

LCDA PRE-DEVELOPMENT GUIDE

2018 LIVABLE COMMUNITIES GRANTS

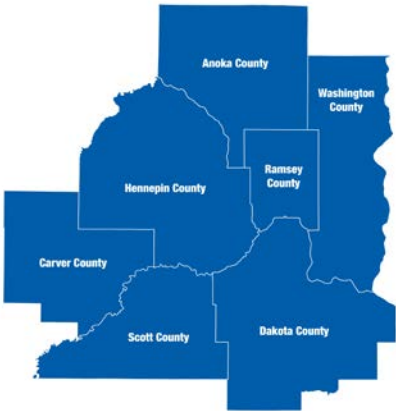


May 2018

The Council’s mission is to foster efficient and economic growth for a prosperous metropolitan region.

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The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Council operates the regional bus and rail system, collects and treats wastewater, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that provide housing opportunities for low- and moderate-income individuals and families. The 17-member Council board is appointed by and serves at the pleasure of the governor. This publication printed on recycled paper.

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Table of Contents

Section 1: General Information about LCDA Pre-development Grants	4
Purpose of Livable Communities Grants	4
Purpose of LCDA Grants	4
Types of LCDA Grants	4
Section 2: Eligible Applicants and Eligible Use of Funds	4
Who is eligible to apply for a LCDA pre-development grant?	4
LCDA Pre-Development	5
Section 3: 2017 Schedule, Grant Requirements and Terms	5
2017 Grant Terms and Match Requirements	6
Section 4: Accessing the Application	6
Considerations for LCDA Pre-Development application	7
Section 5: Ranking Criteria for LCA TOD Pre-Development Grants	8
Section 6: Reporting Requirements	9
Section 7: Appendices	10

Section 1: General Information about LCDA Pre-development Grants

Purpose of Livable Communities Grants

The Metropolitan Livable Communities Act¹ (LCA) created the Livable Communities Demonstration Account (LCDA) to promote the purposes of the Act and the outcomes of *Thrive MSP 2040*:

1. Efficiently connect housing, jobs, retail centers and civic uses;
2. Develop a range of housing densities, types and costs;
3. Conserve, protect and enhance natural resources by means of development that is sensitive to the environment; and
4. Develop land uses in centers linked to the local and regional transportation systems.

Purpose of LCDA Grants

The LCDA Pre-Development grants are an extension of the regular LCDA grant program. The Council's LCDA grants fund innovative (re)development projects that efficiently link housing, jobs, services, and transit to create inspiring and lasting Livable Communities.

Types of LCDA Grants

1. **LCDA Development** – these grants are intended for applicants that are ready to begin a development or redevelopment project and the land and/or infrastructure necessary to support it. This grant category includes site acquisition and site preparation.
2. **LCDA Pre-Development**– these grants are intended for applicants with an identified redevelopment site that are defining their project through such activities as design workshops, the development of site plans, financial analyses, market studies, appraisals, project-specific stormwater management plans, soil testing, and environmental, fiscal, traffic, or gentrification impact analyses in support of an identified future Development Project.

Section 2: Eligible Applicants and Eligible Use of Funds

Who is eligible to apply for a LCDA Pre-Development grant?

By [*state statute*](#), applicants must be a local governmental unit, which may be a:

1. Municipality (a statutory or home rule charter city or township) currently participating in the Livable Communities Local Housing Incentives Program
2. Metropolitan county
3. Housing and Redevelopment Authority, Economic Development Authority, Community Development Authority or Port Authority

Projects proposed by categories (2) and (3) must be located in [*participating municipalities*](#).

Developers cannot apply and cannot be the grantee. However, developers are encouraged to partner with eligible applicants to submit applications.

