and wider sidewalks at busy bus stops.

One of the main advantages of TOD is its ability to revitalize urban areas and to entice people to return to living there. Indeed, because of new innovations in development, building and planning, such as TOD, the urban standard of living is significantly higher now than it was at the beginning of the last century. <sup>72</sup> Local governments are also expected to benefit financially from TOD, as a result of the increased economic activity, higher property values and larger tax base from efficient and accessible transit. <sup>73</sup>

#### Green Development

Engaging in TOD through a program such as CHI would also help Pittsburgh "go green" by providing environmentally friendly alternatives to driving automobiles. In addition, CHI can incorporate recommendations for environmentally-friendly design into its suggestions, in the form of building materials, design and building uses. For example, Pittsburgh has one of the nation's largest concentrations of Leadership in Energy and Environmental Design (LEED)-certified buildings, and a CHI program would be able to incorporate more LEED-certified buildings into its plans for new development, thereby helping to strengthen Pittsburgh's position as an "emerging 'green' region."

## Future Applications

It is important to realize that CHI is not limited to planning only frequented downtown streets. A program modeled after CHI in the Pittsburgh region could also be expanded to participate in planning, for example, senior living areas. Because the senior population in Pittsburgh is expected to increase 19.6% between 2010 and 2020, it will be important to ensure the elderly population has adequate and affordable housing options in the near future. CHI can be a great resource for such a project, planning neighborhoods where seniors have the opportunity to independently walk down the street to the grocery store, bank, or hairdresser, for example.

CHI has dominated planning ideas for the most frequented corridors in the Twin Cities region because it has earned support from the city government, who backs the emphasis CHI places on the involvement of community members. The Mayor of Minneapolis, R. T. Rybak, stated that "it is critical that we continue to engage our neighborhoods and community partners in constructive and proactive ways so that we can succeed together." This commitment to community participation in community matters is key to the success of the CHI program. Involving the public in important neighborhood decisions leads to community sustainability, local pride, and a desire among the community to invest more time and energy in the area.

Some initiatives in Pittsburgh, such as the South Hills Transit Revitalization

Investment District (TRID) Planning Study, already ask for community input. However, instead of involving the community in a proactive process, this project, like the others, only asks for the public's thoughts on designs that have already been sketched and on decisions that have already been made. The CHI is unlike any program in Pittsburgh because it involves the community in every step of the brainstorming, design and decision processes. By not involving the community, these projects do not take advantage of another of CHI's main strengths, that it reduces initial costs for developers while also providing access to funding from the city. Coupled with the fact that developers already have community support when they begin to implement CHI projects, this frees up time and money for developers that can potentially be devoted to other projects around the city.

The Pittsburgh redevelopment project that comes closest to the values and methods of CHI is the recent redevelopment of Market Square. Talk of redeveloping the Square can be found in city newspapers from before 2000, but the discussions never amounted to anything more than talk until 2006.<sup>79</sup> In September that year, the Pittsburgh Downtown Partnership and the Pittsburgh Urban Redevelopment Authority hired a non-profit organization called Project for Public Spaces (PPS) to run a town meeting to brainstorm ideas for the space with community members, and then make recommendations based on the generated ideas. The fact that 75 community members attended the meeting is a testament to the Pittsburgh community's interest in and desire to contribute to the future of the city.<sup>80</sup>

The Pittsburgh Downtown Partnership, after holding a design competition with no input from the community, chose a plan that upset some of Market Square's merchants. Because they were not involved in the planning process or approached for their input on the design decision, they were not satisfied with the plan because their needs, such as more parking spaces, were not considered. Now, hardly a year after the redevelopment of Market Square began, the city wants to continue to redesign the space so that it looks more pastoral, and has again reached out to the community for input on ideas. A few proposals were developed by Dina Klavon Design Associates, Inc., who will present the concepts to the public for comments at a meeting in May 2008. The firm's designs considered recommendations provided by the public and Market Square businesses in the 2006 PPS study. This drawn-out planning process has been inefficient, wasting time and resources because a comprehensive plan for Market Square was not settled all at once.

