

2020 Livable Communities Act Fund Distribution Plan

Scoring Criteria Discussion

January 21, 2020

Community Development Committee



2020 Fund Distribution Plan (FDP) Timeline

Community Development Committee Meeting	Topic	Intended Outcome
January 21, 2020	Scoring criteria	Discussion and Committee direction
February 3, 2020	Fund allocations and grant schedules	Discussion and Committee direction
February 18, 2020	Entire FDP	Recommend adoption of 2020 FDP



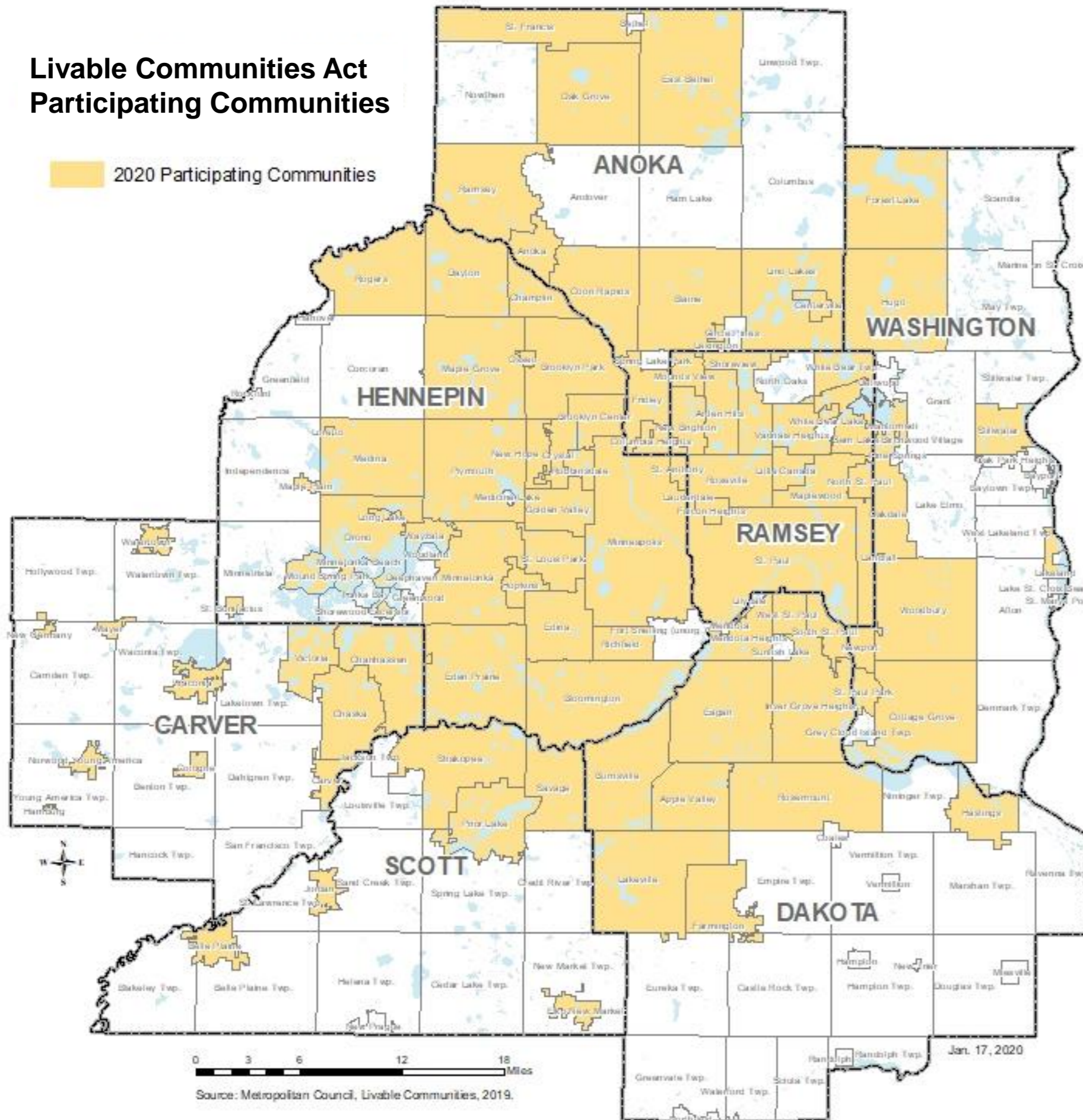
Metropolitan Council meeting	Topic	Outcome
January 21, 2020	Entire FDP (Committee report)	Adoption of 2020 FDP

