

Committee Report

Community Development Committee



Committee Meeting Date: Feb. 6, 2023

For the Committee of the Whole: March 1, 2023

Business Item: 2023-48

2023 Livable Communities Act Fund Distribution Plan

Proposed Action

That the Metropolitan Council:

1. Approve the 2023 Livable Communities Act Fund Distribution Plan as shown in Attachment 1.
2. Direct staff to organize public Committee work sessions to discuss geographic distribution of funding in the Livable Community Demonstration Account and Transit Oriented Development programs.

Summary of Community Development Committee Discussion/Questions

Sarah Berke, Senior Manager, Livable Communities, presented the staff report and the recommended Fund Distribution Plan for Livable Communities Act grants in 2023 to the Committee, including an overview of proposed funding availability, scoring criteria, and evaluation and outreach plans.

In the discussion that followed, Council Members expressed interest in better understanding several questions, including enrollment trends for participants in Livable Communities Act program and the distribution/concentration of awards across various communities in the metropolitan region. Staff shared their plans to evaluate these questions, to reach out to non-participants and less active participants, and to evaluate the role LCA programs play in the overall regional development funding ecosystem. Council members expressed their appreciation for and desire to examine data on a variety of factors, including application frequency, success rates, and other factors that influence the programs.

Council Member Chamblis made a motion to approve the proposed action, which was seconded by Council Member Lindstrom.

Council Member Johnson proposed an amendment to the motion, that the CDC members meet in a public work session group not less than two times within the next six months to discuss LCDA and TOD geographic distribution issues, with the specific format to be determined. Director Barajas noted that these proposed work sessions could be added to the Committee work plan for 2023.

The motion carried as amended, with one opposing vote.



Business Item

Community Development Committee



Committee Meeting Date: Feb. 6, 2023

For the Metropolitan Council: Feb. 22, 2023

Business Item: 2023-48

2023 Livable Communities Act Fund Distribution Plan

District(s), Member(s):	All
Policy/Legal Reference:	Minn. Stat. § 473.25
Staff Prepared/Presented:	Sarah Berke, Senior Manager, Livable Communities, 651-602-1198
Division/Department:	Community Development/Regional Planning

Proposed Action

That the Metropolitan Council approve the 2023 Livable Communities Act Fund Distribution Plan as shown in Attachment 1.

Background

The Livable Communities Act (LCA) requires that the Council prepare an annual plan for distribution of the Livable Communities funds that includes funding availability, program guidelines, and scoring criteria. Following from the [information item](#) and committee discussion on January 17, 2023, staff recommends approval of the Fund Distribution Plan for 2023 LCA programs as shown in Attachment 1.

Scoring Criteria

For the 2023 program cycle, given market condition uncertainty, staff changes, the lack of clear trend changes in application activity, and the early-stage status of the Local Housing Incentives Account (LHIA) Pilot and Policy Development programs specifically, staff proposes to continue the program criteria for all LCA programs this year with only minor changes.

As discussed at the January 17 Committee meeting, the scoring criteria changes for 2023 that staff propose are focused on minor updates and language revision to further simplify and clarify language across programs, eliminate redundancies in scoring criteria, and ensure consistency in interpretation for reviewers and applicants, including:

- The Jobs section in the LCDA and LCDA-TOD Development program criteria was expanded to encompass economic opportunity more broadly and the category title was renamed to reflect this change. This is further clarification of the definition of economic opportunity and jobs that was part of the 2022 scoring framework.
- The Policy Development Program scoring criteria have been adjusted to include a minimum overall score necessary for funding eligibility and more scoring weight on policy outcomes rather than engagement around policy development.
- Plain Language updates: Staff worked with Metropolitan Council communications staff to ensure language is understandable to a lay audience and that the meaning of scoring criteria is clear. Through focus groups with applicants, staff learned that the scoring criteria were difficult to understand, particularly for those without planning or development backgrounds.

One additional small change is proposed that was not included in the January 17 discussion item:

- In LCDA and TOD Development, staff updated the scoring to remove a “project team” criterion that proved difficult to score, about partnerships between government, for-profit, and non-profit sectors. This has the effect of slightly decreasing the project team score component within the overall scoring framework for these two programs.

Outreach and Evaluation Plans

As discussed at the January 17 Committee meeting, this year staff will continue to focus on outreach to LCA Participants and potential Participants throughout the metro region to encourage strong applications from cities who are less-frequent applicants.

Staff will share separately a detailed calendar for outreach events and encourage Council Members to attend and/or share these events with communities in their respective districts. Additionally, staff is setting goals to conduct targeted, individualized outreach to participating communities who have not applied for or received grants in recent years.