¹ Minnesota Statutes section 473.25

LCDA Pre-Development Eligible & Ineligible Uses

<u>Eligible Uses</u>	<u>Ineligible Uses</u>
<p>Project Design Activities:</p> <ul style="list-style-type: none"> • Development of site plans; • Phasing or staging plans for an identified parcel or multiple contiguous parcels; • Design workshops for development alternatives <p>Financial Analysis</p> <ul style="list-style-type: none"> • Feasibility studies of one or multiple development scenarios for an identified parcel or multiple parcels, leading to the development of a pro-forma; • Market study to determine the demand for the proposed development project <p>Site Analysis</p> <ul style="list-style-type: none"> • Project-specific stormwater management plans; • Soil testing to determine feasible land uses for site (not environmental testing); and <p>Other Project Studies needed to advance project through city and/or community planning process.</p> <ul style="list-style-type: none"> • Traffic study; • Gentrification impact study • Environmental review 	<ul style="list-style-type: none"> • Corridor, small area or station area plans; • Area analysis of alternatives for market mix, land use mix, economic feasibility, or for air, water, or energy uses; and • Strategies for land banking and acquisition.

Section 3: 2017 Schedule, Grant Requirements and Terms

In 2018, the Council will offer two competitive rounds of Pre-Development grants.

Application Type	Month	Activity
LCDA Pre-Development	April	Notice of funding availability
	May 31	Round 1 applications due
	July	Community Development Committee recommends grant awards
	August	Metropolitan Council awards Round 1 grants
	November 1	Round 2 applications due

	December	Community Development Committee recommends grant awards
	December / January	Metropolitan Council awards Round 2 grants

2018 Grant Terms and Match Requirements

LCDA Pre-Development And LCDA Site Investigation	
Available Funding	\$250,000 for 2018 program year
Local match	25%
Grant terms	2 years
Term extensions	Not available
Award limits	\$100,000 per round, per city
Number of applications	No more than 3 combined

Section 4: Completing the LCDA Pre-Development Application

Accessing the Application

The Council has a web-based management system for grant application, evaluation, and payment requests. WebGrants is entirely online and will cover nearly all phases of grants management across every Council grant program. The 2018 LCDA Pre-Development application is only available through the WebGrants system. To begin the application process, visit <https://metrocouncilgrants.org/index.do>

If you are new to WebGrants, read the **WebGrants User Guide first**. The guide is available online at <http://www.metrocouncil.org/METC/files/48/48307f04-f1b7-4269-868c-76b87a4d3258.pdf>

Each application requires a resolution of support from the city in which the Project is located. Two resolutions are attached to the funding opportunity in WebGrants: one for city applicants submitting one or more applications in this round of funding and another for county/EDA/port authority applicants submitting an application. Applications from counties, economic development authority or port authority for projects in an eligible community require a resolution of support from the county or authority. Resolutions are due within 30 days after submittal of the completed application(s) in WebGrants and can be uploaded through the “Attachments” application form in WebGrants.

Applications and all attachments must be submitted via webgrants by 3:00 pm on May 31 (Round 1) or 3:00 pm on November 1st (Round 2). No late submittals will be accepted. Convert all attachments to PDF.

Required Attachments (LCDA Pre-Development)

The following attachments are required for LCDA Pre-Development, in compressed PDF format:

- Parcel Map (from Make-a-Map)
- Aerial view (from Make-a-Map)
- Overview map (from Make-a-Map)
- Walk route map (from Make-a-Map)

- If Completed, Site Plan
 - Include the following basic elements: scale bar, north arrow, and a title block listing the name of the project.
 - Include the following naming convention: “Site plan – [LCDA Project name]” and present it in PDF.
- Resolution of Local Support

NOTE: See Appendix 2 for a sample for projects involving a city only and submitting one or more applications; see Appendix 3 for a sample for an application submitted by a county, EDA or port authority – the appropriate resolution may be submitted with the application or within 30 days after the application due date.

Name the resolution “Resolution – [LCDA Project name]” for a single application and “Resolution – City of XXXXX” if you are submitting more than one application.
- If completed, Elevation.

Name the PDF file “Elevation – [LCDA Project name].”

Other Attachments

- Up to 5 additional, one-page renderings (perspectives, sections, diagrams, photos, etc.)

