

Community Development Committee

Meeting date: January 19, 2021

Subject: 2021 Livable Communities Act Program Criteria Discussion

District(s), Member(s): All

Policy/Legal Reference: Minn. Stat. § 473.25

Staff Prepared/Presented: Tara Beard, Livable Communities Manager, (651) 602-1051

Division/Department: Community Development / Regional Planning

Proposed Action

Information item only.

Background

The Livable Communities Act (LCA) requires that the Council prepare an annual plan for distribution of the Livable Communities funds that includes program criteria developed by the Council. Building upon the [November 16, 2020 information item](#) and [December 21, 2020 information item](#), staff is continuing conversations with the Community Development Committee before recommending adoption of criteria for 2021 LCA programs tentatively scheduled for the February 1, 2021 regularly scheduled committee meeting.

Staff have spent 2020 evaluating scoring criteria through a statutory and policy lens and have sought input on multiple aspects of LCA programs, including scoring criteria, from participant communities, Metro Cities, the Council's Land Use Advisory Committee, and other stakeholders. In addition, the Housing Work Group, a subgroup of Council members, has convened biweekly since July to explore and guide LCA evaluation efforts, with an emphasis on scoring criteria in recent months. These efforts have revealed opportunities to consider substantial changes to scoring criteria, especially in the Livable Communities Demonstration Account (LCDA) and the LCDA-Transit Oriented Development program (LCDA-TOD).

Feedback from the Committee will inform final recommendations for program and scoring criteria, which will be presented for Committee adoption at an upcoming meeting in early 2021.

Summary of discussion topics

Staff presentation and committee discussion items will include the following:

- Continued consideration of proposed equity-related scoring criteria changes from the previous Committee discussion in December 2020
- Changes to the Blue Line Extension and how they should impact eligible station areas for the Livable Communities Demonstration Account – Transit Oriented Development (LCDA-TOD)
- 2021 program schedule
- Funding availability for all programs in 2021

Continued consideration of equity criteria

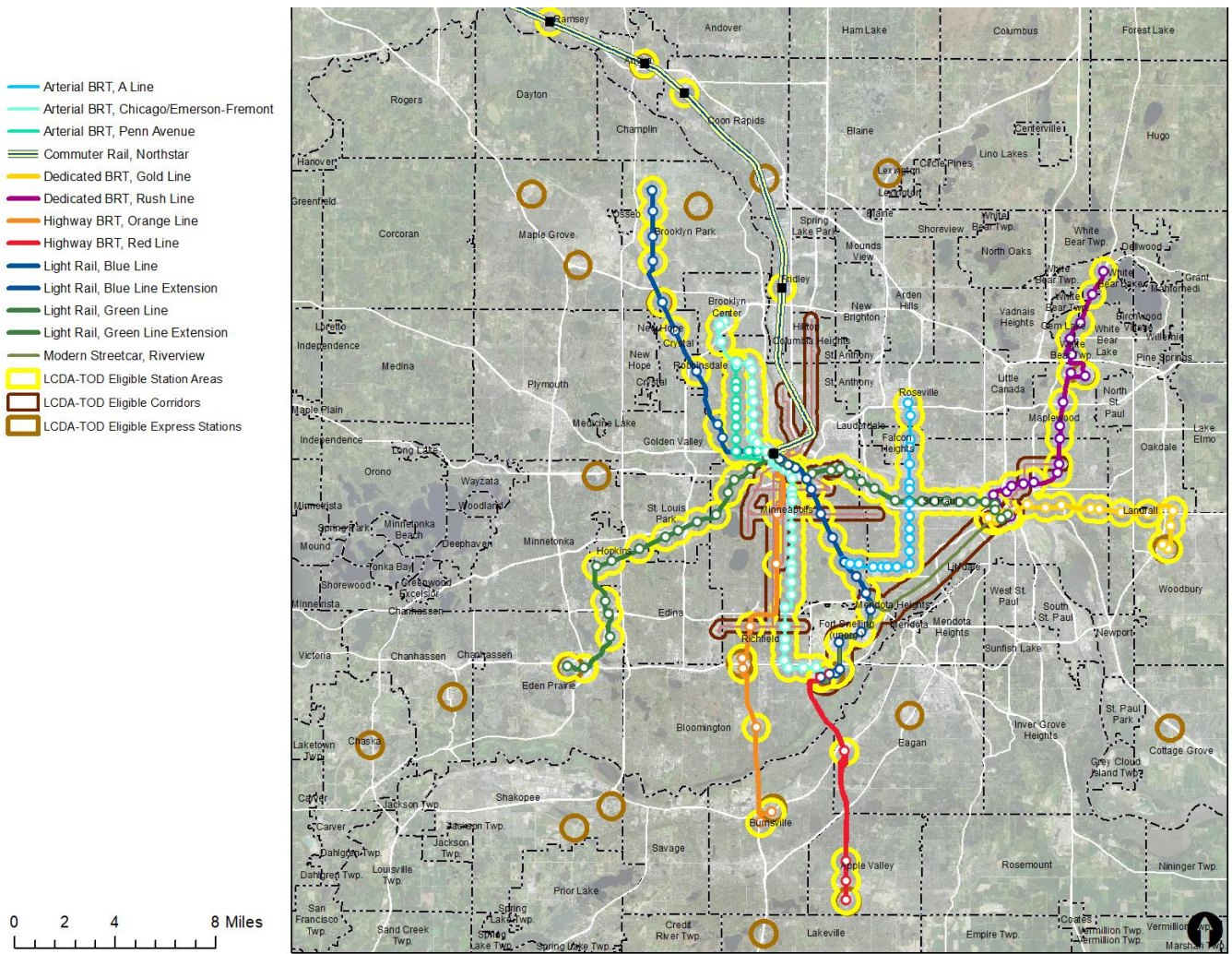
Discussion about criteria for equitable project processes for LCDA and LCDA-TOD will be revisited. Staff will provide additional clarification between racial equity criteria and broader equity criteria as well as some adjustments for the Committee's consideration. Finally, staff will also present additional exploration of the intention and potential