Staff plans evaluation efforts in 2023 for all LCA programs, with a continued focus on the impact of scoring changes from 2021, as well as on evaluating the newer pilot programs. Key evaluation questions and topics for 2023 include:

- How well are LCA programs meeting statutory purpose and Council policy?
 - Actual guidelines and policies versus accepted practice/traditions
 - Impacts and outcomes that can be accomplished with current programs
 - Comparison to peer region efforts
 - Alignment with major issues facing the region
 - Alignment with preferences and values of residents of the region
- What does equitable distribution of LCA grant resources look like?
 - Identify current constraints and barriers
 - Understand who is benefitting from our programs
 - Analyze where disparities most impact people
- What roles do LCA programs play in the regional community development ecosystem?
 - Analysis of other funding programs; what is unique or overlapping, where are there gaps?
 - Incorporate feedback from developers and participating communities
 - Assess efficiency/effectiveness of our efforts
 - Consider our role in technical assistance provision

These evaluation efforts will be conducted in parallel with, and in conversation with, a larger set of engagement efforts with community members and participating communities as part of the process toward a new 2050 regional development guide. The LCA team includes both LCA grant program officers and housing policy planners; evaluation and engagement efforts led by staff will mutually inform both grant programs and long-term policy plans.

Staff will update the CDC on outreach and evaluation efforts mid-year in 2023, to invite additional discussion.

Funding Availability Proposal

The 2023 Fund Distribution Plan provides direction for up to \$27.5M in grants to be awarded in this solicitation cycle, as shown in Table 1. Table 2 provides a summary of the funding sources proposed for each program.



Table 1. 2023 LCA Proposed Funding Availability, by Program

Program	2023 Funding
Tax Base Revitalization Account (TBRA)	
○ Contamination Clean-Up and Site Investigation	\$5.0 M
○ Seeding Equitable Economic Development	\$0.5 M
Livable Communities Demonstration Account (LCDA)	
○ Pre-Development and Policy Development	\$2 M
○ LCDA Development	\$9.3 M
○ Transit-Oriented Development	\$5.3 M
Local Housing Incentives Account (LHIA)	
○ Multifamily / Consolidated RFP	\$2.5 M
○ Affordable Homeownership Pilot	\$2.9 M
TOTAL	\$27.5 M

Table 2. Summary of Funding Sources, by Program

Program	TBRA		LCDA			LHIA	
Base Funding Allocation	\$5.0 M		\$13.6 M			\$1.5 M	
Restricted Reserves Allocation Recommended	\$0.5 M		\$3.0 M			\$0.4 M**	
Unrestricted Reserves Allocation Recommended (of total \$7.2M available)	\$0		\$0			\$3.5 M	
<i>Special Initiatives Funding*</i>	-		-			-	
Total Recommended for 2023	\$5.5 M		\$16.6 M			\$5.4 M	
Recommended Distribution by Program	TBRA \$5.0M	SEED \$0.5M	LCDA \$9.3M	TOD \$5.3M	Pre-D \$2.0M	RFP \$2.5M	Pilot \$2.9M
<i>Restricted reserve balance - projected</i>	\$1M		\$1.6M			0	
<i>Unrestricted reserve balance - projected</i>	\$3.7M						

*Unlike in past years, no special initiative funding is available for LHIA from general-purpose levy sources for 2023.

**This is a change from the reserve forecast presented on January 17 to the Committee; it reflects the \$400,000 grant award that was not made in the December 2022 LHIA single-family RFP round due to the applicant's last-minute withdrawal of its application after funding recommendations were approved by the Community Development Committee. Staff propose redeploying those funds into the new 2023 funding round for homeownership grants.



Rationale

Council staff presented an information item at the Community Development Committee meeting on January 17, and have received input from Committee members, the Committee's Housing Work Group, applicants, and program partners throughout the year in the form of both formal surveys and focus groups and ongoing conversations. The proposed Plan reflects the input received and will further the goals and objectives outlined in the Livable Communities Act, in *Thrive MSP 2040*, and by the Committee members.

Thrive Lens Analysis

The Livable Communities Act programs represent one of the Council's primary financial tools to advance and encourage development and redevelopment that advances the Thrive principles of Livability, Sustainability, Equity, and Prosperity. Several criteria further the Council's Equity outcome by better accounting for measurable equity impacts. Finally, the LCA programs are an important way we advance Stewardship by making strategic investments in our region's future to ensure orderly and economical development.

Funding

The 2023 Fund Distribution Plan provides direction for up to \$27.5M in grants to be awarded in this solicitation cycle. Approximately \$20.1M is available in the 2023 Authorized Budget and \$7.4M is available in reserve accounts to make up the balance. This business item provides the policy direction for future budget actions required to meet annual cashflow needs of multi-year grants. Future Council annual budgets and budget amendments will program reserves into the Council Authorized Budget to meet annual cashflow needs.

Attachments

Attachment 1: 2023 Fund Distribution Plan for all LCA programs



Attachment 1: 2023 Fund Distribution Plan for all LCA programs

Tax Base Revitalization Account (TBRA)

The TBRA helps clean up contaminated land and buildings for subsequent development. These grants are intended to provide the greatest public benefit for the money spent, strengthen the local tax base, and create and preserve jobs and/or affordable housing.

SEED (Seeding Equitable Economic Development)

Program Criteria:

- Local Match: None
- Grant Terms: 2 years from date of award
- Term extensions: None
- Award Limits: \$50,000 for investigation; 50% of funding available for cleanup
- Application Limit: None

Geographic restriction: Sites that meet specific place-based equity criteria, as determined by the Council considering: concentrated areas of poverty, low-wage jobs, Black, Indigenous, and other populations of color; and low-income households with Little recent redevelopment activity (as measured by building permits)

Excess available funding: If funding applied for or awarded through TBRA SEED is less than the funding available, the remaining funds may be made available for award through the regular TBRA categories (Investigation, Cleanup).