Livable Communities Act Impact

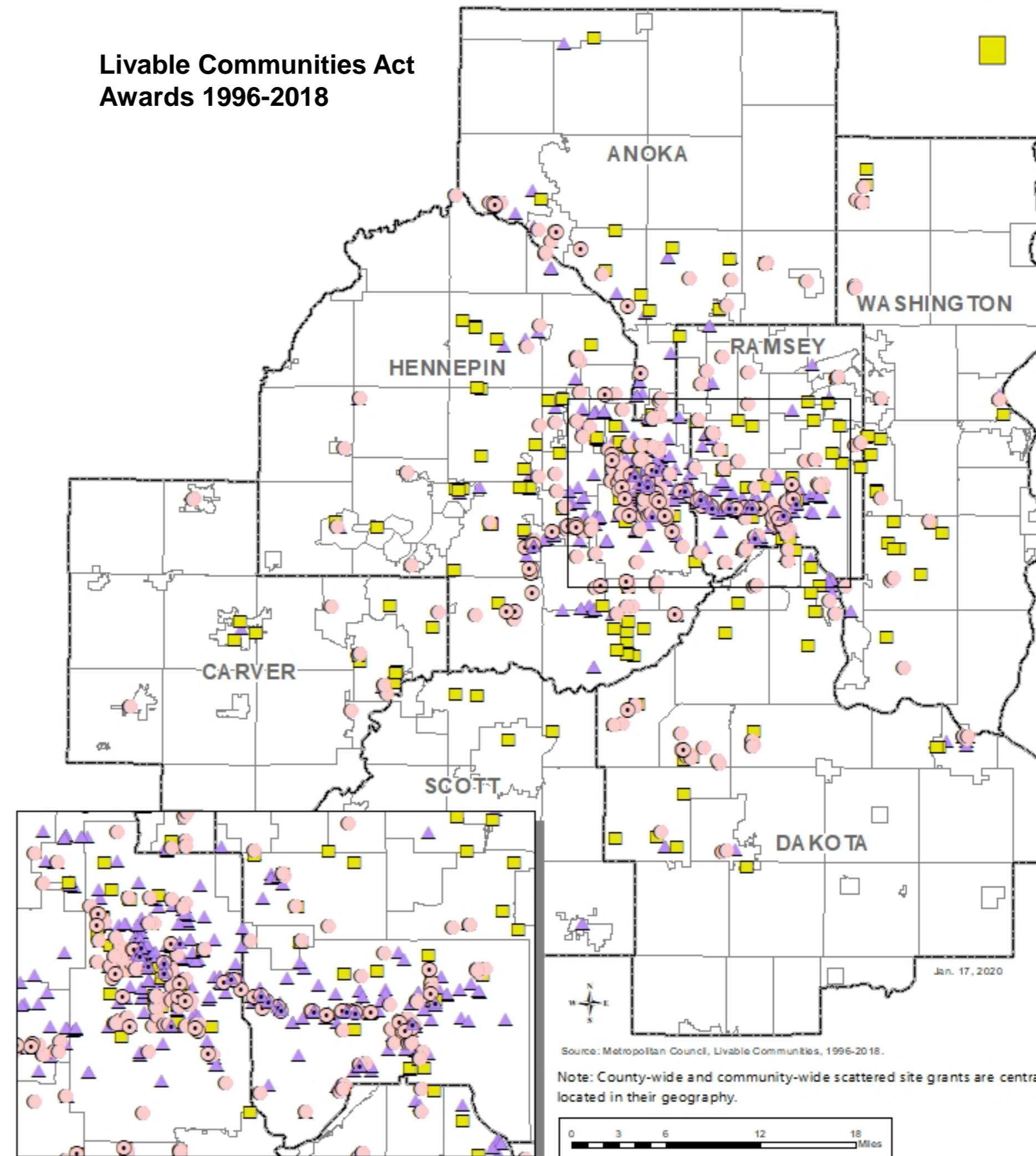
Grant Program:

