



Livable Communities Act Fund Availability & Criteria

Community Development Committee



January 17, 2023

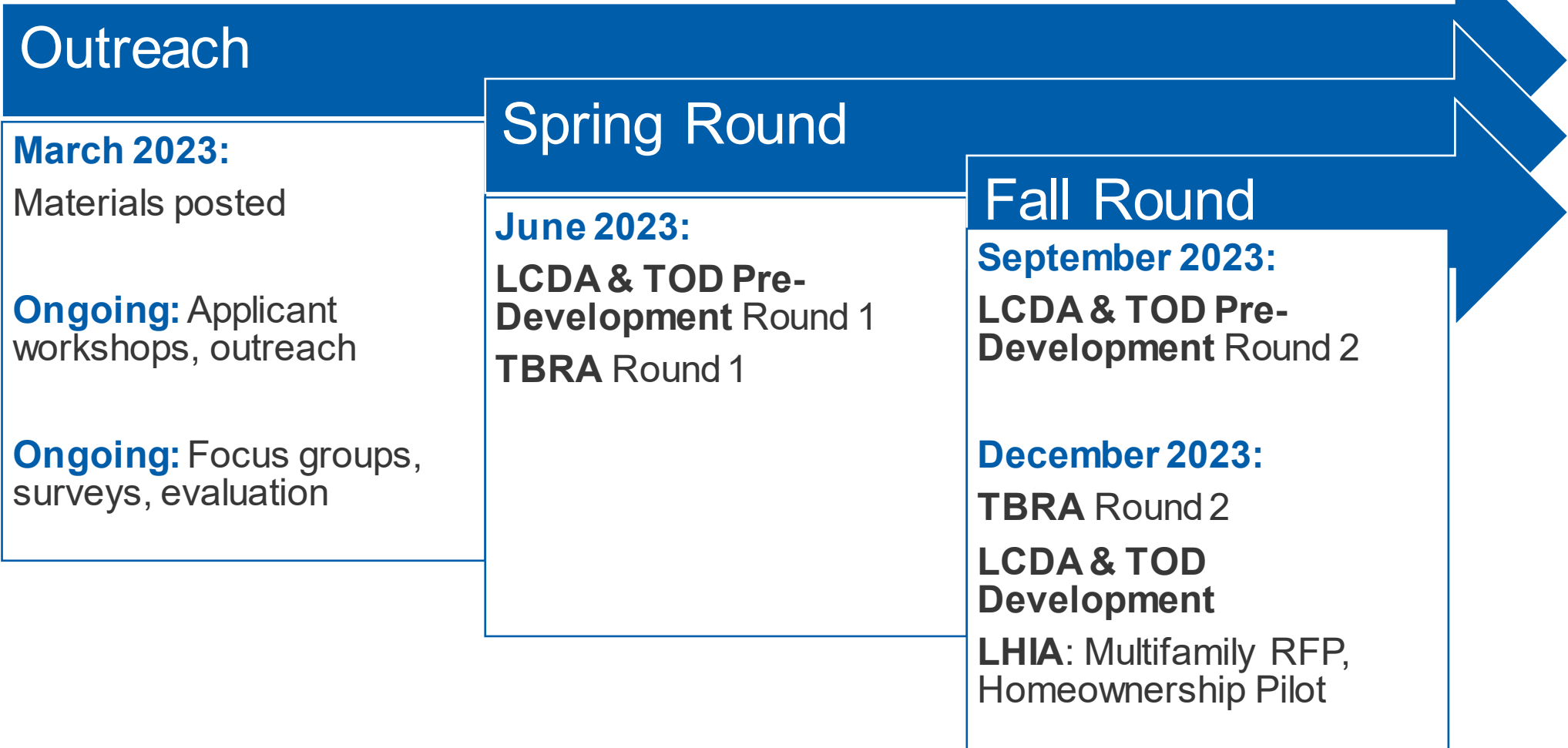
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Today's Discussion

Livable Communities Act (LCA) Fund Distribution Plan

- Program overview
- Funding availability and demand considerations
- Funding availability recommendations
- Overview of scoring criteria framework
- Review timeline for approval of 2023 Livable Communities Act Fund Distribution Plan

LCA Program Overview



Note: Dates are approximate and subject to change.

