

**2014 Annual Livable Communities  
Fund Distribution Plan  
Implementing Thrive MSP 2040 Outcomes  
and Principles**

**February 18, 2014**

# Today's Presentation

- LCA Statutory Objectives
- Thrive Outcomes
- LCA references in *Thrive MSP 2040*
- Recent Examples
- Questions for Discussion
- Considerations

# LCA Grant Accounts

- Tax Base Revitalization Account (TBRA)
- Local Housing Incentives Account (LHIA)
- Livable Communities Demonstration Account (LCDA)
  - Transit Oriented Development (TOD) grants from LCDA and TBRA accounts

# LCA Statutory Objectives:

- Affordable housing connected to employment growth areas
- Range of mixed income housing opportunities
- Creation and preservation of living wage jobs
- Cleanup of contaminated sites for development

# LCA Statutory Objectives:

- Intensified, compact, efficient development
- Development near transit
- Public infrastructure investments connecting neighborhoods & communities
- Attract private investment adjacent to public investment
- Innovative Partnerships

# LCA Statutory Objectives:

- Coincide with *Thrive MSP 2040*:
  - Stewardship
  - Prosperity
  - Equity
  - Livability
  - Sustainability

# LCA Grants help implement Thrive outcomes & principles

*Using our influence and investments to build a more equitable region*

- *Use **Livable Communities Act** resources to catalyze private investment in concentrated and racially-concentrated areas of poverty*
- *Ask grant applicants to explain how their projects would advance equity, including helping residents of concentrated and racially-concentrated areas of poverty and/or lower-income households.*

# LCA Grants help implement Thrive outcomes & principles

*Investing in a mix of housing affordability along the region's transit corridors . The Council will:*

- *Require that local jurisdictions applying for **Livable Communities** transit-oriented development grants adopt local policies reflecting equity in the proposed grant area;*
- *Promote transit-oriented development that expands affordable housing in transit station areas.*



# LCA Grants help implement Thrive outcomes & principles

*Providing leadership to support climate change mitigation, adaptation and resilience, by:*

- *Promoting compact, pedestrian-friendly development patterns and funding their development through the **Livable Communities Act** funds*

# LCA Grants help implement Thrive outcomes & principles

*In addition to the Thrive systems and policy plans, the Council will consider how to advance the Thrive outcomes through:*

- *Making investments through **Livable Communities Act** grants (Livable Communities Demonstration Account, Local Housing Incentives Account and Tax Base Revitalization Account);*

# Criteria: TBRA

| Cleanup  | Possible Points |
|--|-----------------|
| Tax base (25 points):  |                 |
| Increase the tax base of the recipient municipality  | 20              |
| Add tax revenue in the near term. (Projects not in or not expected to be in a Tax Increment Finance [TIF] district earn 5 points because all the affected tax jurisdictions benefit immediately.)  | 5               |
| Jobs and/or affordable housing (25 points):  |                 |
| <b>25 points: Increase permanent living wage jobs within and near areas of concentrated poverty</b>  |                 |
| Brownfield cleanup/environmental health improvements (25 points):  |                 |
| Clean up the most contaminated sites to provide the greatest improvement in the environment and the greatest reduction in human health risk  | 25              |
| Framework 2030 Implementation/Regional System support (30 points):   |                 |
| <b>16 points: provide housing choices and conserve vital natural resources</b>   |                 |
| Show how the project is integrated with Regional Systems:  |                 |
| <b>14 points: Show how the project is integrated with Regional Systems, including Environmental Services and Transportation</b>  |                 |
| Readiness and market demand (20 points):   |                 |
| Demonstrate readiness to proceed with project site cleanup.  | 5               |
| Demonstrate market demand for proposed redevelopment elements in the project area and demonstrate readiness to promptly implement the proposed project if/when TBRA funding is provided, including identifying an end-stage developer and any non-residential tenants.   | 15              |
| Partnership (5 points):  |                 |
| Represent innovative partnerships among various levels of government and private for-profit and non-profit sectors.  | 5               |
| Community's housing performance score (20 points):   |                 |
| The applicant's Housing Performance Score will be converted from a 100 point scale to a 20 point scale. If a proposed project includes new affordable housing or if affordable housing is located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual score or the average score for this section from all proposals. | 20              |
| TOTAL  | 150             |

