

Community Development Committee

Meeting date: November 15, 2021

Subject: Discussion to inform 2022 scoring criteria for Livable Communities Demonstration Account (LCDA) and LCDA – Transit Oriented Development (LCDA-TOD) funding

District(s), Member(s): All

Policy/Legal Reference: Minn. Stat. § 473.25

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Division/Department: Community Development / Regional Planning

Proposed Action

Information item only. Council staff seek feedback and direction on changes for 2022.

Background

The Livable Communities Act (LCA) includes the Livable Communities Demonstration Account (LCDA) and LCDA – Transit Oriented Development (LCDA-TOD)), which provide funds to help participating communities achieve:

- A full range of housing choices
- Living wage jobs
- Compact, connected development
- *Thrive 2040* outcomes

At the [February 24, 2021 Metropolitan Council](#) meeting, Council adopted 2021 scoring criteria for the LCDA and LCDA-TOD programs that organized the criteria into three primary categories:

- What: Proposed Project Outcomes
- How: Proposed Project Process
- Who: Proposed Project Team

The 2021 LCDA and LCDA-TOD development applications are scored using a two-step process. In Step One, Council staff with subject matter expertise evaluate the applications. In Step Two, members of the Livable Communities Advisory Committee evaluate the applications. A minimum Step One score must be achieved for projects to be considered in Step Two. For the first time, in 2021, a minimum score from Step One equity-related criteria was also required to advance.

Step One scoring for 2021 applications is now complete. At the regularly scheduled Community Development Committee meeting on November 15, 2021, Council staff will share findings related to the “*How: Proposed Project Process*” (“Process”) criteria and propose for discussion some changes to the criteria for implementation in 2022. Findings related to the “*What: Proposed Project Outcomes*” (“Outcomes”) and “*Who: Proposed Project Team*” (“Team”) criteria will be presented for discussion at a future Committee meeting later this year. Questions for the Committee include:

- Do the proposed changes allow the Process criteria to consider more variation and context across communities?

- Do the proposed point changes to the Process criteria better reflect prioritize for engagement?
- Would a reallocation of points to allow more equity consideration in Outcomes than in Process better reflect priorities for equity?

2021 Step One “How: Proposed Project Process” criteria

The 2021 Step One scoring criteria and available points for the Process criteria for is as follows:

Table 1. 2021 Step One Process criteria

Criteria	Points
Address or identify a specific residential and/or workforce community need that was identified in consideration of those least represented and most impacted by current and historic racial inequities	5
Address the need for affirmative efforts to increase racial diversity and inclusion in the community, if current community residential and/or workforce demographics do not reflect a variety of races and ethnic backgrounds relative to the region	5
TOTAL	10

The first criterion was intended to target more diverse communities; the reasoning being that these points are more achievable to them because they have significant non-white populations to engage.

The second criterion was intended to be a way for less diverse communities to achieve process points; the reasoning being that these points are more achievable to them, because they had fewer Black, Indigenous, and other residents and workers of color to engage with.

The intent of both criteria was to prioritize racial equity in the development process, but other kinds of equity were still considered for a smaller share of points.

2021 Step One scoring: Reporting back

Staff have been reviewing the Step One Process criteria scores and engaging with those that scored the Process criteria to evaluate the criteria and consider if any changes are recommended for 2022.

The staff evaluation has yielded the following observations:

- The two criteria are constructed assuming a dichotomy among communities; they operate as though every community is either diverse or not diverse
- New 2020 Census data reveals must more diversity in all communities in the region than the data that was available when the 2021 criteria was adopted
- The criteria are not worded in a way that makes it clear that points can be achieved for engagement and influence of any and all groups impacted by inequities, though addressing racial equity in the development process is most highly prioritized
- The first criterion was more effective at differentiating applications, and more directly speaks to the impact engagement has/will have on the proposed project
- The Process criteria constitute 10 of the total 16 points available for the Step One minimum equity score; the remaining 6 points are located in the Outcomes category

2022 Step One “How: Proposed Project Process” criteria: Draft recommendations for discussion

Staff find that the substance of the two Step One Process criteria is a valuable way to consider if engagement and influence over the project has been sought in an equitable way. However, a few key

changes to the wording, and some adjustments to the criterion’s point values, could clarify the way responses will be evaluated.

Staff is requesting feedback on the following proposed changes to the language of the criteria:

Table 2. Proposed 2022 Step One Process criteria

2021 Criteria	Proposed 2022 Criteria	Explanation
Address or identify a specific residential and/or workforce community need that was identified in consideration of those least represented and most impacted by current and historic racial inequities	Addresses a residential and/or workforce need that was identified by or with residents or workers most impacted by racial or other disparities	Reflects secondary consideration of populations engaged that experience disparities other than racial (accessibility, low-wealth, etc.)
Address the need for affirmative efforts to increase racial diversity and inclusion in the community, if current community residential and/or workforce demographics do not reflect a variety of races and ethnic backgrounds relative to the region	The city is taking steps toward addressing racial and other inequities at the local level, especially efforts to implement equitable development practices	Removes qualifier that calls out less diverse cities. Reflects secondary consideration of populations engaged that experience disparities other than racial (accessibility, low-wealth, etc.)

As stated above, staff also found that the first Process criteria was more differentiating and more directly connected to the project itself. In response, staff is requesting feedback on the following scoring changes to the criteria:

Table 3. Proposed scoring changes to 2022 Step One Process criteria

Criteria summary	2021 Points	Proposed 2022 Points
Engagement and influence for project	5	5
City efforts to address equity	5	2
TOTAL	10	7

The reduction of available Process points would impact total equity-derived points and the minimum equity points requirement to be considered for funding. For the 2021 funding cycle, there were 16 total points available in Step One scoring, and applicants had to achieve at least 10 of those points to move forward to Step Two.

Staff has been considering how equity related points should be distributed, and whether or not Process equity points should outweigh Outcome equity points. Given that community engagement is an important part of equitable development but not the equivalent of equitable development outcomes, staff propose for the 2022 funding cycle reallocating those 3 Process points to the equity criteria in the Outcomes category.

Council staff will return to the Committee later this year to discuss which individual Outcome criteria would specifically get increased points when we report back on the Outcome criteria. Staff is currently seeking feedback about allocating more points to equitable outcomes than equitable processes.