Considerations for LCDA Pre-Development application

1. Not every good future development or redevelopment project is a good subject for a LCDA Pre-Development grant. To qualify for funds and score competitively, the application must make it clear **how the project will address statutory and Thrive LCA goals**, which are:
 - interrelating affordable housing and employment growth areas;
 - intensifying land use that leads to more compact development or redevelopment;
 - development or redevelopment that mixes incomes of residents in housing, including introducing or reintroducing higher value housing in lower income areas to achieve a mix of housing opportunities;
 - encouraging public infrastructure investments that connect urban neighborhoods and suburban communities, attract private sector development investment in commercial and residential properties adjacent to the public improvement, and provide project area residents with expanded opportunities for private sector employment; and/or
 - interrelating development or redevelopment and transit
2. The application is designed to focus on a specific future development or redevelopment project that exemplifies LCA goals. As the program name implies, the future development or redevelopment project needs to pursue a result that can be demonstrated or replicated elsewhere in the region. Questions to ask include: Will the project utilize an innovative collaboration? Is it sited in a unique way? Is there some element of the project’s funding, implementation or design that hasn’t been done locally? Fully address the appropriate questions within the application to claim the benefit of these elements.
3. When filling out the grant application, it is important to distinguish between the future development project and its constituent grant-funded activities. The future development project is the development or redevelopment work that through its design and execution will deliver benefits such as housing, connections, and/or jobs to the region. The activities for which grant funds are requested are conducted **in support of** the overall project and must be completed during the grant term. Note that unless otherwise instructed, your answers should pertain **only** to the project to be catalyzed by the pre-development project.
4. For important LCDA-specific criteria for projects seeking LCDA Pre-Development funding please refer to the webpage for LCDA Development Grants:

[https://metro council.org/Communities/Services/Livable-Communities-Grants/Livable-Communities-Demonstration-Account-\(LCDA\).aspx?source=child](https://metro council.org/Communities/Services/Livable-Communities-Grants/Livable-Communities-Demonstration-Account-(LCDA).aspx?source=child)

5. Livable Communities staff will review submittals to ensure all required elements have been received. Incomplete applications may be disqualified.

For assistance with questions regarding application interpretation or assistance, contact: **Hannah Gary** at **(651) 602-1633** or hannah.gary@metc.state.mn.us

Section 5: Evaluation Process for Pre-Development grants

Ranking Criteria

The evaluation process for Pre-Development will be conducted by a staff evaluation team. Pre-Development proposals will be scored on the degree to which the proposed activities will enhance the potential for a **future** development or redevelopment project to exemplify the goals of the LCDA program.

Land Use Criteria	
Applications will be evaluated on the degree to which the proposed activities will enhance the potential for an associated future development project to:	
Intensify land use by planning to add buildings or other uses and increase density to a level that maximizes the potential of the location	8
Improve the balance between jobs and housing and establish a connected development pattern between housing and centers of employment, education, retail, and recreation uses	8
Diversify housing options within the future development site, neighborhood and community	8
How well the development project would comply with the following design features: <ul style="list-style-type: none"> • Provide internal pedestrian convenience and efficiency through the design, layout, and features of the design of the Project • Minimal building setbacks • Short blocks with pedestrian connections adjacent to the buildings • A range of housing densities, types and costs • Cycling and walking conveniences • In a mixed-use setting, residential and commercial parking is limited, shared between uses, located to the rear of buildings, and/or is structured • Provide opportunities to employ natural resources, where feasible and appropriate, as community connections, assets and amenities 	8

Local Planning and Implementation Processes	
<p>The extent to which the proposed activities will enhance the potential for the future development project to:</p> <ul style="list-style-type: none"> • Implement the applicant city's local comprehensive plan • Help achieve the city's negotiated affordable and lifecycle housing goals • Implement any redevelopment plans, corridor or other local plans applicable to the identified project area 	8
Demonstration Value and Catalyst	
<ul style="list-style-type: none"> • Project can provide demonstration value and generate area-wide benefits • Extent to which pre-development activities will be a catalyst to implement the project of which it is a part • Extent to which the proposed development project will catalyze additional development and private investment to future project phases and/or the immediate area 	10
Partnerships and Readiness	
<p>Applications will also be evaluated on the degree to which:</p> <ul style="list-style-type: none"> • Pre-development activities provide for meaningful and appropriate public engagement • The city has identified and secured financial commitments to move project forward • City has demonstrated political commitment for the future development or redevelopment project • The proposed project is ready and able to use the grant, if awarded, within the 24-month grant term (higher points will be given for more advanced projects on the pre-development continuum) 	10
Total (Applications must score 30 or more points to receive funding consideration)	60
Housing Performance Score	
<p>The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if a significant amount of affordable housing is already located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual performance score or the average performance scores from all proposals being evaluated.</p>	10
Overall Total	70