- ▲ TBRA
- ▲ TBRA - TOD
- LCDA
- LCDA - TOD
- LHIA

Livable Communities Act Participating Communities

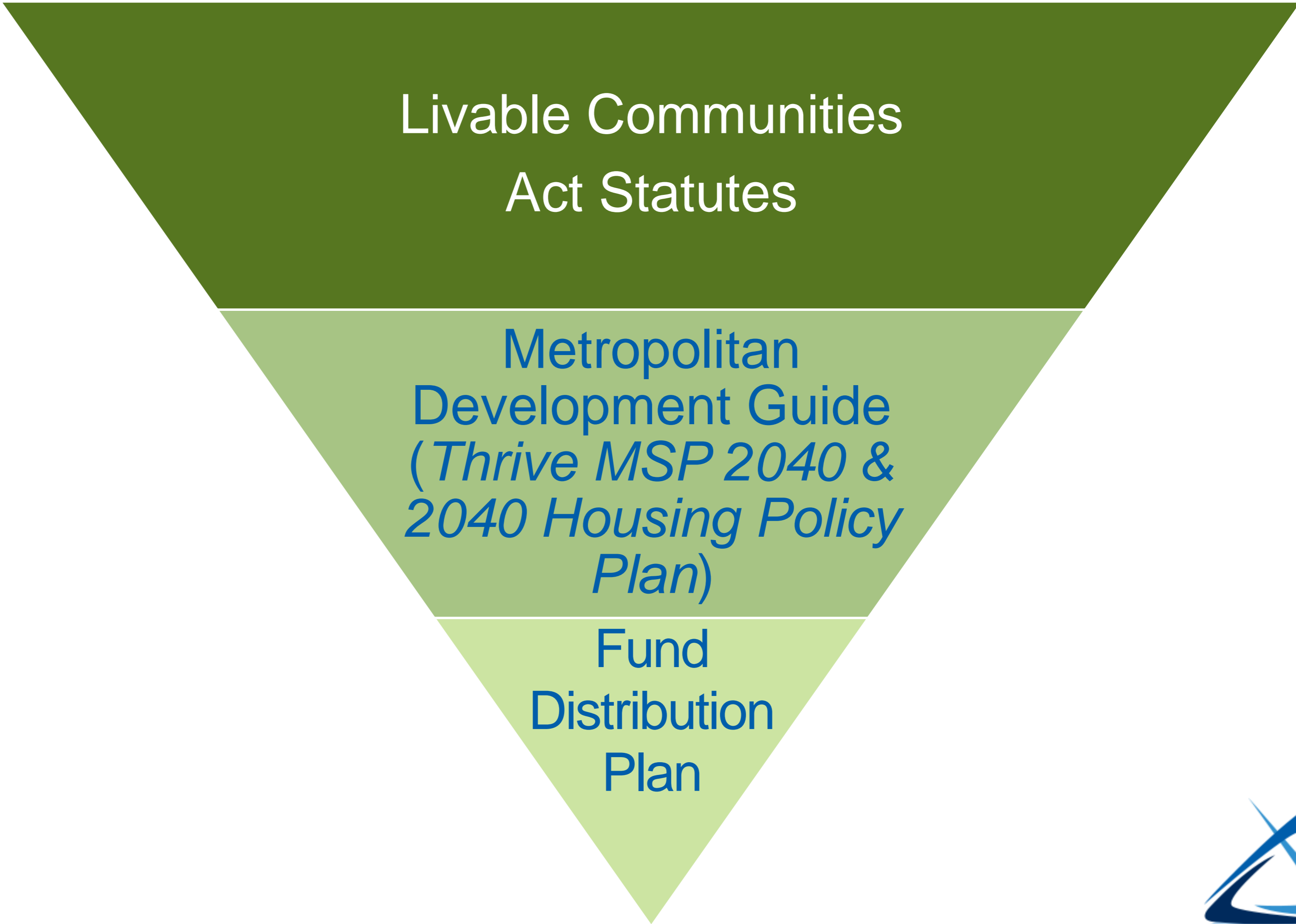


Livable Communities Act Awards 1996-2018

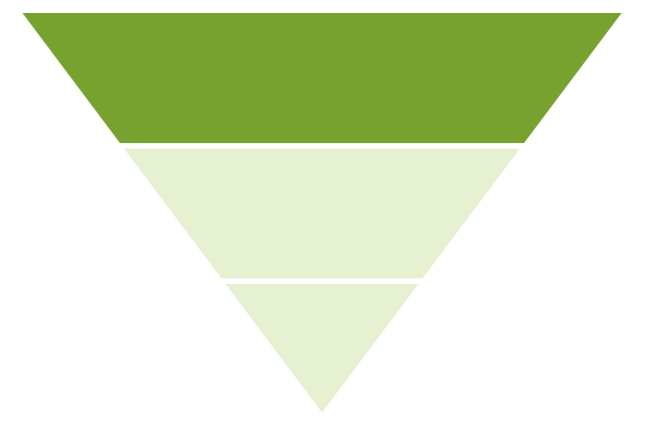


Minn. Stat. § 473.25 Subd. (d)

“The council shall prepare an annual plan for distribution of the fund based on the criteria for project and applicant selection.”

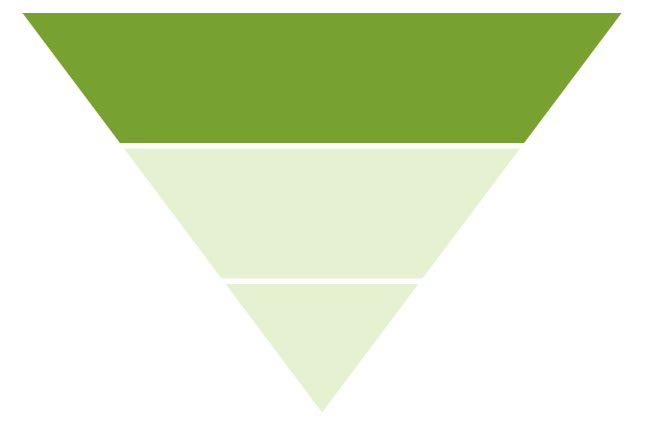


Livable Communities Act (LCA) *Fund* Criteria



- Criteria for all accounts should be consistent with and promote:
 - preservation and creation living-wage jobs
 - a full range of housing opportunities in developing communities
 - preservation of affordable housing in the fully developed area
 - compact and efficient development
 - the Metropolitan Development Guide (*Thrive MSP 2040 and 2040 Housing Policy Plan*)

LCA Accounts



- Three active accounts:

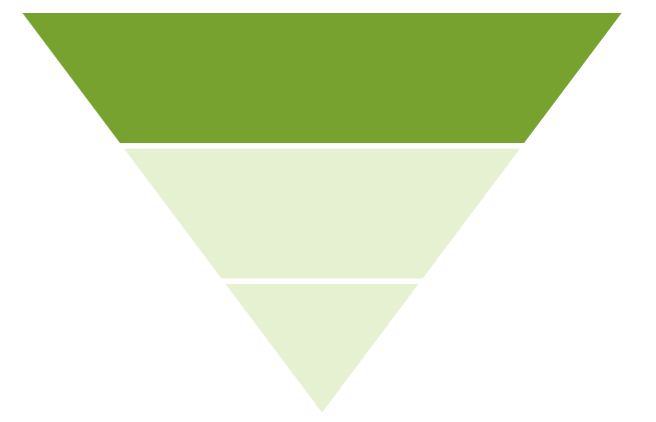
Tax Base
Revitalization
Account (TBRA)

Livable
Communities
Demonstration
Account (LCDA)

Local Housing
Incentives
Account (LHIA)

