

# Information Item

Community Development Committee



**Meeting Date:** October 2, 2023

## Topic

LCA Work Group Discussion #2: Setting Priorities

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Minn. Stat. § 473.253, Livable Communities Act
<b>Staff Prepared/Presented:</b>	Sarah Berke, Senior Manager, Livable Communities, 651-602-1198 Hannah Gary, Planning Analyst, Livable Communities, 651-602-1633
<b>Division/Department:</b>	Community Development/Regional Planning

## Background

This discussion on Livable Communities Act program priorities is the second in a series of two planned work group sessions. At the July 17, 2023, Community Development Committee meeting, Committee members participated in a [working discussion](#) on Livable Communities Act (LCA) programs. The discussion focused on high-level goals and visions, including how the Council aligns the programs with its overall regional planning and policy goals.

Several themes emerged from the initial discussion, including Social Cohesion, Equitable Process, Intersections, Economic Development, and Impact. In addition to understanding the impact that LCA programs have on residents, Committee members expressed interest in measuring how well LCA programs are meeting stated goals.

## Workshop Discussion

The proposed focus of this second session is on setting priorities. Staff and Committee members will review program data and clarify Committee members' priorities as well as next steps for potential program changes.

## Proposed Discussion Outline

1. Setting Context:
  - a. Session One themes, values and visions
  - b. What are the data telling us about the region?
  - c. What are the data telling us about LCA programs?
2. Setting Priorities: Interactive exercise
3. Next steps

## Attachments

The following attachments provide additional context for Committee members to review in advance, responding to questions that have emerged from previous discussions.

- *Policy Guidance for LCA Programs*: References to state statute and Council policy plans
- *Equity Scoring Guidelines*: Excerpted from evaluation explanations used to score applications

## Policy Guidance for LCA Programs

<b>In Statute (Hard to Change)</b>	
All Programs	Helping to change long-term market incentives that adversely impact creation and preservation of living-wage jobs in the fully developed area
	Creating incentives for developing communities to include a full range of housing opportunities
	Creating incentives to preserve and rehabilitate affordable housing in the fully developed area
	Creating incentives for all communities to implement compact and efficient development
LCDA	interrelate development or redevelopment and transit
	interrelate affordable housing and employment growth areas
	intensify land use that leads to more compact development or redevelopment
	involve development or redevelopment that mixes incomes of residents in housing, including introducing or reintroducing higher value housing in lower income areas to achieve a mix of housing opportunities
	encourage public infrastructure investments which connect urban neighborhoods and suburban communities, attract private sector redevelopment investment in commercial and residential properties adjacent to the public improvement, and provide project area residents with expanded opportunities for private sector employment
TBRA	The council must use the funds in the account to make grants to municipalities or development authorities for the cleanup of polluted land in the metropolitan area. A grant to a metropolitan county or a development authority must be used for a project in a participating municipality. The council shall prescribe and provide the grant application form to municipalities. The council must consider the probability of funding from other sources when making grants under this section.
	If applications for grants for qualified sites exceed the available funds, the council shall make grants that provide the highest return in public benefits for the public costs incurred, that encourage development that will lead to the preservation or growth of living-wage jobs or the production of affordable housing, and that enhance the tax base of the recipient municipality
LHIA	The funds in the account must be distributed annually by the council to municipalities that: (1) have not met their affordable and life-cycle housing goals as determined by the council; and (2) are actively funding projects designed to help meet the goals.