2023 Funding Availability

**Base
revenue**

+

**Reserves
to allocate**

Program	2023 Base Revenues
Tax Base Revitalization Account (TBRA)	\$5.0 M
Livable Communities Demonstration Account (LCDA)	\$13.6 M
Local Housing Incentives Account (LHIA)	\$1.5 M

Program	TBRA	LCDA	LHIA
Restricted Reserves	\$1.5 M	\$4.6 M	\$0
Unrestricted Reserves	\$7.2 M		

Tax Base Revitalization Account (TBRA)

Program	TBRA Contamination Cleanup & Site Investigation	TBRA – SEED Seeding Equitable Environmental Development
Base Funding Allocation (\$5M)	\$5.0 M	\$0
Restricted Reserves Allocation (of \$1.5M available)	\$0	\$0.5 M
Unrestricted Reserves Allocation (of \$7.2M available across programs)	\$0	\$0
Total Funding Availability Recommended for 2023	\$5.0 M Two cycles \$2.5M per cycle Up to \$125K for Site Investigation per cycle	\$0.5 M Two cycles \$250K per cycle

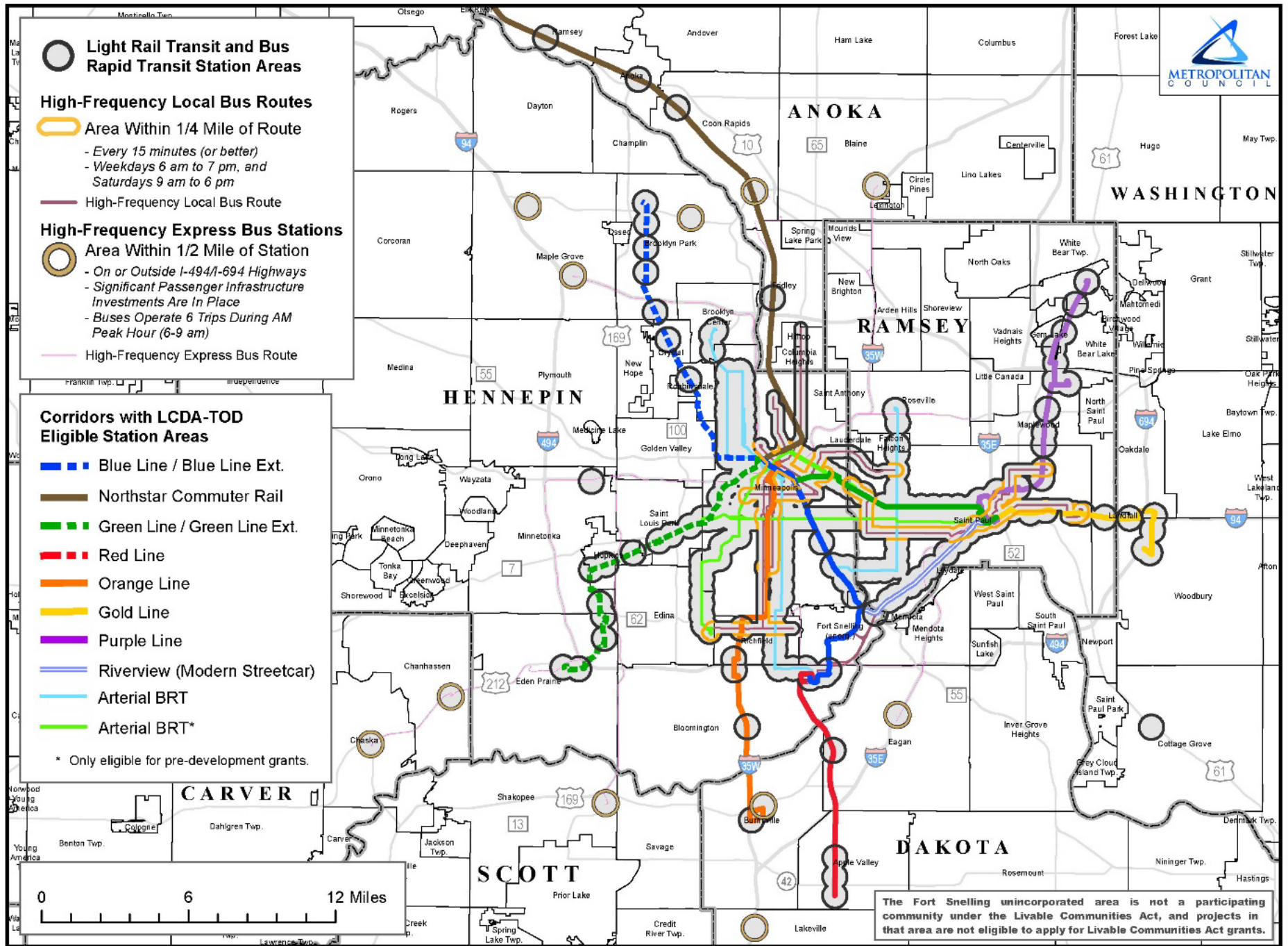
Local Housing Incentives Account (LHIA)