Section 6: Reporting Requirements

Grantees are required to submit periodic progress reports. The detail supplied with payment requests comprises the bulk of the progress reports, which are augmented with semi-annual reports. A final progress report is required with the last payment request. When a grant is closed, the grantee's chief financial officer is required to certify to the appropriate expenditure of grant funds. Grantees that have not fully implemented the required threshold criteria must report regularly on their progress toward doing so. Recipients of LCDA pre-development grants must also supply a copy of the final work product funded by the grant award.

Section 7: Appendices

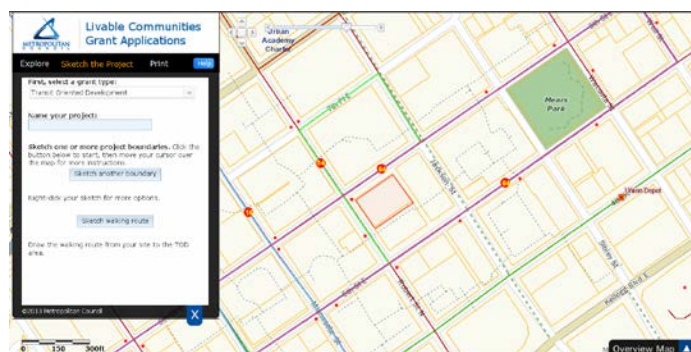
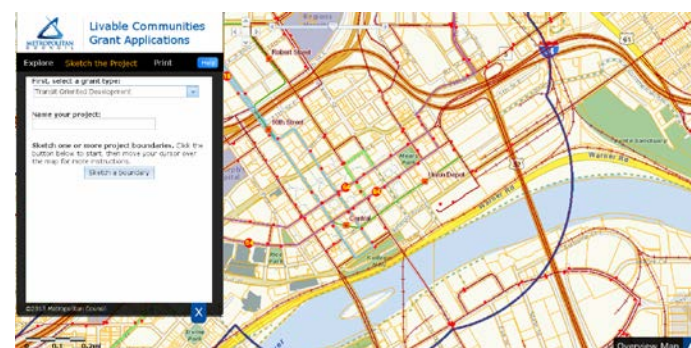
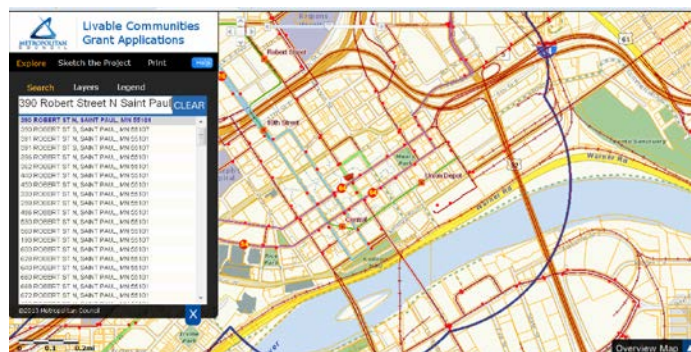
Appendix 1: Using Make-a-Map