TBRA SEED Scoring Table

What: Proposed Project Outcomes		
Tax Base	Increase to the tax base OR potential to increase the city tax base from expected changes to the property classification or the preferred land use in a current Request For Proposals for redevelopment	5
Jobs and Housing	Potential to add or preserve living-wage jobs or affordable housing based on the proposed redevelopment OR existing land use designation and proximity to existing employment centers	5
Compact, Connected Development	Develop vacant lots or re-use vacant buildings	20
	Potential to increase the use of transit and alternatives such as walking or biking	
	Interim use that increases visibility or improves market potential of the redevelopment proposals	
	Demonstrate a market demand for the proposed redevelopment OR future redevelopment proposals	
	Potential to increase the density or intensity of land use based on the proposed development OR changes to existing site conditions, if any, and existing zoning designation	
Environmental Impact	Identify or reduce risk to human health from suspected or known environmental contaminants, pollutants, hazardous substances or hazardous building materials and likely impact of risks particularly to vulnerable populations (e.g., infants, children and elderly) based on the current property use at or adjacent to the subject property	15
	Potential to support equitable environmental protection based on project location and potential impact of exposure	6

Subtotal Outcomes		51
How: Proposed Project Process		
Process	Address a residential and/or workforce need that was identified by or with residents or workers most impacted by inequities	4
	The city is taking steps toward addressing inequities at the local level, especially efforts to implement equitable development practices	3
Subtotal Process		7
Who: Proposed Project Team		
Capacity	Project team's capacity to begin an environmental investigation or cleanup	12
	The team can demonstrate a need for public financing	
	The project team, including partners, represents the community the project; will serve or the predevelopment activities will build a representative team.	
	Public applicant's capacity to oversee environmental investigations or cleanup	
Subtotal Team		12
TOTAL		70
Applicants must score at least 35 of the 70 available points		

Site Investigation

Program Criteria

- Local Match: 25%
- Grant Terms: 1 year from date of award
- Term extensions: None
- Award Limits: \$50,000 per project
- Application Limit: None
- Excess available funding: If funding applied for or awarded through TBRA is less than the funding available, the remaining funds may be made available for award through the TBRA Cleanup and/or SEED category.

TBRA Site Investigation Scoring Table

What: Proposed Project Outcomes		
Tax Base	Increase to the city tax base	5
Jobs and Housing	Build or preserve affordable housing with priority given to projects that serve residents who have barriers finding safe, affordable housing or new housing units affordable to households with income at or below 30% of the median income	5
	Create or preserve long-term job opportunities with priority given to projects with living-wage jobs	
Compact, Connected Development	Develop vacant lots or re-use vacant buildings	15
	Increase the use of transit and alternatives such as walking or biking	
	Support efficient growth in the region by increasing density and intensity through redevelopment	
	Demonstrate a market demand for future redevelopment proposals	5
Environmental Impact	Investigate contaminated sites with the greatest potential to improve the environment and reduce risk to human health	12
	Potential to support equitable environmental protection based on project location and potential impact of exposure	6
Subtotal Outcomes		48
How: Proposed Project Process		
Process	Address a residential and/or workforce need that was identified by or with residents or workers most impacted by inequities	4
	The city is taking steps toward addressing racial and other inequities at the local level, especially efforts to implement equitable development practices	3
Subtotal Process		7

Who: Proposed Project Team

Capacity	Project team's capacity to begin an environmental investigation and commit sources for required matching fund contribution	15
	The team demonstrates a need for public financing	
	The project team, including partners, is designed to reflect and be responsive to those under-represented and most impacted by the project; or the predevelopment activities will seek to build such partnerships in a meaningful way	
	Demonstrate public applicant's capacity to oversee environmental investigations	
Subtotal Team		15
Total		70
Applicants must score at least 35 of the 70 available points		

TBRA Contamination Cleanup

Program Criteria:

- Local Match: None
- Grant Terms: 3 years from date of award
- Term extensions: up to 2 years
- Award Limits: 50% of total available funding per city and no more than 75% of total available funding within Minneapolis and St. Paul (this is inclusive of all TBRA programs)
- Application Limit: None
- Excess available funding: If funding applied for or awarded through TBRA is less than the funding available, the remaining funds may be made available for award through the TBRA SEED category.