While the Market Square project has involved input from the community, the public has not actually helped to design the space beyond voicing ideas. If a CHI program had been responsible for planning the redevelopment of Market Square, the public would also have participated, through a Block Workshop, in experimenting with designs for the area. When community members are involved from the very beginning, they bring a sense of accountability to the project and feel invested in the outcome. Another benefit of CHI is that it is a centralized process, streamlined from workshop to workshop so that participating community members can see the results of their input almost immediately, manifested in the guideline materials published for developers within approximately six months of their first workshop meeting. In contrast, the people who contributed to the PPS study in 2006 for Market Square have gone nearly two years without seeing the results of their ideas. The Market Square project, if CHI had been involved, would not have been drawn out over years; instead, the landscaping and construction decisions would have been made simultaneously, with extensive input from the community. A CHI-like program would boost the morale of Pittsburghers by involving them in each step of the development process. They would feel satisfaction at knowing that their voices and ideas were not only allowed, but also respected and implemented.

Overall, Pittsburgh is hurting from not having a process to plan housing in conjunction with stores, offices, transit lines, etc. For example, the Rosebud Fine Food Market, a grocery store, recently opened on Seventh Avenue in downtown Pittsburgh. As is the case with most downtown retailers, the store is out of the way from most people's daily routes. Because downtown stores, in general, are "scattered about instead of lining one street," it is inefficient and inconvenient for downtown residents to do any sort of

large-scale shopping trip in one go. 82 If a program modeled after CHI were to be implemented in Pittsburgh, downtown residents could have helped choose the location of the grocery store, ideally close to the Port Authority bus lines. The grocery store is just one example of a unit which, perhaps, should have been planned with more community input, and located closer to housing, transit lines and other stores. That kind of insightful planning is a task that would have been simple to achieve through the Corridor Housing Initiative.

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Maps of Metropolitan Statistical Areas

Fridley Corridor Flyer

Fridley Corridor Wish List

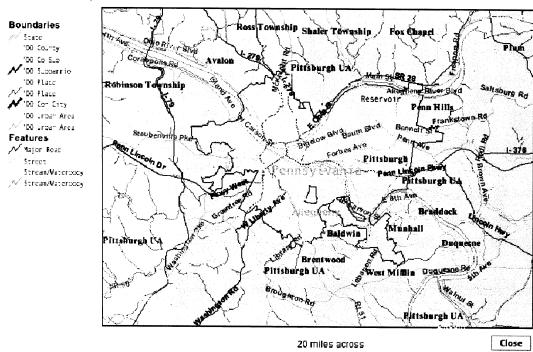
Fridley Corridor Block Exercise Results, Table 1

Fridley Corridor Block Exercise Results, Table 2

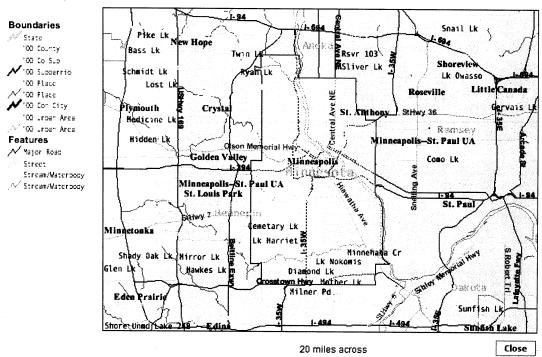
Fridley Corridor Final Summary

# Maps of Metropolitan Statistical Areas (as defined by the U.S. Census Bureau)





#### Minneapolis city, Minnesota





With the HRA's recent acquisition of a variety of properties along University Avenue, now is the time to get involved in shaping the corridor! Join us for a series of innovative and interactive community workshops where participants will be able to test out their own development concepts to see what's possible. A team of design experts, development consultants, and facilitators from the nationally award winning Corridor Housing Initiative will join the City of Fridley and the Fridley HRA to explore redevelopment possibilities. You don't want to miss it!

Mark your calendars for the following events:

# **Rethinking University Avenue**

Thursday, July 19 7:00 - 9:00 P.M. | Fridley Community Center, 6085 7th Street NE

Learn about some key opportunities along University Avenue to revitalize the corridor, and share your ideas about how housing, transit, and commercial development can make University Avenue a more vibrant corridor and asset to the community.

# **Development ABCs**

Thursday, August 16 7:00 - 9:00 P.M. | Fridley Community Center, 6085 7th Street NE

Join your neighbors in an interactive workshop to create feasible development scenarios for University Avenue. Design and development experts will be on hand to share ideas and insights.