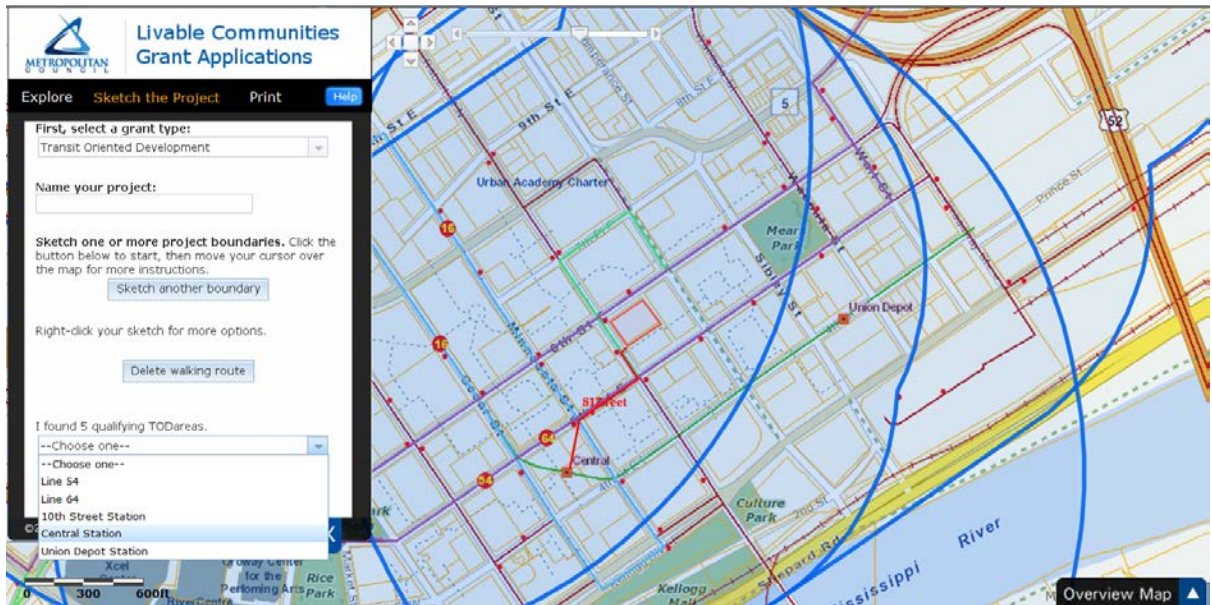
Livable Communities is excited to announce the release of an updated Make-a-Map tool, which has been customized for LCA Grants. To access Make-a-Map, follow this link:

<http://giswebsite.metc.state.mn.us/publicmaps/lca>

How Create the Required Maps for LCDA

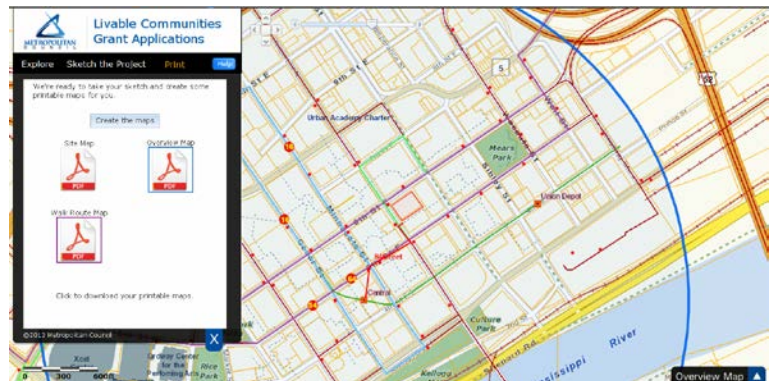
1. Enter an address or landmark in the search bar to navigate to your project area.
2. Click “Sketch the Project” and select the appropriate grant category, either Livable Communities Demonstration Account or Transit Oriented Development. Provide a name for your project.
3. You may use the zoom and pan buttons to navigate to your project site. Click “Sketch a Boundary” and, using the crosshair as a guide, draw the project boundary. A gray polygon with a red outline will begin to appear. Once you have finished outlining the boundary, double click to close the polygon. If there are multiple, non-contiguous parcels that are part of your Project, you have the option of sketching another boundary.





4. Select "Print" and "Create the maps." The system will generate two maps for LCDA. Please be patient – depending on your connection, it can take up to one minute to generate the maps.
5. Click each PDF to download them separately.