TBRA Cleanup Scoring Table

What: Proposed Project Outcomes		
Tax Base	Increase to the city tax base	25
	Add tax revenue in the near term. (Projects not in or not expected to be in a Tax Increment Finance districts earn 5 points because all the affected tax jurisdictions benefit after construction is complete.)	
Jobs and Housing	Build new affordable housing that helps the city meet their share of the region's need for affordable housing built between 2020-2030. Priority will be given to new housing units affordable to household with incomes at or below 30% of the area median income (AMI) in census tracts with the most households spending more than a third of their income on housing costs before considering units affordable at other levels of AMI up to 60%. OR	25
	Preserve and rehabilitate affordable housing, prioritizing cities at highest risk of losing Naturally Occurring Affordable Housing (NOAH) and/or cities with higher rates of housing cost burdened households,	
	AND build or preserve affordable housing opportunities with priority given to projects that serve populations not currently served by the local housing market with priority given to housing for previously unhoused individuals, individuals with disabilities and housing developed with on-site supportive social services.	
	Add or preserve long-term job opportunities with priority given to projects with living wage jobs	
	Add jobs in priority high-growth and high-opportunity sectors of the region's economy for industry sectors that have demonstrated significant growth in recent years compared with the nation as a whole; and/or advance city job growth priorities identified in a public economic development strategy.	
	Increase long-term living wage jobs in a qualified Seeding Equitable Environmental Development (SEED) eligible area	
Compact, Connected Development	Support efficient growth in the region through adaptive reuse, infill development or redevelopment	20
	Increase the use of transit and alternatives such as walking or biking	
	Demonstrate a market demand for future redevelopment proposals	5

Environment and Livability	Cleanup contaminated sites with the greatest potential to improve the environment and reduce risk to human health	25
	Improve access to local and regional parks and trails through outreach, site design, or programming	20
	Conserve vital existing regional natural resources features and functions	
	Conserve, restore or protect the region's water resources through environmentally sound opportunities for recharging groundwater with best management practices for stormwater	
	Commitment to resilient energy infrastructure using renewable and/or district energy sources	
	Increase job opportunities within micro-enterprises, worker-owned businesses, or other business models that support wealth creation	
	Support equitable environmental protection for projects in areas most impacted by prior contaminants, pollutants, or hazardous substances that reduce potential impact of exposure	
Subtotal Outcomes		120
How: Proposed Project Process		
Process	Address a residential and/or workforce need that was identified by or with residents or workers most impacted by racial or other disparities	10
	The city is taking steps toward addressing inequities at the local level, especially efforts to implement equitable development practices	4
Subtotal Process		14
Who: Proposed Project Team		
Capacity	Demonstrate public applicant's capacity to oversee environmental cleanup grants	16
	The team can demonstrate a need for public financing	
	The project team, including partners, represents the community the project will serve; or predevelopment activities will build a representative team	
	Project team's readiness to proceed with project site cleanup and construction	
Subtotal Team		16
TOTAL		150
Applications must score at least 75 of the total 150 available points		

Pre-Development

LCA supports pre-development activities that further development and redevelopment projects that link housing, jobs and services and use community and regional infrastructure efficiently.

Program Criteria:

- Local Match: None
- Grant Terms: 2 years from date of award
- Term extensions: Up to 1 year
- Award Limits: \$300,000 per city per round; inclusive of up to \$50,000 per city for Policy Development awards
- Application Limit: No more than six per city or county applicant
- Excess available funding: If funding applied for or awarded through Pre-Development is less than the funding available, the remaining funds may be made available for award through the regular LCDA or LCDA – TOD Development categories

Pre-Development Scoring Table

While we recognize there are different types of inequities based on identity and circumstance, LCA is focused on addressing racial inequity in the region given race is the largest predictor of inequitable outcomes in jobs, housing, and other LCA goals. Projects addressing racial equity will be prioritized in scoring. Projects addressing other inequities will earn points towards how they address those inequities but will not receive full points unless they also consider the intersection of racial inequity.

What: Pre-Development Project Outcomes		
<i>Criteria:</i>		<i>Points</i>
The goals and vision of the proposed project would meet one or more of the following LCA and/or Thrive goals:		10
LCA and Thrive Goals	Add new housing types and create affordable housing. Priority for projects with deep affordability and/or serving populations who have barriers to finding housing	
	Create or preserve long-term living wage jobs or support economic opportunity for people experiencing the most economic hardships	
	Increase density on the site and make it easier for people to travel between housing, jobs, services, and amenities	
	Minimize climate impact by reducing greenhouse gas emissions and conserving natural resources	
	Further equity outcomes by fostering regional connections, mitigating climate impacts and implicit bias, removing barriers to access affordable housing, creating living wage jobs, and supporting the creation of small businesses owned and operated by a historically marginalized population	
How: Pre-Development Project Process		
Process	Show an understanding of who will benefit most from the project and in what ways, and use this understanding to shape equitable development strategies and outcomes	12
	Engagement is or will be scaled to the size of the project and harnesses the power of community to co-create the development project	

Who: Proposed Project Team		
Who Is Involved	The strength of the partnership between the applicant (City/County/HRA/EDA) and development partner(s), including the level of support and engagement the applicant has with the project	10
	Those with decision-making power reflect the community the project will serve or the predevelopment activities will build a reflective team	
Total		32
Applications must score at least 22 of the 32 points available		

Policy Development

Program Criteria:

- Local Match: None
- Grant Terms: 2 years from date of award
- Term extensions: Up to 1 year
- Award Limits: \$50,000 per city per round, inclusive of up to \$300,000 per city for Pre-Development awards
- Application Limit: One per city
- Excess available funding: If funding applied for or awarded through Pre-Development is less than the funding available, the remaining funds may be made available for award through the regular LCDA or LCDA – TOD Development categories

Policy Development Scoring Table

While we recognize there are different types of inequities based on identity and circumstance, LCA is focused on addressing racial inequity in the region given race is the largest predictor of inequitable outcomes in jobs, housing, and other LCA goals. Projects addressing racial equity will be prioritized in scoring. Projects addressing other inequities will earn points towards how they address those inequities but will not receive full points unless they also consider the intersection of racial inequity.