	<p>The funds distributed by the council must be matched on a dollar-for-dollar basis by the municipality or development authority receiving the funds.</p>
	<p>the council must give priority to projects that (1) are in municipalities that have contribution net tax capacities that exceed their distribution net tax capacities by more than \$200 per household, (2) demonstrate the proposed project will link employment opportunities with affordable and life-cycle housing, and (3) provide matching funds from a source other than the required affordable and life-cycle housing opportunities amount</p>
<p><b>Council 2022 Strategic Plan (Updated Regularly)</b></p>	
<p>Reducing Racial Disparities</p>	<p>Improve equity outcomes for areas of concentrated poverty where 50% or more of residents are people of color by working with regional partners</p>
	<p>Increase access to capital to meet the needs of diverse business owners by bridging the financial gap to maintain operations during contract performance by strengthening partnerships with government, private, and community-based organizations</p>
	<p>Continue refining equity measures for Council wide grant funding opportunities that require partners to include data and methods for decreasing disparities in their programs</p>
	<p>Request disaggregated demographic data on utilization of Council grant funds</p>
	<p>Provide technical assistance to local governments (grantees and individuals) that provides guidance on how to apply for Council grant programs, including steps to take locally before applying</p>
<p>Housing</p>	<p>Share expanded housing technical assistance (such as toolkits, model ordinances, etc.) and participate or convene workshops to share housing strategies, tools, and resources to support local governments</p>
	<p>Participate in, or convene when necessary, helpful workshops or tables to share housing strategies, tools, and resources among local governments.</p>
	<p>Develop in-place strategies in high poverty areas to assist with resident and child success</p>
	<p>Build regional capacity and technical assistance to support the expansion of housing opportunities for people with disabilities</p>
	<p>Explore additional affordable homeownership strategies that the Council might take on with a focus on wealth-building for households of color</p>
	<p>Continue to add general fund dollars to the Local Housing Incentives Account (LHIA) each year, with funding prioritized toward housing affordable to households earning 30% of the Area Median Income or less.</p>

	Review Livable Communities Act (LCA) programs to ensure alignment with the key objectives above
	Incorporate more nuanced analysis into Council actions and technical assistance to best balance the differing priorities of supporting more housing choice in high-income areas and improving livability outcomes in lower-income areas.
<b>Transportation</b>	Lead and participate in major corridor and regional studies to ensure regional transportation and development policies are implemented
	Increase transit ridership region-wide on an annual basis
<b>Sustainability</b>	Partner with local governments to identify emerging mitigation and adaptation issues and design approaches and solutions to address those issues
<b>Thrive 2040 (Updated Decennially)</b>	
<b>Stewardship</b>	Encourage local governments to locate and design new developments in a way that preserves and benefits from the natural environment and reduces development pressures that endanger natural resources by promoting growth in already urbanized areas
	Encouraging, supporting, and coordinating efforts beyond investments in the physical highway system, including Travel Demand Management such as carpools, vanpools, and staggered work hours; implementing transit, bicycle, pedestrian, and park-and-ride facilities that encourage use of the full range of transportation modes; and coordination with local land use guidance that increases job and housing concentrations
	Collaborate with municipalities to coordinate land use and development patterns with frequent, all-day bus service and transitways to increase transit ridership, increase the likelihood of successful transit investment, and respond to new market opportunities around transit investment.
<b>Prosperity</b>	Incorporate water sustainability considerations in all areas of Council policy and actions, including overall development patterns, water management, transportation, housing, and regional parks
	Contribute to a quality of life and cost of living that attract and retain a talented workforce
	Encourage workforce housing that is affordable to a variety of income levels across the region
<b>Equity</b>	Work with communities to create more income-diverse neighborhoods, including strategically targeted subsidies to develop market-rate housing in areas that lack market-rate options
	Use Livable Communities Act resources to catalyze private investment in Areas of Concentrated Poverty and Racially Concentrated Areas of Poverty.