If you have any questions about using Make-a-Map, consult the Make-a-Map help section or contact LCA staff.



Appendix 2: Required Resolution from City Applicants

RESOLUTION NO. _____

CITY OF _____, MINNESOTA

RESOLUTION IDENTIFYING THE NEED FOR LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT ("LCDA") FUNDING AND AUTHORIZING AN APPLICATION FOR GRANT FUNDS

WHEREAS the City is a participant in the Metropolitan Livable Communities Act ("LCA") Local Housing Incentives Account Program for 2018 as determined by the Metropolitan Council, and is therefore eligible to apply for LCA Livable Communities Demonstration Account funds; and

WHEREAS the City has identified a proposed project(s) within the City that meets LCDA purposes and criteria and are consistent with and promote the purposes of the Metropolitan Livable Communities Act and the policies of the Metropolitan Council's adopted metropolitan development guide; and

WHEREAS the City has the institutional, managerial and financial capability to adequately manage an LCDA grant; and

WHEREAS the City certifies that it will comply with all applicable laws and regulations as stated in the grant agreement; and

WHEREAS the City acknowledges LCDA grants are intended to fund projects or project components that can serve as models, examples or prototypes for LCDA development or redevelopment elsewhere in the Region, and therefore represents that the proposed project or key components of the proposed project can be replicated in other metropolitan-area communities; and

WHEREAS only a limited amount of grant funding is available through the Metropolitan Council's Livable Communities LCDA initiative during each funding cycle and the Metropolitan Council has determined it is appropriate to allocate those scarce grant funds only to eligible projects that would not occur without the availability of LCDA grant funding.

NOW THEREFORE BE IT RESOLVED that, after appropriate examination and due consideration, the governing body of the City:

1. Finds that it is in the best interests of the City's development goals and priorities for the proposed LCDA Project(s) to occur at this particular site and at this particular time.
2. Finds that the LCDA Project component(s) for which Livable Communities LCDA funding is sought:
 - (a) will not occur solely through private or other public investment within the reasonably foreseeable future; and
 - (b) will occur within the term of the grant award (two years for Pre-Development grants and three years for Development grants) only if Livable Communities LCDA funding is made available for this project(s) at this time.
3. Authorizes its _____ to submit on behalf of the City one or more applications for Metropolitan Council Livable Communities LCDA grant funds for the LCDA Project components identified in the application, and to execute such agreements as may be necessary to implement the LCDA Project on behalf of the City.

Adopted this _____ day of _____, 2018.

Mayor

Clerk

Appendix 3: Sample Resolution for County/EDA/Port Authority Applicants

RESOLUTION NO. _____ COUNTY OF _____, MINNESOTA

RESOLUTION IDENTIFYING THE NEED FOR LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT ("LCDA") FUNDING AND AUTHORIZING APPLICATIONS FOR GRANT FUNDS

WHEREAS the County/EDA/Port Authority of _____ is eligible to apply for Livable Communities Demonstration Account funds on behalf of cities participating in the Livable Communities Act's Local Housing Incentives Account Program for 2018 as determined by the Metropolitan Council; and

WHEREAS the County/EDA/Port Authority has identified proposed projects within the City of _____ that meet the Demonstration Account's purposes and criteria and are consistent with and promote the purposes of the Metropolitan Livable Communities Act and the policies of the Metropolitan Council's adopted metropolitan development guide; and

WHEREAS as a participant in the Metropolitan Council's Livable Communities Local Housing Incentives Account program, the city of _____ (name of city or township) supports the application, and any resulting funding award, for the _____ (project name or names) being submitted by the _____ (name of eligible county/EDA/Port Authority); and

WHEREAS the County/EDA/Port Authority has the institutional, managerial and financial capability to ensure adequate project administration; and

WHEREAS the County/EDA/Port Authority certifies that it will comply with all applicable laws and regulations as stated in the grant agreement; and

WHEREAS the County/EDA/Port Authority agrees to act as legal sponsor for the projects contained in the grant application(s) submitted on _____, 2018;

WHEREAS the County/EDA/Port Authority acknowledges Livable Communities Demonstration Account grants are intended to fund projects or project components that can serve as models, examples or prototypes for development or redevelopment projects elsewhere in the region, and therefore represents that the proposed projects or key components of the proposed projects can be replicated in other metropolitan-area communities; and

WHEREAS only a limited amount of grant funding is available through the Metropolitan Council's Livable Communities Demonstration Account during each funding cycle and the Metropolitan Council has determined it is appropriate to allocate those scarce grant funds only to eligible projects that would not occur without the availability of Demonstration Account grant funding.