What: Policy Development Outcomes		
<i>Criteria:</i>		<i>Points:</i>
The goals and vision of the proposed policy would meet one or more of the following LCA and/or Thrive goals associated with physical development:		30
LCA and Thrive Goals	<ul style="list-style-type: none"> • Support affordable housing by allowing for more development of new affordable housing or preservation of existing affordable housing • Support wealth building and economic opportunity for residents experiencing most economic hardships • Minimizing climate impact by reducing greenhouse gas emissions and conserving natural resources • Realize more equitable outcomes in affordable housing, living wage jobs, climate impacts, transportation, and regional connections 	
Support more equitable development outcomes in physical developments and/or through city process to approve physical developments		
How: Policy Development Process		
Process	The process will include analysis of who will benefit most from the policy and in what ways, and use findings to shape equitable development strategies and outcomes	10
Who: Policy Development Team		
Who Is Involved	The project team has a defined scope of work with tangible goals	10
Total		50
Applications must score at least 25 of the possible 50 points		

Livable Communities Demonstration Account (LCDA) Development

LCDA supports development and redevelopment projects that link housing, jobs and services and use community and regional infrastructure efficiently.

Program Criteria

- Local Match: None
- Grant Terms: 3 years from date of award
- Term extensions: Up to 2 years
- Award Limits: If eligible applications from suburban communities exceed 60% of available funds, it is recommended that no more than 40% of the funds be granted to projects in Minneapolis and St. Paul.
- Application Limit: No more than three per city or county applicant
- Excess available funding: If funding applied for or awarded through LCDA or LCDA-TOD Development is less than the funding available, the remaining funds may be made available for award through whichever program has requests for more funding than is available.

Scoring Criteria:

LCDA's Development program is scored in two steps. A staff evaluation team reviews and scores eligible grant applications using the Step One criteria (left column, lavender background). Members of the Council's Livable Communities Advisory Committee then score using the Step Two criteria (right column, peach background).

LCDA Development Scoring Table

While we recognize there are different types of inequities based on identity and circumstance, LCA is focused on addressing racial inequity in the region given race is the largest predictor of inequitable outcomes in jobs, housing, and other LCA goals. Projects addressing racial equity will be prioritized in scoring. Projects addressing other inequities will earn points towards how they address those inequities but will not receive full points unless they also consider the intersection of racial inequity.

What: Proposed Project Outcomes				
Step One			Step Two	
Step One - Scored by staff			Step Two - Scored by LCAC	
Criteria		Points	Criteria	Points
Housing	Build or preserve affordable housing; priority given for projects that serve residents not who have barriers to finding safe, affordable housing, for projects with the deepest affordability, and for those including supportive services or other needed services	8	Meet the needs of current and/or future residents through design, programming, or services	4
	Create new affordable housing that helps the City meet their share of the region's need for affordable housing at needed affordability levels; OR Preserve and rehabilitate affordable housing, prioritizing communities at highest risk of losing Naturally Occurring Affordable Housing (NOAH) and/or communities with more housing cost burdened households			
	Further equity outcomes in housing access*	2*		
Economic Opportunity	Create or preserve permanent jobs OR Create workforce development and/or training opportunities; priority for projects with full-time living wage jobs	8	Support economic and/or growth for those experiencing the largest economic hardships through the business model, training programs, or project mission	4
	Create economic opportunity in health care, technology or environmental sustainability fields; advance strategic city job growth priorities; and/or create or preserve industrial jobs with access to regional transit systems			
	Further equity outcomes in access to economic opportunity*	2*		

What: Proposed Project Outcomes

Step One		Step Two			
<i>Criteria</i>		<i>Points</i>	<i>Criteria</i>	<i>Points</i>	
Compact, Connected Development	Increase density or intensity of land use in the project area; OR Use an existing building that brings more activity to the project site.	8	Make it easier and more comfortable for people to walk, bike, roll, or use other kinds of transportation in and around the project site. Connect to walking, biking, or transit networks around the project site.	4	
	Add new uses to the project area to better meet residents' needs.				
	Further equitable access transit, services, and amenities*	2*			
Environment and Livability	Improve access to local and regional parks and trails and green space through outreach, site design, or programming	8	Mitigate negative environmental impacts on residents or workers in the area; priority for projects in areas most impacted by past environmental harms	4	
	Minimize greenhouse gas emissions to the greatest extent possible				
	Conserve natural resources, including reuse/ preservation of an existing building and/or sustainable site design; priority for a focus on equitable development outcomes				
	Further equitable access to local and regional parks and/or address environmental sustainability in locations where residents have been most impacted by environmental harms*	2*			
Subtotal Outcomes		40	Subtotal Outcomes		16