# Criteria: LCA-TOD

| Step One Evaluation Criteria for LCA-TOD Applications: 75 possible points   |                 |
|---|-----------------|
| A staff evaluation team will score eligible proposals using the Step One evaluation criteria and guidelines:  |                 |
| Criteria category   | Possible Points |
| <b>Housing:</b>   |                 |
| <b>20 points:</b> The proposal's ability to produce affordable housing; City has adopted affordability requirements for housing assisted with City funds or other fiscal devices applicable in the TOD Area   |                 |
| <b>Transit Accessibility, Walkability, &amp; Ridership</b>  |                 |
| <b>16 points:</b> The degree to which the TOD Area provides the opportunity for residents and/or employees in that TOD Area to live or work there without reliance on an automobile; for meeting daily needs through the use of transit or walking; and for reducing automobile ownership, vehicular traffic, and associated parking requirements that would otherwise be necessary to support a similar level of more traditional development. |                 |
| <b>Jobs &amp; Economic Competitiveness</b>  |                 |
| <b>15 points:</b> The City has established hiring and procurement goals and/or processes that advance and promote the employment of local workers and/or disadvantaged businesses   |                 |
| The project's proximity to employment centers with high job densities served by transit and its ability to enhance the local tax base   |                 |
| • The degree to which the City has formalized TOD guidelines; the intensity of future use of the site; the Project's ability to demonstrate TOD design features that promote walking, bicycling, recreation, and the use of transit.  | 14              |
| <b>Environmental Design</b>   |                 |
| <b>6 points:</b> The Project's ability to minimize stormwater runoff, filter sediments, and promote infiltration; integrate native vegetation; incorporate green building design and energy efficiency standards; and clean contaminated land.  |                 |
| Partnerships have been established advance the proposal and leverage other resources  | 4               |
| TOTAL   | 75              |

Applications must score 45 or more points to advance to the Step Two evaluation process.