- Separate category of Transit Oriented Development (TOD) within LCDA

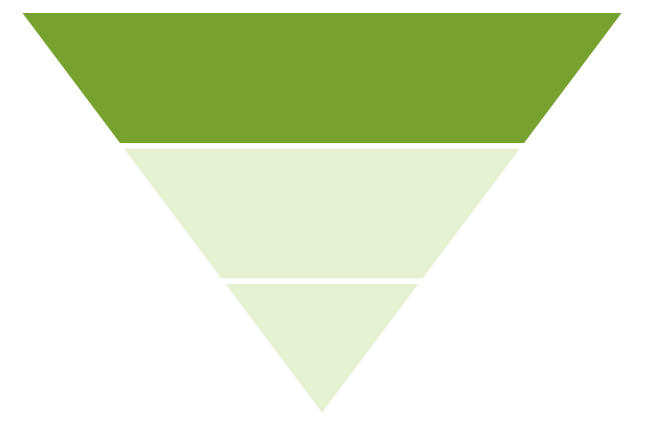
Livable Communities Demonstration Account (LCDA) Criteria



Projects should:

- Connect development and transit
- Connect affordable housing and employment
- Intensify land uses for more compact development
- Mix incomes of residents in housing
- Encourage public infrastructure investments that attract private sector redevelopment and create opportunities for private sector employment

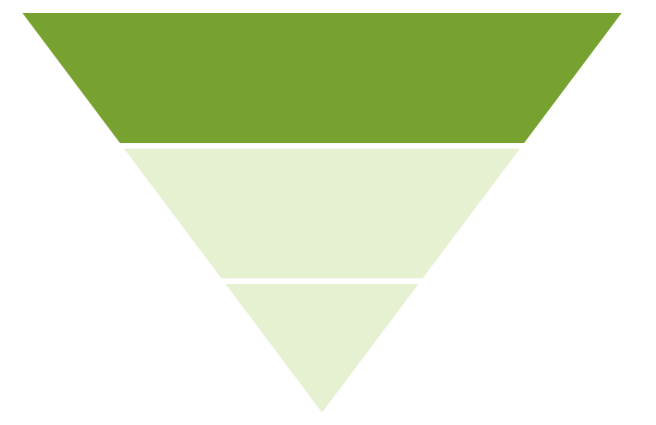
Local Housing Incentives Account (LHIA) Criteria



Projects should:

- Prioritize communities that are Fiscal Disparities recipients
- Prioritize projects that link employment with affordable housing
- Prioritize projects with matching funds beyond Affordable and Life-cycle Housing Amount (ALHOA) requirements

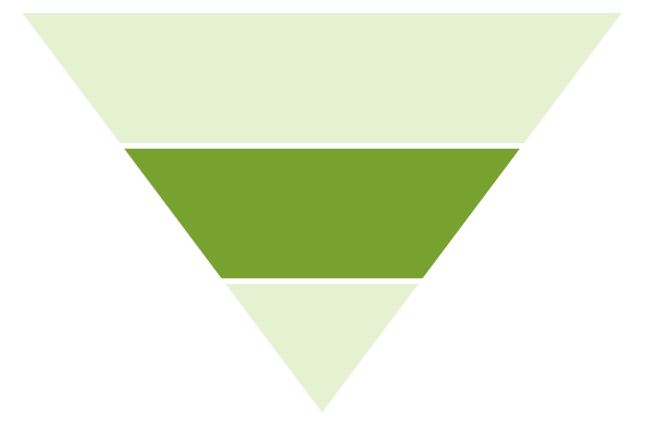
Tax Base Revitalization Account (TBRA) Criteria



Projects should:

- Cleanup polluted land
- Preserve or grow living-wage jobs
- Produce affordable housing
- Enhance tax base of recipient municipality