THEREFORE, the County/EDA/Port Authority of _____ authorizes its' Executive Director to submit an application or applications for Metropolitan Council Livable Communities Demonstration Account grant funds for the project components identified, and to execute such agreements as may be necessary to implement the projects on behalf of the City of _____, where the project is located.

Adopted this ____ day of _____, 2018.

Executive Director

Appendix 4: Definition of terms

This grant category uses some terms that are specific to the category and may have other meanings elsewhere. For the purposes of application and evaluation of the LCDA Pre-Development grant category, the following definitions apply:

- **Affordable Housing** is ownership or rental housing affordable to households earning 80% or less of Area Median Income (AMI). All Livable Communities Act affordable housing grant applications that include affordable housing must have a minimum 15-year affordability term, and a mechanism in place to ensure this term, to be considered as affordable.
- **Developed Communities** (*Urban Center* and *Urban Community Designations in Thrive*) are cities where more than 85% of the land is developed, infrastructure is well established, and efforts must go toward keeping it in good repair. Projects awarded grants in developed communities will be focused on maintaining and improving infrastructure, buildings and land to support adaptive reuse, infill development and redevelopment.
- **Developing Communities** (*Suburban, Suburban Edge and Emerging Suburban Edge Community Designations in Thrive*) are cities where the most substantial amount of new growth – about 60 percent of new households and 40 percent of new jobs – will occur. Projects awarded grants in developing communities will be focused on accommodating growth by supporting local efforts and policies to plan for growth that efficiently uses transportation and transit infrastructure and regional services, promotes land use patterns with clear distinctions between urban and rural areas, and by supporting activity centers along corridors that encourage the development of communities where shopping, jobs and a variety of housing choices co-exist by design.
- Communities designated **Rural Center** in Thrive are local commercial, employment, and residential activity centers serving rural areas in the region. Projects awarded grants in rural centers will be focused the efficient use of land and existing infrastructure, encouraging innovative approaches to development where existing infrastructure and capacity can support increased density, improving land use patterns to reduce carbon emissions.
- The **Development Project** is the development or redevelopment project that provides the deliverables upon which the grant application is scored. Note that in most cases, the grant-funded activities, in and of themselves, do not comprise the development project.
- **Equitable Development** creates healthy vibrant communities of opportunity where low income people, people of color, new immigrants and people with disabilities participate in and benefit from systems decisions, and activities that shape their neighborhoods.
- **Fair Housing Policy** A written statement regarding the local municipality's commitment to fair housing, typically including the policy's purpose, procedures for complaint identification and referral, designating a fair housing officer, and outlining internal and external actions the municipality will undertake to advance fair housing. A best practices guide including a model local fair housing policy can be found here: <https://metro council.org/Handbook/Files/Resources/Best-Practices/Fair-Housing-Policy-Guide.aspx>
- The **Grant-Funded Activities** are components of the development project described in the application. The grant-funded activities do not, in and of themselves, comprise the development project for which grant funds are awarded.
- The process of **Placemaking** can lead to the creation of physical spaces that foster civic engagement, build social connections, catalyze economic development, demonstrate environmental sustainability, and contribute to the unique sense of identity of a project area or neighborhood. LCDA **placemaking** eligible spaces are intentionally designed spaces, such as plazas, squares, greens or courtyards, that serve to create an identity, a focal point of, or gateway to the development. Playgrounds, tot lots, neighborhood parks, or general amenity areas primarily for the use of the development project's tenants are examples of spaces that do not meet eligible **placemaking** criteria for Livable Communities.



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