	<p>Work with our partners and stakeholders to identify indicators used to measure how projects, supported with Council resources, advance equity, including helping residents of Areas of Concentrated Poverty and Racially Concentrated Areas of Poverty, lower-income households, or people with disabilities</p>
	<p>Use its resources, including investments in transit, infrastructure, and redevelopment, to help create and preserve mixed-income neighborhoods and housing choices across the region.</p>
	<p>Encourage preserving existing housing where rehabilitation is a cost-effective strategy to maintaining housing affordability.</p>
	<p>Invest in and encourage new affordable housing in higher-income areas of the region, particularly in areas that are well-connected to jobs, opportunity, and transit.</p>
	<p>Support efforts to expand the supply of affordable housing that is accessible to people with disabilities.</p>
	<p>Work with housing partners and local governments to expand the supply of affordable housing available at all income levels, including extremely low-income households earning less than 30% of the area median income</p>
	<p>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.</p>
	<p>Promote transit-oriented development that ensures a mix of housing affordability in transit station areas.</p>
	<p>Collaborate and consult with members of the community, especially historically underrepresented populations.</p>
	<p>Highlight best practices for engagement in our region.</p>
	<p>Work toward making decisions with people, not for people</p>
<p>Livability</p>	<p>Encourage and invest in a wide variety of housing options throughout the region to serve the increasingly diverse population, including viable housing choices for low- and moderate income households and multigenerational households</p>
	<p>Promote the preservation of existing housing, especially affordable housing, to cost-effectively maintain affordability and preserve the unique historical characteristics of the region’s housing stock</p>
	<p>Pursue private sector and local government partnerships to accelerate development and land acquisition for transit-oriented development.</p>
	<p>Develop and share technical resources and education materials to improve capacity in the region for transit-oriented development</p>

	Collaborate with partners, including local governments and private sector stakeholders, in transit-oriented development activities including policy development, specific Council-led development projects, site-specific transit-oriented development resources and opportunities, and station area planning to enable transit-oriented development
	Provide Livable Communities Act grants to local government to support transit-oriented development projects
	Encourage transit-friendly development patterns, including increased density and concentration of uses, to expand walkability and lay the groundwork for future transit-readiness
	Incorporate active living considerations when evaluating competitive funding proposals, infrastructure investments, and operations
	Promote walkable neighborhoods, pedestrian-oriented town centers, and compact development patterns to expand walkability
Sustainability	Incorporate water sustainability considerations in all areas of Council policy and actions, including overall development patterns, water management, transportation, housing, and regional parks.
	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.
	Explore incentives to reward local governments that set and make progress on local greenhouse gas reduction goals

## How Equity Points are Scored

Points towards the minimum equity score can be achieved in each section of the scoring criteria.

Criterion	Evaluation Considerations	Examples
Further equity outcomes in housing access*	<ul style="list-style-type: none"> <li>• Who is primarily being served through the housing portion of the project?</li> <li>• How is the project helping to reduce disparities in housing?</li> </ul>	<ul style="list-style-type: none"> <li>• Set at least 20% of the units' rent at the small area market fair value and accept Housing Choice Vouchers.</li> <li>• Go beyond the Fair Housing Marking plan as defined by HUD.</li> <li>• Be in a city with policies that protect tenants (e.g., right of first refusal, no crime free drug free lease addendum requirements, notice of sale policies).</li> <li>• Have a property manager, if known, with equitable screening practices and eviction/non-renewal records.</li> <li>• Affordable and market rate units are indistinguishable in mixed-income buildings</li> </ul>
Further equity outcomes in access to economic opportunity*	Will the jobs and/or training opportunities be accessible and available to underrepresented or underemployed people?	<ul style="list-style-type: none"> <li>• Create living wage jobs and/or training opportunities in areas with more unemployment compared to the city or the region</li> <li>• Jobs are targeted toward specific populations (e.g., under/unemployed, folks leaving incarceration, folks with development disabilities).</li> <li>• Project creates wealth building opportunities for residents of color, new immigrants, or other who face economic barriers.</li> </ul>
Further equity outcomes in access to services and amenities*	How is the project better connecting residents in divested areas with needed and/or desired services and amenities?	<ul style="list-style-type: none"> <li>• Access to services and amenities through transit or other forms of transportation, including walking, biking, or rolling</li> <li>• The project introduces services and/or amenities</li> </ul>