# Moving Forward!

Thursday, September 6 7:00 - 9:00 P.M. | Fridley Community Center, 6085 7th Street NE

Explore the opportunities and challenges for development along University Avenue with a panel of developers, business leaders, and city representatives to build a strategic road map for the future of University Avenue.

# Framing the Recommendations

Thursday, September 20 7:00 - 9:00 P.M. | Fridley Community Center, 6085 7th Street NE

Recommendations will be drafted for the City Council and HRA Commissioners on development objectives for publicly owned sites along University Avenue.

# All events are free and open to the public

Sponsored by:

City of Fridley, Fridley HRA and the Center for Neighborhoods / Corridor Housing Initiative

\*\* Childcare will be provided by request only. Please RSVP to Paul Bolin at 763-572-3591 one week in advance of each workshop if you would like to reserve childcare.

For more information, contact:

Paul Bolin, City of Fridley at 763-572-3591 or BolinP@ci.fridley.mn.us Gretchen Nicholls, Corridor Housing Initiative at 612-339-3480 or gretchen@center4neighborhoods.org Or visit the City's web site at www.ci.fridley.mn.us

www.housinginitiative.org

# University Avenue Development Wish List Meeting Summary: 7/19/07

# What makes University Avenue interesting?

- The window to Fridley
- Main thoroughfare
- Connection to Twin Cities and University
- Look new
- Historical images
- Corridor for huge amount of traffic coming and going to work
- Image impact for Fridley (shapes our initial image, it is the gateway)
- Accessibility
- Visibility
- Proximity to future north star station
- Close to churches, parks, schools, grocery stores, drug stores, bus stops, community center
- Viable business
- Mixed used commercial and housing above
- Upscale housing
- Needs life (energy) see people restaurants commercial
- Utilize "old town" style
- Commercial and housing near university avenue
- Not currently interesting
- Access to 694 and downtown
- Christenson crossing townhouses

## What would you like to achieve through development on University Avenue?

- More retail
- Small shops
- Skeptical of housing with only four segmented places
- Fence and frontage road dominate the view
- Keeps employees here
- Create a destination
- Improve human scale of road
- Want to make University Avenue a part of the city instead of a route through it
- Make university Avenue a parkway
- New fence along University Avenue and also behind development (separating businesses from homes)
- New landscaping
- Provide a building for someone to both live and work from the same building

- First. Housing: owner occupied; Second, mixed used: owner occupied; Third, commercial
- Unique feature to showcase corridor exp: lighting, water features, streetscape
- Senior co-op housing
- Condominium office building one level
- Strip mall- supporting ethnic business development like "kumon, piano lesson, mathematics school"
- Business that don't need / rely on foot traffic and vehicle
- Music school; dance school
- Community center

# What are your concerns about development on University Avenue?

- Make it attractive
- Positive impressions of Fridley
- Get rid of chain link fence
- Design for expansion to future properties
- Continuous design for compatibility to other present buildings
- Parking to fit business
- Want to make pedestrians connections safe and comfortable (like underpass)
- Correct scale for development
- Concern about quality of the developer?
- Impact of rail
- Proper connection to our station site
- Concern re-impact on neighborhood
- Commercial market
- Increased traffic does it necessity more lanes for 4<sup>th</sup> St. and frontage road?
- How high the new buildings will be
- If they build town homes or condos for seniors (which is needed) make them truly designed for senior citizens
- Must be compatible with current businesses
- Accessibility to this area from the south
- Lack of site depth
- Accessibility walk ability
- Frontage road is a barrier realign
- Piece-meal housing (redevelop whole section into housing or do nothing)
- Neighboring business owners said business don't do well there
- Chain link fence and difficult to access area

## What additional information would you like to see?

- What is the city's agenda?
- What happens in the future after the first four units?

- Populations gains?
- How much money do we have?
- How we attract a good/quality developer
- Meeting land use standards
- How do you define the market you want to serve
- Is this area conducive to commercial ventures?
- Traffic counts on University Avenue and frontage road
- Possibly for additional sites for a larger project
- Will this new plan take into account that there may be more parcels available in the future?
- What is the market for office condos?
- What is the market?
- Given age of community need for medical use?
- How to attract young people
- Encouraging state department of transportation to remove chain link fence
- Things to bring young families into Fridley
- One level townhouses option
- Life-cycle housing

Site A: University Avenue and 60th Avenue NE

Table 1: Block Exercise Summary Sheet



**Workshop Photos** 









Metropolitan Design Center I College of Design I University of Minnesota 1 Rapson Hall, 89 Church Street, Minneapolis, MN 55455, www.designcenter.umn.edu





























Additional Details • 12.5% affordable

Financial Info: \$2,300,000 gap (11.7% of total cost)

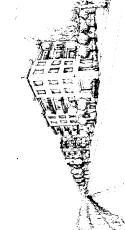
Additional Details
- 25% affordable rental
- 75% home ownership
- 10,000 sf.