Program	LHIA (Consolidated RFP - Multifamily)	LHIA Affordable Homeownership Pilot – Year 2
Base Funding Allocation (\$1.5M)	\$1.5 M	\$0
Unrestricted Reserves Allocation (of \$7.2M available across programs)	\$1.0 M	\$2.5 M
Additional Strategic Initiatives Funding (TBD)	\$0 / TBD	\$0 M / TBD
Total Funding Availability Recommended for 2023	\$2.5 M (Proposed/for discussion)	\$2.5 M (Proposed/for discussion)

LCDA and LCDA-TOD

Program	LCDA Development	LCDA-TOD Development	LCDA & TOD Predevelopment/ Policy
Base Funding Allocation (\$13.6M)	\$7.3 M	\$4.3 M	\$2.0 M
Restricted Reserves Allocation (of \$4.6M available, \$3.0 M recommended)	\$2.0 M	\$1.0 M	\$0
Unrestricted Reserves Allocation (of \$7.2M available across programs)	\$0	\$0	\$0
Total Funding Availability Recommended for 2023	\$9.3 M	\$5.3 M	\$2.0 M

LCDA-TOD Eligible Areas



Funding Availability Recommendations

Program	TBRA		LCDA			LHIA	
Base Funding Allocation	\$5.0 M		\$13.6 M			\$1.5 M	
Restricted Reserves Allocation Recommended	\$0.5 M		\$3.0 M			\$0	
Unrestricted Reserves Allocation Recommended (of total \$7.2M available)	\$0		\$0			\$3.5 M	
Special Initiatives Funding*	-		-			-	
Total Recommended for 2023	\$5.5 M		\$16.6 M			\$5.0 M	
Recommended Distribution by Program	TBRA \$5.0M	SEED \$0.5M	LCDA \$9.3M	TOD \$5.3M	Pre-D \$2.0M	RFP \$2.5M	Pilot \$2.5M
<i>Restricted reserve balance</i>	\$1M		\$1.6M			0	
<i>Unrestricted reserve balance</i>			\$3.7M				

Scoring Framework



- What:** Project Outcomes
(Housing, Jobs, Connections, Environment)
- How:** Process
(Community engagement)
- Who:** Team
(Representation and City involvement)

Scoring Framework



Proposed Scoring Criteria Updates

Clarity and Consistency in 2023:

- Jobs scores rooted in a broader definition of economic opportunity
- Scoring redundancies eliminated
- Adjustments to new Policy Development program: minimum score, more weight on outcomes
- Plain language updates to ensure wording is understandable and clear

Looking ahead to 2024:

- Evaluation, strategic consideration of program changes
- Participant and stakeholder feedback
- Geographic distribution assessment

Plain Language Update - Example

Previous text

The project team, including partners, is designed to reflect and be responsive to those under-represented and most impacted by the project; or the predevelopment activities will seek to build such partnerships in a meaningful way

(LCDA and TOD Predevelopment)

Updated text

Those with decision-making power reflect the community the project will serve; or, the predevelopment activities will build a reflective team.

Jobs Language Update - Example

Previous text

Create or preserve permanent employment opportunities (priority for projects with living wage jobs)

Support economic growth of the community through expanded jobs, options supporting cooperatively owned businesses or supporting the economic stability of the community the project is intending to serve.

(LCDA Development)

Updated text

Create or preserve permanent jobs **OR create workforce development/ training opportunities:** priority for projects with full-time, living wage jobs

Support economic stability and/or growth **for those experiencing the largest economic hardships through the business model, training programs, or project mission.**

Policy Development: Outcomes Language

Previous text

Furthering equitable outcomes in...

Extent to which the policy will support achieving more equitable development outcomes

Updated text

Realize more equitable outcomes in ...