How: Proposed Project Process				
Step One			Step Two	
<i>Criteria</i>		<i>Points</i>	<i>Criteria</i>	<i>Points</i>
Project Process	The need for the project was determined by residents and/or workers most impacted by inequities*	5*	Engagement is scaled to the project, meaningful, and efforts center those under-represented and most impacted by inequities	4
	The City is taking steps toward addressing inequities at the local level, especially efforts to implement equitable development practices*	3*		
Subtotal Process		8	Subtotal Process	4
Who: Proposed Project Team				
Project Team	City efforts to contribute to the project financially, considering the city capacity	4	The project and the team use a strategic and integrated approach to addressing equity issues and the intended impacts of the project will result in more equitable outcomes	5
	Those with decision making power for the project are reflective of the community the project is intending to serve*	2*		
Subtotal Team		6	Subtotal Team	5
Step One Total		54	Step Two Total	25
Applications must score at least 32 of the total Step One points to move to Step Two with 12 of the 18 equity points (*) awarded				
Applications must score at least 47 of the total available points to be eligible for funding				

Livable Communities Demonstration Account – Transit Oriented Development (LCDA-TOD)

Using targeted funds from LCDA, the LCDA-TOD program is focused on higher-density projects that contribute to a mix of uses in a TOD-eligible area. TOD-eligible areas can be along light rail, commuter rail, bus rapid transit, and high frequency bus corridors.

Program Criteria

- Local Match: None
- Grant Terms: 3 years from date of award
- Term extensions: Up to 2 years
- Award Limits: \$2 million per city
- Application Limit: No more than three per city or county applicant
- Excess available funding: If funding applied for or awarded through LCDA or LCDA-TOD is less than the funding available, the remaining funds may be made available for award through whichever program has requests for more funding than is available.

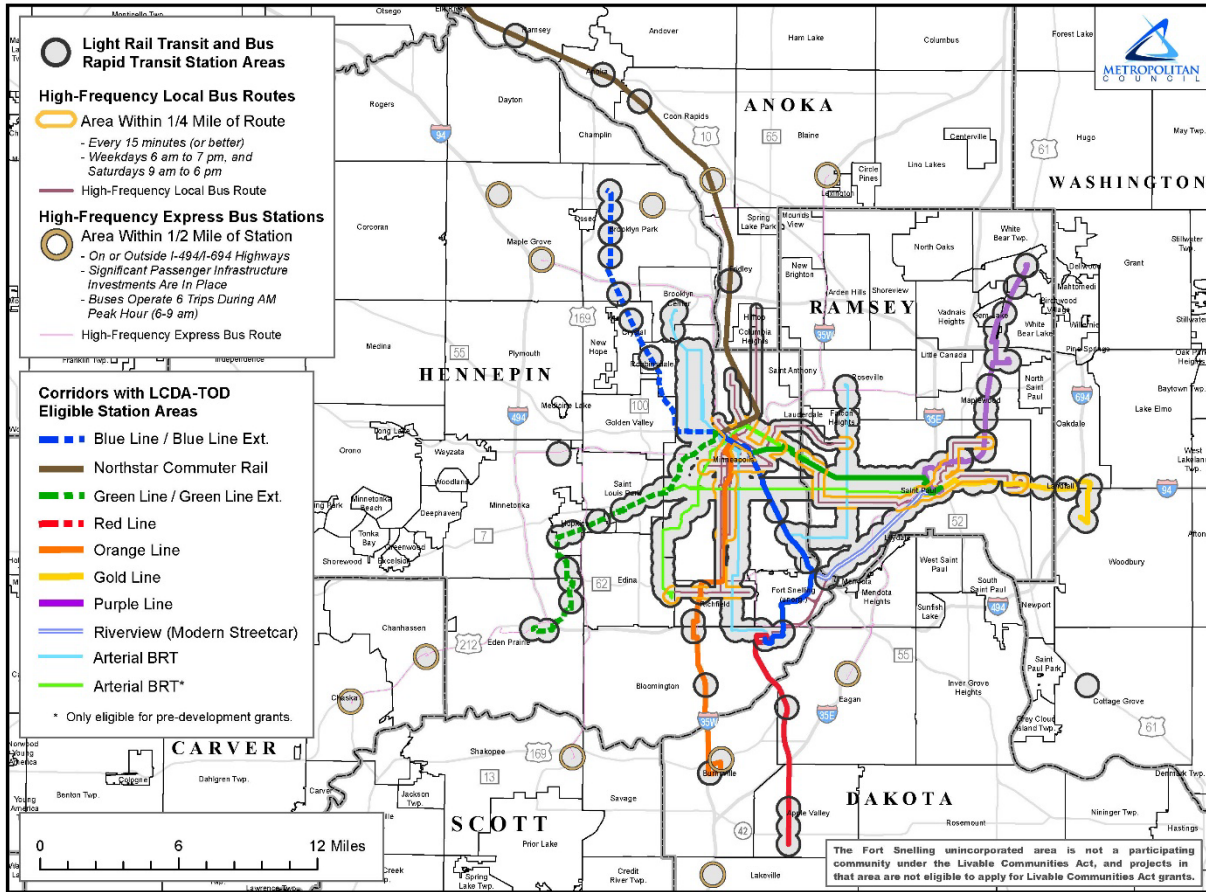
LCDA-TOD Eligible Areas

TOD-Eligible Areas are limited geographic areas eligible for LCDA-TOD Development grant funding based on levels of transit service and a transit project's stage of development. The criteria to determine areas eligible for TOD funding is as follows:

1. The transit project has completed environmental review or received a Record of Decision.
2. LCDA-TOD projects must be located within a Council-identified Developed Area, Developing Area, or a Rural Center. Regional park land is ineligible in all respects.
3. The project must also be within a TOD Eligible Area, described as within:
 - A ½-mile radius of an existing station on the following transit corridors:
 - LRT: METRO Blue Line and Green Line
 - BRT: METRO Orange Line, Red Line, A Line, C Line, and D Line
 - Northstar Commuter Rail Line
 - A ½-mile radius of a proposed station on the following planned transit corridors:
 - LRT: METRO Blue Line and Green Line Extensions
 - BRT: METRO Gold Line, Purple Line, and B Line
 - A ½-mile radius of a bus stop or station with significant infrastructure on high-frequency express routes. High-frequency express service is defined as bus service providing either six or more trips during at least one of the peak morning hours between 6:00 AM and 9:00 AM, or every 10 minutes during the peak morning hour.*
 - A ¼-mile radius of a bus stop along high-frequency local bus lines, defined as those routes providing service at least every 15 minutes between 6:00 AM to 7:00 PM on weekdays and between 9:00 AM and 6:00 PM on Saturdays.*
4. Additionally, projects located within a ½-mile radius of proposed stations on the following planned transit corridors must consider their TOD potential when applying to LCA Pre-Development grants:
 - Riverview Corridor and E Line BRT

** Due to changes in service frequency related to the impacts of the COVID-19 pandemic, 2020 service levels are used to determine TOD eligibility.*

Figure 1. 2023 LCDA-TOD Eligible Areas



LCDA-TOD Development Scoring Table

LCA is focused on addressing racial inequity in the region given race is the largest predictor of inequitable outcomes in jobs, housing, and other LCA goals. Projects addressing racial equity will be prioritized in scoring. Projects addressing other inequities will earn points towards how they address those inequities but will not receive full points unless they also consider the intersection of racial inequity.

What: Proposed Project Outcomes				
Step One			Step Two	
Step One - Scored by staff			Step Two - Scored by LCAC	
Criteria		Points	Criteria	Points
Housing	Build or preserve affordable housing; priority given for projects that serve residents not who have barriers to finding safe, affordable housing, for projects with the deepest affordability, and for those including supportive services or other needed services	8	Meet the needs of current and/or future residents through design, programming, or services	4
	Create new affordable housing that helps the City meet their share of the region's need for affordable housing at needed affordability levels; OR Preserve and rehabilitate affordable housing, prioritizing communities at highest risk of losing Naturally Occurring Affordable Housing (NOAH) and/or communities with more housing cost burdened households			
	Further equity outcomes in housing access*	2*		
Economic Opportunity	Create or preserve permanent jobs OR Create workforce development and/or training opportunities; priority for projects with full-time living wage jobs	8	Support economic and/or growth for those experiencing the largest economic hardships through the business model, training programs, or project mission	4
	Create economic opportunity in health care, technology or environmental sustainability fields; advance strategic city job growth priorities; and/or create or preserve industrial jobs with access to regional transit systems			
	Further equity outcomes in access to economic opportunity*	2*		

What: Proposed Project Outcomes				
Step One		Step Two		
<i>Criteria</i>		<i>Points</i>	<i>Criteria</i>	<i>Points</i>
Compact, Connected Development	Increase the level of station area activity through greater density and/or intensity of land use on the site; OR Use an existing building in a way that brings more activity to the project site	16	Provide design-led strategies, specific to the population the project is intending to serve, that support or expand infrastructure for people to safely and effectively walk, bike, roll or use other kinds of transportation in and around the project site; priority for projects that connect to walking, biking, or transit networks around the project site	9
	Provide uses that will diversify station area activity and better meet residents' needs and/or provide greater access to services and amenities; Priority for projects with a focus on complementary uses and fostering human-centered experiences			
	Generate greater transit ridership, a higher diversity of trip purposes viable via transit, and reduce the need to use and own a personal vehicle		Catalyze or position the station area for additional transit-oriented development in a way that leverages public infrastructure and avoids displacement of existing residents or businesses	
	Further the transit-oriented nature of the station area as a node and/or district of TOD given the specific context of its communities and transit corridor; priority for projects that implement part of a broader adopted plan or vision for the transit station or corridor			
	Further equitable access transit, services, and amenities*	2*		
Environment and Livability	Improve access to local and regional parks and trails and green space through outreach, site design, or programming	8	Mitigate negative environmental impacts on residents or workers in the area; priority for projects in areas most impacted by past environmental harms	4
	Minimize greenhouse gas emissions to the greatest extent possible			
	Conserve natural resources, including reuse/ preservation of an existing building and/or sustainable site design; priority for a focus on equitable development outcomes			
	Further equitable access to local and regional parks and/or address environmental sustainability in locations where residents have been most impacted by environmental harms*	2*		
Subtotal Outcomes		48	Subtotal Outcomes	21