# LCA Grants help implement Thrive

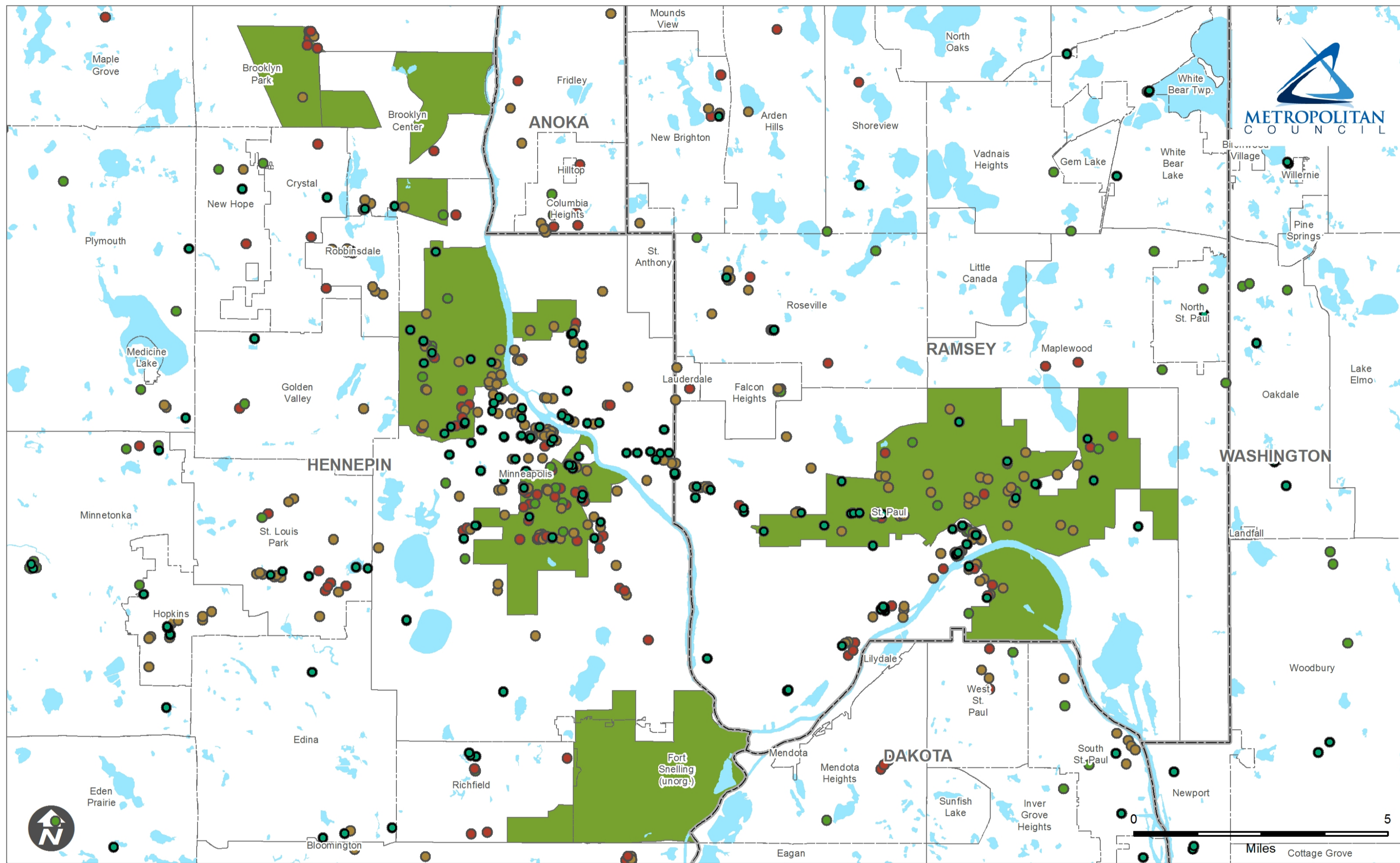
*Examples:*

Excelsior Crossing  
222 Hennepin  
Broadway Flats  
Five15 on the Park  
Oak Grove Dairy  
The Penfield  
Longfellow Station



# LCA Grants help implement Thrive

- The map on the following slide shows the location of projects in RCAPs and surrounding areas assisted with LCA grants



- LHIA      ● LCDA      ■ Racially Concentrated Areas of Poverty
- LAAND    ● TBRA

## LCA Grant Awards in Racially Concentrated Areas of Poverty, 1996-2013

# For Discussion

1. Do you want to provide projects located in areas of concentrated poverty and Racially Concentrated Areas of Poverty (RCAPs) a preference, bonus points, or other method to increase the project score or competitive advantage?

Should such an advantage be the same for all LCA grant accounts, or should LHIA grants for affordable housing be handled differently?



# For Discussion-continued

2. Is it sufficient that applicants be asked to explain how their project will advance equity, including helping residents in areas of concentrated poverty and racially-concentrated areas of poverty and/or lower-income households?

Should the applicants' answer to this question be quantifiable/measurable in order to aid in distinguishing the equity benefits afforded in different projects?

Should this answer be subjectively evaluated or objectively with scores assigned to different measurements?

# For Discussion-continued

3. Do you want staff to develop additional or stronger expectations related to the mitigation of climate change, resiliency, and/or reduction in greenhouse emissions?

# For Discussion-continued

## Considerations:

- waiving the limit on # of applications submitted by cities for projects located in RCAPS
- waiving the 40%/60% distribution of LCDA funds between core cities and suburban cities for awards in RCAPS
- without changing existing criteria and associated points, consider awarding projects within RCAPs automatic points in categories such as: catalyzing the project, leveraging private investment, demonstrating market demand.
- making grant eligible innovative energy saving and heating techniques – geothermal, photocells, etc.

# **2014 Annual Livable Communities Fund Distribution Plan Draft Content Preview**

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