Thrive MSP 2040 Policies

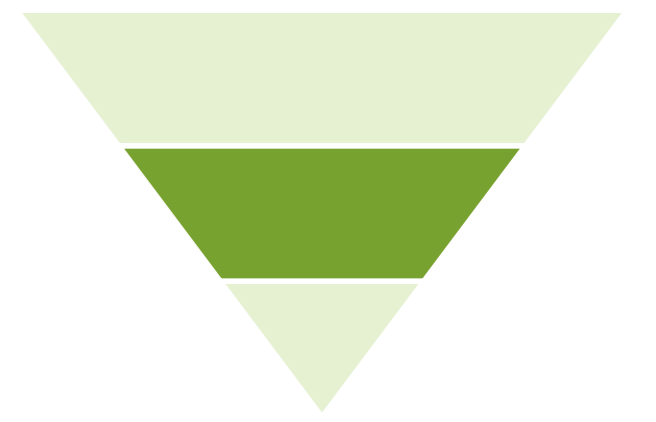


“Use Livable Communities Act resources to catalyze private investment in Areas of Concentrated Poverty...”

“Provide Livable Communities Act grants to local governments to support transit-oriented development projects.”

“Promote compact, pedestrian-friendly development patterns and fund their development through the Livable Communities Act funds.”

2040 Housing Policy Plan Policies



Use Livable Communities Act resources to:

“both catalyze private investment in Areas of Concentrated Poverty and attract affordable housing to higher-income areas.”

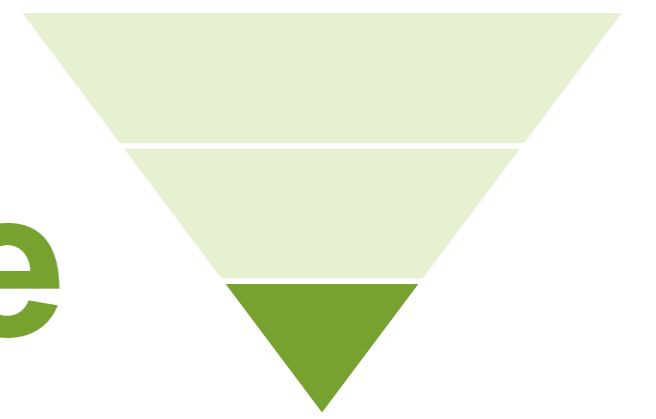
“Give funding consideration...to projects that meet and exceed the policies and requirements of the Minnesota Pollution Control Agency for surface water management.”

“Give funding consideration...to projects that use cost-effective, energy saving elements...”

“to expand housing choices across the region and create and preserve mixed-income neighborhoods and communities.”

“Encourage the use of flexible design principles...”

2020 FDP Changes: Housing Performance Scores



Remove Housing Performance Scores (“Scores”) from funding criteria

Scores are a broad assessment of a City’s medium-term efforts toward supporting and preserving affordable housing

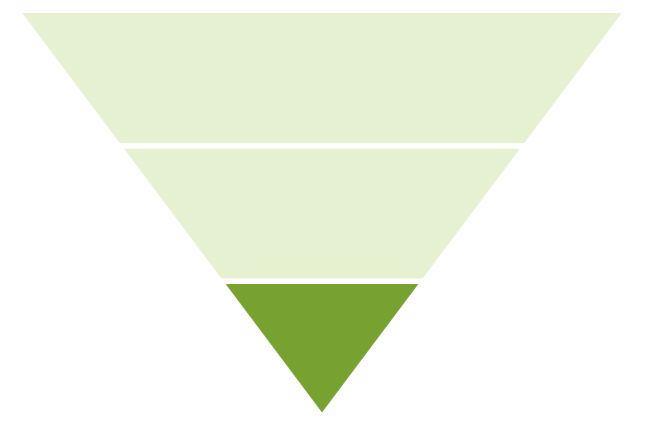
- they do not help assess the value of an individual project
- They do not evaluate a City’s affordable housing efforts in a way that aligns with housing criteria in the FDP

The impact of using Scores to differentiate between LCA projects is minimal:

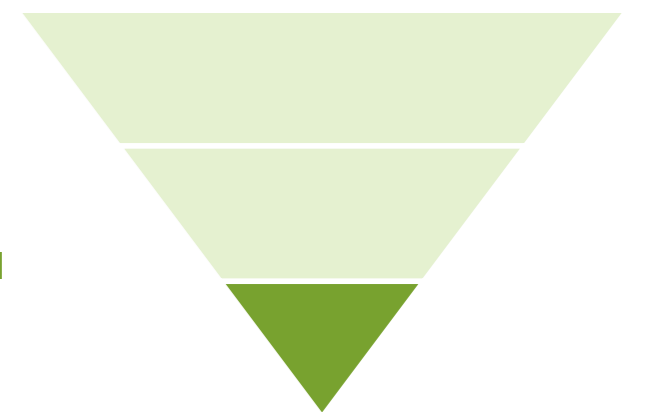
- A community’s Score is adjusted from its 0-100 value to a 1-10 scale for LCA scoring purposes
- Most award cycles include cities with multiple awards

2020 FDP Changes: Other Broad Considerations

- Promoting private investment
- Considering Areas of Concentrated Poverty in scoring
- Prioritizing projects that assess displacement risk and propose mitigation strategies
- Prioritizing project readiness more
- Adding social/community connection to livability criteria
- Prioritize projects that can and will share valuable findings to the region
- Changes to how engagement is described and prioritized



2020 FDP Changes: LCDA and LCDA Pre-development



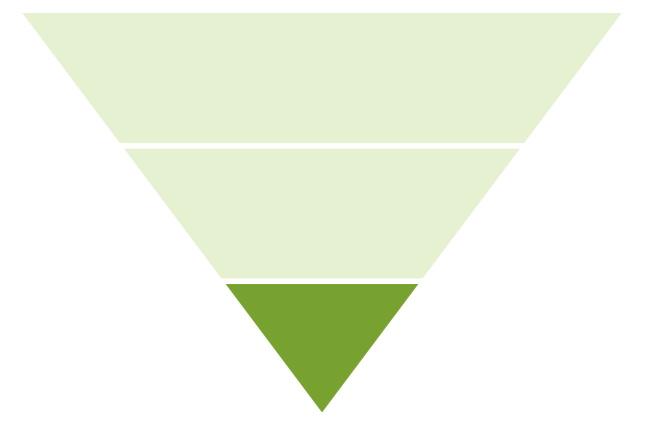
LCDA

- Add applicant Disadvantaged Business Enterprise policies to criteria
- Consider wealth building as a catalyst criteria

LCDA Pre-development

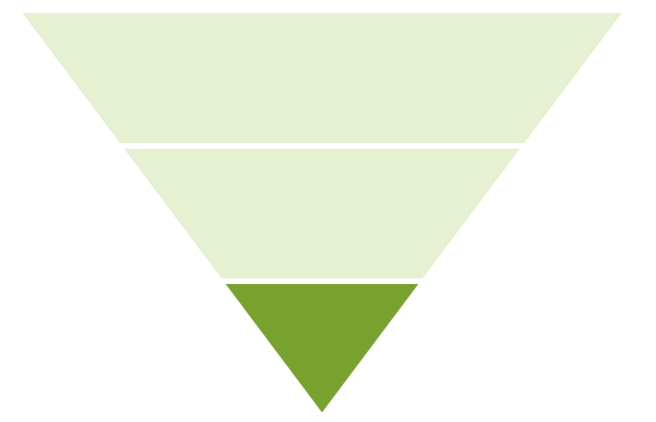
- Clarify that pre-development activities may provide OR assess the potential to provide LCA outcomes
- Prioritize pre-development activities that not only include community engagement but plan for ongoing community engagement if project progresses

2020 FDP Changes: LHIA



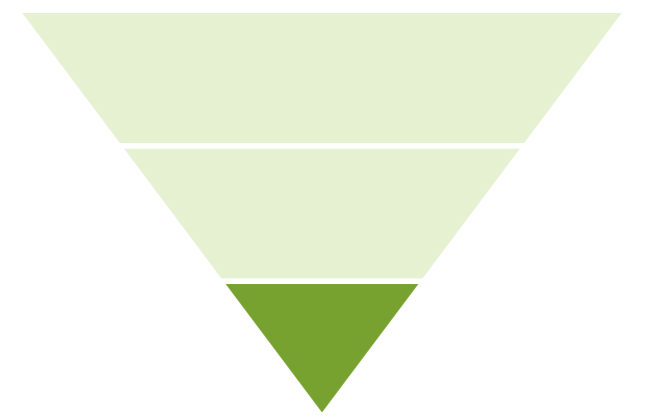
- Require that a significant component of the project must serve households with incomes at or below 60% of Area Median Income
- Prioritize projects that provide a housing type not currently available or serve a population not currently served in or near the project area