impacts of having a minimum score for equity-specific criteria in the Step One process for the Committee's consideration.

Changes to Blue Line Extension

Original alignment plans for the Blue Line Extension were deemed unfeasible in 2020 due to an inability to negotiate for the use of land owned by BNSF railroad. A revised alignment, and other possible changes, are currently being explored by the Council with support from the State and local governments. Staff will present options for LCDA-TOD eligibility of Blue Line Extension station areas given the current status of the Blue Line Extension. No other changes in LCDA-TOD eligibility are proposed for 2021.

Map 1. 2020 LCDA-TOD eligibility



Proposed 2021 Program Schedule

The 2021 program schedule is proposed as follows:

Program	Application due date	Application Review	Committee Development Committee and Council Awards
TBRA (Spring)	May 3	May/June	July
LCDA and LCDA-TOD Pre-development (Spring)	April 21	April/May	June
LHIA	July 15	August-December	January 2022
LCDA and LCDA-TOD Pre-development (Fall)	July 21	July/August	September
TBRA (Fall)	November 1	November/December	January 2022
LCDA-TOD Development	September 7	September/October/November	December
LCDA Development	September 27	October/November/December	January 2022

Staff is proposing a change to the LCDA and LCDA-TOD schedules that allows the fall rounds of Pre-development to be awarded prior to Development award considerations. This will allow increased funding available to Pre-development while ensuring that unused Pre-development funds can be utilized for Development if demand in the Pre-development program is lower than expected.

2021 Funding Availability

The base amounts available for each program in 2021 is as follows:

	TBRA	LCDA	LHIA
2021 Base Revenues	\$5M	\$12.6M	\$1.5M

As in past years, there are reserves available to program to supplement available funding in each program. Some reserves are restricted to a specific program; others are unrestricted and may be allocated to any program. Programmable reserves available for consideration in 2021 is as follows:

	TBRA	LCDA	LHIA
Restricted Reserves	\$2M	\$8.1M	\$0M
Unrestricted Reserves	\$5.5M		

Staff will present options for programming reserves that considers program demand, previous funding availability, and the importance of maintaining fund reserves.

Other program criteria proposed for 2021

The following sections provide other program criteria that will be included in the package for committee approval on February 1. There are no substantive changes to these program details from 2020 criteria.

Tax Base Revitalization Account (TBRA)

Site Investigation:

- Local Match: 25%
- Grant Terms: 1 year from date of award
- Term extensions: None
- Award Limits: \$50,000 per project
- Application Limit: None

Contamination Cleanup:

- 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
- 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

Seeding Equitable Environmental Development (SEED)

- Local Match: 25% match requirement for investigation and/or abatement; none for cleanup
- Grant Terms: 2 years from date of award
- Term extensions: None
- Award Limits: \$50,000 for investigation
- Application Limit: None
- Geographic restriction: Site within areas of concentrated poverty (ACPs) and in areas previously defined as ACPs, and parcels within 150 feet of a current or former ACP
- 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

Local Housing Incentives Account (LHIA)

- Local Match: 100% dollar for dollar match from grantee
- Grant Terms: 3 years from date of award
- Term extensions: None
- Award Limits: None
- Application Limit: None

Livable Communities Demonstration Account (LCDA)

Pre-development:

- Local Match: 25%
- Grant Terms: 2 years from date of award
- Term extensions: Up to 1 year

- Award Limits: \$100,000 per city, per round
- Application Limit: No more than three per city or county applicant
- Excess available funding: If funding applied for or awarded through LCDA Pre-development is less than the funding available, the remaining funds may be made available for award through the regular LCDA category

Development:

- 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 no more than 40% of the funds may be granted to projects in Minneapolis and St. Paul.
- Application Limit: No more than three per city or county applicant

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

Pre-development and TOD Zoning:

- Local Match: 25%
- Grant Terms: 2 years from date of award
- Term extensions: Up to 1 year
- Award Limits: \$100,000 per city, per round
- Application Limit: No more than three per city or county applicant
- Excess available funding: If funding applied for or awarded through LCDA-TOD Pre-development and LCDA-TOD Zoning is less than the funding available, the remaining funds may be made available for award through the regular TOD category

Development:

- 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-TOD is less than the funding available, the remaining funds may be made available for award through the regular LCDA category

Finally, for all programs, the following limit applies:

- The Metropolitan Council reserves the right to award less than the amount requested and to award less than the available funding in a funding cycle.