Scenario 1: 60 Housing Units

車車

commercial
• Necessary sale
price too high for

market



Financial Info: \$3,600,000 gap (20.5% of total cost)

commercial • Office building

rental
87.5% home ownership
30,000 sf.

Corridor Housing Initiative Block Exercise I August 16, 2007





























# **Site A: University Avenue and 60th Avenue NE** Table 2: Block Exercise Summary Sheet

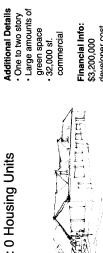




Scenario 1:0 Housing Units



Financial Info: \$3,200,000 developer cost

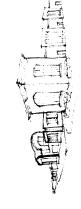




**Workshop Photos** 

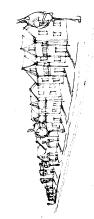
Removal of frontage road
 One to two story
 39,900 sf
commercial

**Additional Details** 



Financial Info: \$4,800,000 developer cost





Additional Details
• 7 home ownership units

· Two story units

Financial Info: \$8,800,000 gap

Corridor Housing Initiative Block Exercise I August 16, 2007

# Fridley Corridor Housing Initiative: Revitalizing University Avenue Final Report

December 6, 2007



# **Summary**

The Corridor Housing Initiative (CHI) partnered with the City of Fridley HRA, City Council and Planning Commission to facilitate a series of community workshops to establish:

- Provide strategic focus for the development of University Avenue parcels owned by the Fridley HRA.
- Strengthen participation and community involvement to form city goals for development along University Avenue.
- Present development objectives for University Avenue as recommendations to the Fridley Housing and Redevelopment Authority, City Council and Planning Commission for consideration.

The collaboration between the Corridor Housing Initiative and the City of Fridley came through funding from the Family Housing Fund and the Local Initiatives Support Corporation to serve as a demonstration project to determine whether these technical resources and approach would be useful in a suburban context. The City of Fridley provided in-kind staffing support.

The CHI community process consisted of four workshops, held on July 19, August 16, September 6 and September 20, 2007 at the Fridley Community Center. Approximately 50 community participants attended the workshops, aimed at strengthening their design and development literacy, articulate community values for future development, and assess likely development scenarios that could meet those values. The process involved a technical team of designers, developers, facilitators and city staff to inform and support participants as they explored ideas. Resulting from the process was an increased confidence by participants about possible development directions for the area, and strategies for getting there. The purpose of the CHI process was to identify a range of development options that met community goals and market viability, rather than landing on one specific development direction or product.

# **Workshop I: Revitalizing University Avenue** (July 19, 2007)

Participants gathered ideas on what makes University Avenue interesting, what they wanted to achieve through development along University Avenue, and what were their concerns about redevelopment in the area (see University Avenue Development Wish List in attachments).

# **Workshop II: Development ABC's**

(August 16, 2007)

Participants explored a variety of development options for the University Avenue sites, using blocks to create a massing, and running the option through a financial analysis tool to determine if it was a feasible scenario. Sketchers were also on hand to draw what that development could look like given design preferences expressed by community members (see University Avenue Block Exercise Summary Sheets in attachments). Design and development experts were on hand to share ideas and insights.

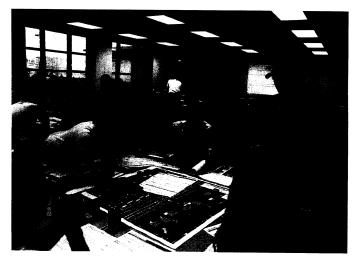
# **Workshop III: Moving Forward!**

(September 6, 2007)

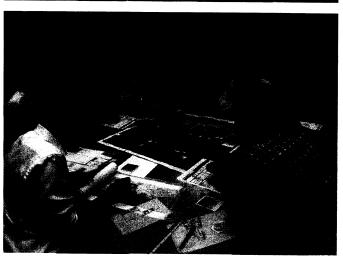
A panel of developers and commercial brokers met with participants to explore the opportunities and challenges for development along University Avenue, and consider options for revitalizing the area (see Panel Discussion Meeting Notes – September 6, 2007 in attachments).