Support more equitable development outcomes in physical developments and/or through city process to approve physical developments

Scoring adjustments

- Increase points for “WHAT”
- Decrease points for “HOW”
- New minimum score: 25 of 50 possible points

(LCDA Policy Development)

Evaluation Questions & Considerations



Staff is evaluating:

- Newer pilot programs:
 - LHIA Affordable Homeownership Pilot
 - Policy Development LCDA
- Trends in applications:
 - Geographic distribution
 - Influence of external market changes
- Effectiveness of new (2021) scoring framework, alignment with *Thrive MSP 2040* outcomes including Equity and Stewardship
- Role of LCA programs in overall regional development funding ecosystem
- Feedback from stakeholders; e.g., successful and unsuccessful applicants, Metro Cities

Outreach priority:

- Participants who have not applied or been successful in recent years

Discussion



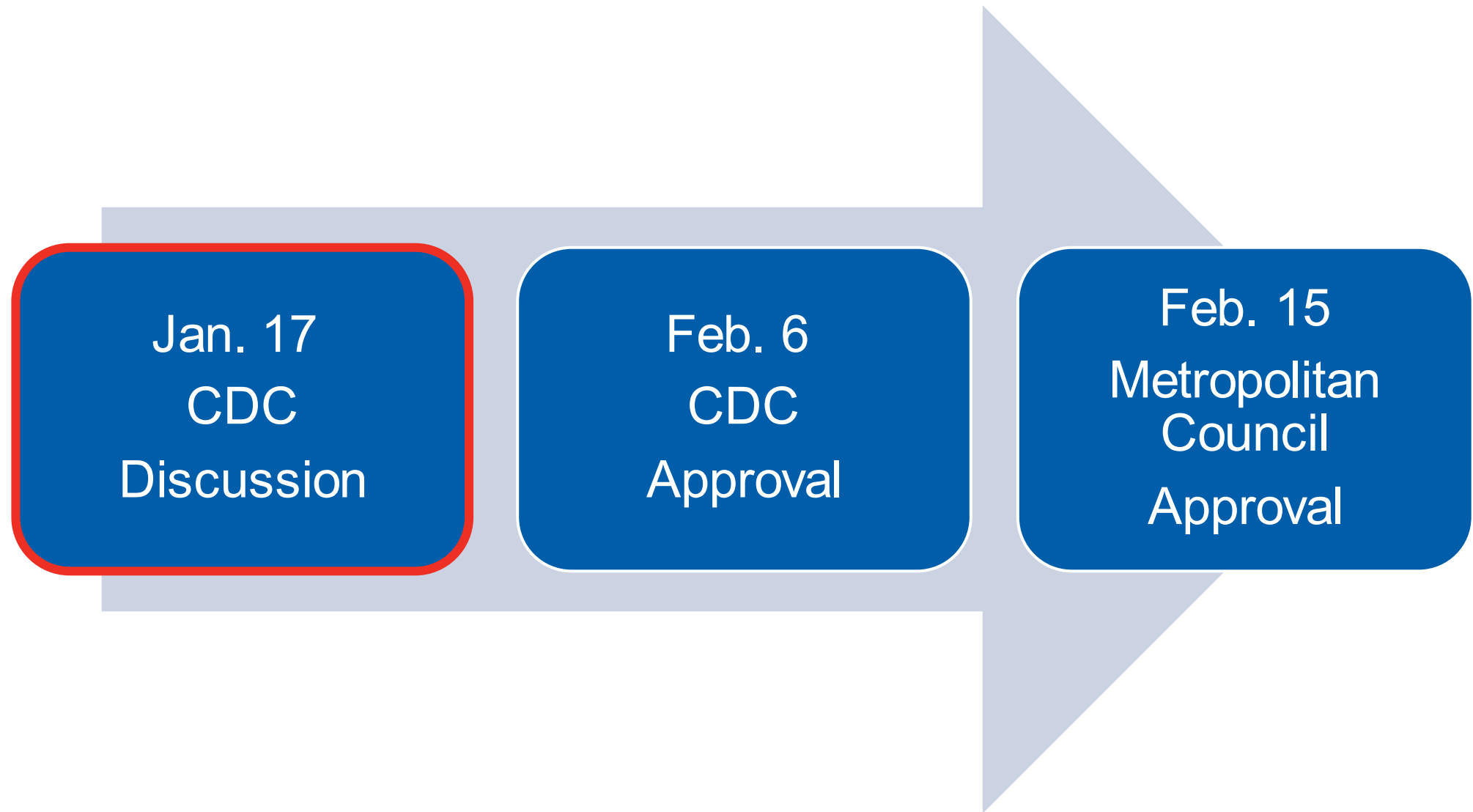
Funding availability and demand:

- For LHIA, is it appropriate/sufficient to allocate \$3.5M of unrestricted reserves?

Evaluation questions, looking ahead to 2024:

- What research questions would you prioritize for LCA programs over the next year?
- Are there scoring elements we should specifically address?

Livable Communities Act Fund Distribution Plan Approval Timeline





Thank you!

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