How: Proposed Project Process				
Step One			Step Two	
<i>Criteria</i>		<i>Points</i>	<i>Criteria</i>	<i>Points</i>
Project Process	The need for the project was determined by residents and/or workers most impacted by inequities*	5*	Engagement is scaled to the project, meaningful, and efforts center those under-represented and most impacted by inequities	4
	The City is taking steps toward addressing inequities at the local level, especially efforts to implement equitable development practices*	3*		
Subtotal Process		8	Subtotal Process	4
Who: Proposed Project Team				
Project Team	City efforts to contribute to the project financially, considering the city capacity	4	The project and the team use a strategic and integrated approach to addressing equity issues and the intended impacts of the project will result in more equitable outcomes	5
	Those with decision making power for the project are reflective of the community the project is intending to serve*	2*		
Subtotal Team		10	Subtotal Team	5
Step One Total		62	Step Two Total	30
Applications must score at least 38 of the total 62 Step One points to move to Step Two with 12 of the 18 equity points (*) awarded				
Applications must score at least 58 of the total 92 available points to be eligible for funding				

LHIA Scoring Criteria

The LHIA helps expand and preserve lifecycle and affordable housing, both rented and owned. The LHIA annual base funding includes \$500,000 transferred from the LCDA tax levy plus \$1 million from the Council's general fund.

Threshold Criteria	Competitive Criteria
<ul style="list-style-type: none">• A significant component of rental projects must serve households with incomes at or below 60% of Area Median Income (AMI) with a minimum affordability term of 15 years.• Grantees must have an adopted Fair Housing Policy in order to receive Livable Communities Act funding.• Projects must have affirmative fair housing marketing plans.	<ul style="list-style-type: none">• Rental proposals creating or preserving affordability for persons at or below 30% of AMI;• New affordable housing that furthers the City's ability to meet their share of the region's need for affordable housing, considering what the need is across affordability bands OR• Preserved/rehabilitated affordable housing, prioritizing communities at highest risk of losing Naturally Occurring Affordable Housing (NOAH) and/or communities with higher rates of housing cost burdened households.• Proposals that serve large families by providing three or more-bedroom units;• Proposals meeting the needs of individuals and households experiencing long-term homelessness;• Proposals that provide a housing type not currently available or serve a population not currently served in or near the project area.

LHIA Home Ownership Pilot

The LHIA Affordable Homeownership Pilot will provide grants to support affordable homeownership development, including acquisition and rehabilitation, for projects that best meet the following two priorities:

- Racial Equity Priority: create homeownership opportunities for Black, Indigenous, and other ethnic or racial groups that own homes at disproportionately lower rates than white households in the region.
- Geographic Choice Priority: create affordable homeownership opportunities in parts of the region where it is most challenging to do so.

Program Criteria:

- Local Match: Dollar for dollar
- Grant Terms: 3 years from date of award
- Term extensions: Up to 2 years
- Award Limits: None
- Application Limit: None
- Excess available funding: If funding applied for or awarded through the LHIA Affordable Homeownership Pilot is less than the funding available, the remaining funds may be made available for award through the regular LHIA category

Racial Equity		
<i>Criteria</i>		<i>Points</i>
Project is in a city with higher racial disparities in homeownership than the regional average		5
OR	Project is in a census tract with higher racial disparities in homeownership than the regional average	3
Project is in a city with a higher share of Black, Indigenous, and other residents of color than the regional average		3
OR	Project is in a census tract with a higher share of Black, Indigenous, and other residents of color than the regional average	2
Highest possible subtotal for racial equity		8
Geographic Choice		
<i>Criteria</i>		<i>Points</i>
Project is in a city with an average home sale price higher than what is affordable to a household earning 80% AMI		5
OR	Project is in a city with an average home sale price higher than what is affordable to a household earning 60% AMI	3
Project is in a city where the share of single-family housing stock is higher than the regional average		2
Project is in a city with an affordable housing need less than 20 OR more than 50% of their need is in the 51-80% affordability level.		2
Highest possible subtotal for geographic choice		9
Highest possible subtotal for both pilot priorities		17
<i>A minimum of 5 points would be required to ensure the project sufficiently addresses one or both pilot priorities</i>		

LHIA Home Ownership Pilot

Equitable Access

<i>Criteria</i>	<i>Points</i>
Developer or program partner has a demonstrated record of serving Black, Indigenous, and/or other households of color in homeownership at rates equal to or greater than the city and or region's homeownership rates for those same groups	3
Developer or program partner has current waiting list consisting of Black, Indigenous, or other households of color at levels equal or greater to the regional and/or city population	3
Project team includes a lender, realtor, or other homebuyer-facing team member that is reflective of the Black, Indigenous, or other households of color that have disparate homeownership rates in the region	2
Project will prioritize first-generation homebuyers	2
Project incorporates marketing efforts to affirmatively further fair housing	1
Other efforts as described by applicant that further equitable access to homeownership	Up to 11
Total for Equitable Access	22

Unique Needs and Affordability

<i>Criteria</i>	<i>Points</i>
Project addresses a need specific to the community in which the project is located, through financing, marketing, design, size or other unique need	3
Project will be affordable to homebuyers earning less than 80% AMI	3
Project will remain affordable upon resale for more than 15 years	3
Project is located in a city with a net fiscal disparity of \$200 or more per household	1
Total for Unique Needs and Affordability	10
Total possible points	49