# **Workshop IV: Framing the Recommendations** (*September 20, 2007*)

Participants worked to build consensus on recommendation to the Fridley City Council and HRA Commissioners on development objectives for publicly owned sites along University Avenue (see Fridley / University Avenue Development Guidelines in attachments).







Through the discussions three core themes emerged for Fridley and the revitalization of University Avenue:

- 1. Strengthen the identity of Fridley / University Avenue as an important Gateway to Fridley,
- 2. Build connections from University Avenue to other parts of the city, and
- 3. Revitalize University Avenue to be a vital and viable district.

Participants discussed a variety of topics revolving around the potential use and strategies for development, including:

Opportunities	Challenges
<ul> <li>Important gateway to City of Fridley - Strengthen identity</li> </ul>	University Avenue (state highway designation)     limits access for commercial uses
<ul> <li>Major transit corridor, within half-mile radius of Northstar Commuter Rail Line</li> </ul>	Fence along University Avenue
<ul> <li>Location and access to shopping, amenities, and job centers</li> </ul>	Shallow sites limit development options - important to design transition to single family residential
<ul> <li>Fridley is hub of medical facilities and resources</li> </ul>	Desire for city center (restaurants and community gathering places)
<ul> <li>Senior Housing – Provide housing options for people that would like to move out of larger homes (strong senior demographic).</li> </ul>	Maintain commercial vitality and reverse the blight
······································	Due to the land values, single family homes were not seen as viable.



# **Considerations for Success**

- Need to be able to live by it (close proximity to single family residential)
- Option to move the frontage road to serve as buffer / transition
- Build higher buildings closer to University Ave to limit impact on single family homes behind.
- Current four story height level limit in zoning code (no plans to change)
- Underground parking is desirable for residential and office use
- Want durable buildings, well designed with quality materials

# **Strengthen Connections with OtherAmenities**

- Extended Medtronic Parkway (outlined in the revised comprehensive plan) would enhance accessibility to the area.
- Northstar Commuter Rail station area Establishing walkable routes to the station area could lead to stronger housing market for the University Avenue sites (located within a half-mile radius of the station area).
- Bus access along University serves as a feeder to Northstar and into downtown Minneapolis.
- Strengthen connections with other parts of the city (especially parks and other natural amenities, and retail areas.
- Desire for city center gathering area for retail and restaurants somewhere in the City of Fridley (the University Avenue sites are not the ideal location due to access limitations).
- Market Fridley as a Medical Hub good way to recruit medical companies and offices into the area, and provides a "promotional hook."

# **Strategies for Moving Development Forward**

Community members were unified in their interest to attract good development that strengthened University Avenue as a gateway and window into the City of Fridley. Throughout the process there was an increasing awareness of the need for public resources to fill financial gaps to make a development project viable (stemming from the added costs of demolition and land values), and a positive addition to the future of the City. Participants agreed that it would be worthwhile to wait until more sites could be acquired by the City of Fridley HRA to enable even greater positive impact to the area, and to provide a more cohesive development strategy. Many voiced support for finding ways to gain additional public resources to invest in the area. It was noted at both the developers' panel and by city staff that public resources are available from regional, state and federal sources for affordable housing, but not explicitly for senior housing. Examples of possible sources for affordable housing resources include:

- United States Department of Housing and Urban Development (HUD)
- Minnesota Housing Finance Agency
- Metropolitan Council (Livable Communities Demonstration Project)
- Anoka County Community Development Block Grant
- Fridley HRA
- Private foundations

Another option is to create a Tax Increment Financing (TIF) district to capture future tax revenue to leverage redevelopment.

Concern was also expressed about sitting on the sites for a long period of time, allowing them to continue to deteriorate. One way of avoiding this situation is to move forward with an incremental strategy to develop one or two of the sites while the City HRA continued to work to acquire additional adjacent sites. Another suggestion was to identify a temporary use for the sites

(i.e. outdoor market area), but that would require demolishing existing buildings, which would complicate the option of creating a TIF district (prematurely initiating the timeline for development to occur).

