

Community Development Committee

Meeting date: March 3, 2014

Subject: 2014 Annual Livable Communities Fund Distribution Plan

- a) Review and status of past grants in achieving statutory objectives
- b) Continuation of discussion from February 18, 2014 Committee Meeting

District(s), Member(s): All

Policy/Legal Reference: Minnesota Statute, 473.25

Staff Prepared/Presented: Beth Reetz (651) 602-1060, Paul Burns (651) 602-1106

Division/Department: Community Development/Housing and Livable Communities

Proposed Action

None – information and discussion only.

Background

The Livable Communities Act (LCA) requires that the Council prepare an annual plan for distribution of the Livable Communities Fund based on criteria developed by the Council. The annual LCA Fund Distribution Plan establishes the amount of funding that will be available for grant awards from each of the LCA fund accounts; sets the calendar for the grants making processes; and sets forth the criteria upon which grant awards will be based. The 2013 Annual Livable Communities Fund Distribution Plan can be found at <http://www.metrocouncil.org/Communities/Publications-And-Resources/Annual-Livable-Communities-Fund-Distribution-Plan.aspx>

Committee Request: At the February 18, 2014 meeting, Committee Members requested staff provide information, including applicant feedback, regarding past grants to help the Committee review what is working well and what may not be working as well as planned and may need to be looked at again for possible changes.

Additionally, Committee Members requested the discussion regarding how to use LCA as a tool to help accomplish Thrive MSP 2040 outcomes, begun on February 18, 2014, continue to the March 3, 2014 meeting.

Thrive MSP 2040 and the 2014 LCA Fund Distribution Plan

In anticipation of the Council's adoption of Thrive MSP 2040, staff has been reviewing the LCA Fund Distribution Plan and grant criteria for ways to implement Thrive outcomes and principles. Specifically, as drafted, Thrive states:

Using our influence and investments to build a more equitable region

The Metropolitan Council will use equity as a lens to evaluate its operations, planning, and investments, and explore its authority to use its resources and roles to mitigate the place-based dimension of racial, ethnic and income-based disparities.

Triggered by a federal Sustainable Communities Regional Planning Grant, the Fair Housing and Equity Assessment has led our region through a process to understand its historical and current geography of race, poverty, and opportunity and to explore whether and how public investments can effectively address a legacy of private disinvestment in select neighborhoods..... Because racially-concentrated areas of poverty can both limit the economic mobility of their residents and discourage private investment, our region simply cannot afford to allow racially-concentrated areas of poverty to either persist or grow. The Council will:

- *Work to mitigate concentrated and racially-concentrated areas of poverty by better connecting their residents to opportunity and catalyzing neighborhood revitalization;*
- *Work with communities to create more economically balanced neighborhoods, including strategically targeted subsidies to develop market-rate housing in select areas;*

- Use **Livable Communities Act** resources to catalyze private investment in concentrated and racially-concentrated areas of poverty;
- Actively partner in neighborhood revitalization efforts such as Penn Avenue Community Works;
- Conduct a regional inventory of industrial land that considers the location of industrial land relative to the potential workforce eager to access nearby higher-wage job opportunities;
- 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.

Investing in a mix of housing affordability along the region's transit corridors

As our region makes significant investments in transit, particularly transitways, we must also ensure that the inevitable changes in neighborhoods along transit do not displace existing low-income residents. To promote a mix of housing affordability along the region's transit corridors, the Council will:

- Align its resources and work with other partners to help preserve a mix of housing affordability along the region's transit routes and corridors to help low-income households benefit from transit investments;
- 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.

Providing leadership to support climate change mitigation, adaptation and resilience

The Council recognizes the state's goals for greenhouse gas reduction adopted in 2007's Next Generation Energy Act. By tracking regional greenhouse gas emissions, we will identify opportunities for emissions reduction in the region. Broadly, the Council's work supports the region's collective efforts to minimize greenhouse gas emissions by:

- Providing and promoting alternatives to single-occupant vehicle travel, including transit, carpooling, bicycling and walking;
- Promoting compact, pedestrian-friendly development patterns and funding their development through the **Livable Communities Act** funds;
- Protecting industrial land with access to ports and rail to encourage carbon-efficient means of transporting freight;
- Supporting the Regional Parks System to protect open spaces and vegetative cover that mitigate the impact of the urban heat island and improve local wind circulation;
- Investing in and pursuing local renewable energy generation for operations, including large scale solar facilities;
- Promoting more efficient water use and water conservation, which reduces the amount of energy used to pump and treat water, often one of a community's highest energy requirements;
- Protecting agricultural land for local food production to reduce distance-to-market travel emissions

Implementing Thrive

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);
- Working with the Transportation Advisory Board on the Regional Solicitation for Transportation Funds;
- Investigating the use of the Council's current funding mechanisms as tools to aid in promoting the Thrive outcomes.

For discussion:

1. Recognizing all Livable Communities Act grants help develop projects that make the communities in which they are located able to provide greater opportunities such as housing choice, jobs, increased tax base, increased connectivity, compact development, and cleaner environments, do you want to provide projects, or certain types of 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?
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?
3. LCA grant criteria currently include consideration for using green building standards (which can include LEED certification), inclusion of innovative storm water solutions, intensification of land use, neighborhood connectivity, proximity and orientation to transit such that projects that include these considerations receive higher points within associated scoring categories. Do you want staff to develop additional or stronger expectations related to the mitigation of climate change, resiliency, and/or reduction in greenhouse emissions?