		<p>that are most wanted by residents experiencing disparities</p> <ul style="list-style-type: none"> <li>• Improved transit amenities, especially if there are more households than average nearby who rely on transit for commuting compared to the city or the region.</li> </ul>
<p>Further equity outcomes in access to local and regional parks and/or address environmental sustainability in locations where residents have been most impacted by environmental harms*</p>	<p>How is the project increasing access to parks or greenspaces for residents who have historically faced barriers to access? Is the project approaching environmental sustainability with a focus on environmental justice?</p>	<ul style="list-style-type: none"> <li>• The project provides physical improvements and/ or programming for more residents of color to feel safe, welcomed, catered to, and comfortable utilizing nearby local and regional parks (e.g., trail connections, wayfinding, culturally relevant events, etc.)</li> <li>• The project is focused on mitigating negative environmental impacts in areas where residents have been disproportionately affected by past environmental harms</li> </ul>
<p>The need for the project was determined by residents and/or workers most impacted by inequities *</p>	<ul style="list-style-type: none"> <li>• Where did the need for the project come from (e.g., private market, local policy, local residents)?</li> <li>• Who will benefit from the project, now and in the future?</li> </ul>	<ul style="list-style-type: none"> <li>• Project needs were identified to reduce inequities or were identified by those most impacted by inequities.</li> <li>• The project is expected to provide short- and long-term benefits to individuals and communities most impacted by inequities</li> </ul>
<p>The City is taking steps toward addressing inequities at the local level, especially efforts to implement equitable development practices*</p>	<ul style="list-style-type: none"> <li>• Has the city taken steps to define and understand local disparities?</li> <li>• Has the city adopted policies that are intended to mitigate disparities and/ or create more equitable development outcomes?</li> <li>• Is the city taking tangible actions to integrate equitable development practices?</li> </ul>	<ul style="list-style-type: none"> <li>• The city identified or is in the process of identifying existing city-level disparities (e.g., housing, employment, wages).</li> <li>• The city is identifying measurable outcomes around disparities in order to track progress and be accountable</li> <li>• The city has adopted policies, like a disadvantaged business enterprise (DBE) policy, racial</li> </ul>



		<p>equity action plan, inclusionary zoning or environmental sustainability building standards or workforce programs that prioritize equitable development outcomes.</p> <ul style="list-style-type: none"> <li>• The city participates in GARE, has an equity, human rights or similar commission or advisory committee that informs local decisions, or other municipal efforts to address inequities</li> </ul>
<p>Those with decision making power for the project are reflective of the community the project is intending to serve*</p>	<ul style="list-style-type: none"> <li>• Does the project team (meaning any person or organization with a decision-making role, e.g., advisory group member, consultant, developer) reflect or have experience working effectively with those historically impacted by racial or other inequities, or are traditionally underrepresented in the community or the region?</li> <li>• Does the project team have a direct connection to the project area, or the community being served by the project?</li> </ul>	<ul style="list-style-type: none"> <li>• A direct connection between demographic makeup of the project area and the lived experience of project team-members (in a meaningful and appropriate way) or their experience responding to the needs of that or similar communities.</li> <li>• A direct connection between the population intended to be served (e.g., persons with disabilities, persons experiencing homelessness) and the lived experience of project team-members or their experience responding to the needs of that or similar communities.</li> </ul>
<p>The project and the team use a strategic and integrated approach to addressing equity issues and the intended impacts of the project will result in more equitable outcomes</p>	<ul style="list-style-type: none"> <li>• Has the project team identified a specific disparity and focused multiple efforts on addressing that disparity?</li> <li>• Is the project trying to restore past harms?</li> <li>• How is the project intentionally focusing on reducing disparities?</li> </ul>	<ul style="list-style-type: none"> <li>• The project team has included an advisory committee of residents most impacted by disparities to identify equity priorities addressed by the project</li> <li>• The scope is expanded beyond a traditional development to sustainably address an equity issue in the project area</li> <li>• Address the equity issue from multiple angles and/or at multiple scales (e.g., including</li> </ul>

		<p>wrap-around services in affordable housing after that was identified through engagement)</p> <ul style="list-style-type: none"><li>• Include ownership of space/land by residents most impacted by land ownership and economic disparities</li><li>• Culturally specific community gathering spaces with the goal of strengthening cultural ties and honoring cultural history</li><li>• Support economic stability and/or stronger social connections (i.e., providing food or other basic needs, mutual aid support, community- oriented programming)</li><li>• The project is providing easier access to culturally appropriate healthy food, improves opportunities for active transportation, design to support mental health (e.g., intentional inclusion of greenspace, culturally responsive design, available services)</li></ul>
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