To attract the right developers to the area, and to merge public and private interests, the developer panel suggested that the City submit an RFQ (request for qualifications) rather than an RFP (request for proposals) for the University Avenue sites. Developers are more apt to respond to an RFQ over an RFP because of the intensive work it takes to submit a specific proposal. The RFQ provides the opportunity to create a working partnership between the City and developer, and typically results in a much better end product.

# Conclusion

The Corridor Housing Initiative submits the following recommendations to the City of Fridley City Council and Housing Redevelopment Authority (HRA) for your consideration regarding the publicly owned sites along University Avenue:

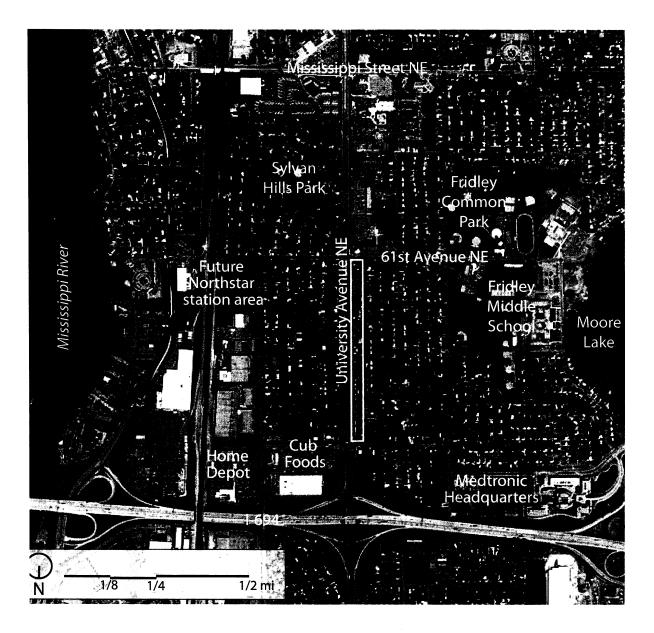
The City of Fridley, Minnesota is located just north of Minneapolis on the east bank of the Mississippi River. Our community is home to approximately 27,000 residents, 900 businesses, including the Medtronic headquarters, Unity Hospital, and a variety of other medical facilities, and soon to have a new Northstar Commuter Rail Line station area.

In 2007 the City of Fridley and Fridley Housing Redevelopment Authority purchased a variety of parcels along University Avenue between 61st Street and 58th Street to revitalize one of the most important gateways into the city. The sites along University Avenue face critical challenges, such as shallow parcels and limited access, which will require creativity on the part of developers, or the ability to acquire additional land for development projects. The City of Fridley worked with the Corridor Housing Initiative to create the University Avenue Development Site Information Sheet as part of this commitment to the street and its future development.

#### Assets

The City of Fridley is

- · actively supportive of new developments along University Avenue that respond to these quidelines;
- centrally located, with easy access to downtown Minneapolis, convenient freeway access, and a station area for the Northstar Commuter Rail Line coming soon;
- supported by an active, engaged business community, institutions, and residents;
- ripe for new investment with several developable sites that are publicly owned;
- home to a variety of medical facilities and businesses, as well as excellent public schools and parks; and
- a proven partner for working effectively with developers to achieve development goals.



#### Guidelines

- I. Strengthen the Positive Identity of Fridley
  - A. Incorporate design elements that help to enhance the visual appeal of the area through plantings, public art, ornamental lighting, and other interesting features.
  - B. Provide landscaping and new fencing along University Avenue.
  - C. Increase the scale and density to offer a more concentrated mix of uses and intensified development strategy.
  - D. Orientation of the buildings should face the center frontage road, while providing interesting back sides to University Avenue, or providing a double front to University Avenue and the frontage road.



- A. Consider opportunities for strengthening access and connections between new developments and other nearby amenities, such as trail systems, transit (including the Northstar Commuter Rail Line station area), retail areas, parks, and job centers.
- B. Create engaging pedestrian-friendly street level.
- III. Encourage Development and Revitalize University
  Avenue
- A. Strong support for:
  - · Senior housing, and assisted living options,
  - A mix of housing choices to accommodate a range of household incomes and sizes,
  - Office building, and
  - Mixed-use buildings (e.g. office, residential, services, and restaurant).

#### **Contact Information:**

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