2020 FDP Changes: TBRA



- Remove criteria that prioritizes freight generating industries
 - Freight not highly prioritized in other Council efforts
 - Freight enhancing projects represent few, if any, applications
- Remove criteria that prioritizes green remediation practices
 - Projects utilizing green remediation represent few, if any, applications

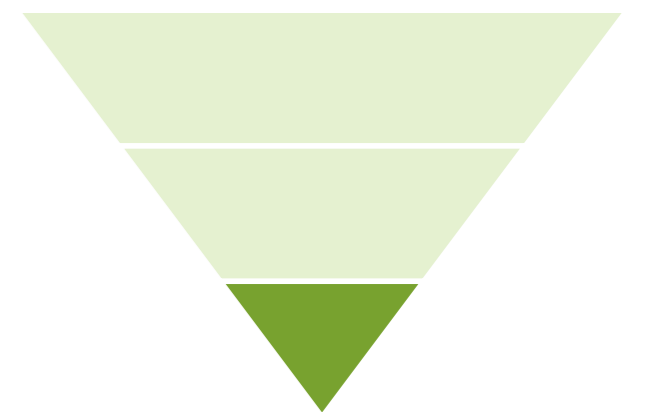
2020 FDP Changes: TBRA Seeding Equitable Environmental Development (SEED)



- Consistently under-subscribed
- Equity factors are considered in standard TBRA grants

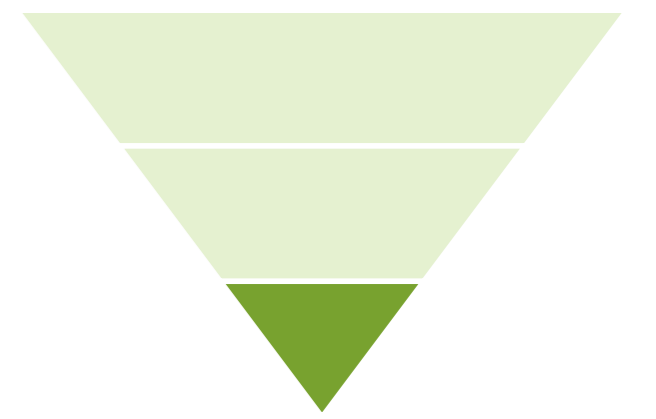
Year	Number of Applications	Amount Requested	Amount Available	% Over / (Under) Subscribed	# Applications Funded	Amount TBRA SEED/Pilot Awarded	Remaining Fund Balance
2015	7	\$ 218,335	\$1,000,000	(22%)	7	\$ 204,100	\$ 795,900
2016	2	\$ 109,936	\$1,000,000	(11%)	2	\$ 89,800	\$ 910,200
2017	2	\$ 22,800	\$1,000,000	(2%)	2	\$ 22,800	\$ 977,200
2018	4	\$ 927,487	\$1,000,000	(93%)	4	\$ 922,100	\$ 77,900
2019	2	\$ 74,473	\$ 500,000	(15%)	2	\$ 55,500	\$ 444,500

2020 FDP Changes: TBRA Seeding Equitable Environmental Development (SEED)



- Options to consider:
 - Continue the SEED program as-is, recognizing it may be under-subscribed, but still provides a valuable source of equitable cleanup funding to the region.
 - Investigate additional or alternative ways to further equity outcomes through the Tax Base Revitalization Account

2020 FDP Changes: LCDA – Transit Oriented Development (LCDA-TOD) and LCDA-TOD Pre-development



LCDA-TOD

- Provide clearer description of TOD characteristics that are prioritized
- Prioritize equitable development outcomes
- Add context to ridership evaluation

LCDA-TOD Pre-development

- Clarify that pre-development activities may provide OR assess the potential to provide TOD outcomes

Additional Questions and Discussion

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