2024 LCA Fund Availability & Distribution Plan Discussion

Community Development Committee

January 16, 2024
Today’s Discussion

Livable Communities Act (LCA) Fund Distribution Plan

- Program overview
- Funding availability and demand considerations
- Funding availability recommendations
- Overview of updates to programs and scoring framework
- Review timeline for approval of 2024 Livable Communities Act Fund Distribution Plan
LCA Program Cycle Timeline

**Outreach**
- **February 2024:** Materials posted
- **Ongoing:** Applicant workshops, technical assistance
- **Ongoing:** Focus groups, surveys, evaluation

**Spring Round**
- **June 2024:**
  - Pre-Development & Policy Development Round One
  - TBRA Round One
  - (SEED, Site Investigation, Clean-Up)

**Fall Round**
- **September 2024:**
  - Pre-Development & Policy Development Round Two
- **November/December 2024:**
  - TBRA Round Two
  - LCDA & TOD Development
  - Affordable Homeownership
  - LHIA: Multifamily RFP,

Note: Dates are approximate and subject to change.
2024 Funding Availability

<table>
<thead>
<tr>
<th>Program</th>
<th>2024 Base Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Base Revitalization Account (TBRA)</td>
<td>$5.0 M</td>
</tr>
<tr>
<td>Livable Communities Demonstration Account (LCDA)</td>
<td>$14.3 M</td>
</tr>
<tr>
<td>Local Housing Incentives Account (LHIA)</td>
<td>$1.5 M</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program</th>
<th>TBRA</th>
<th>LCDA</th>
<th>LHIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted Reserves</td>
<td>$2.0 M</td>
<td>$2.4 M</td>
<td>$0</td>
</tr>
<tr>
<td>Unrestricted Reserves</td>
<td></td>
<td></td>
<td>$14.0 M</td>
</tr>
</tbody>
</table>
## Tax Base Revitalization Account (TBRA)

<table>
<thead>
<tr>
<th>Program</th>
<th>TBRA Contamination Cleanup &amp; Site Investigation</th>
<th>TBRA – SEED Seeding Equitable Environmental Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Funding Allocation ($5M)</td>
<td>$5.0 M</td>
<td>$0</td>
</tr>
<tr>
<td>Restricted Reserves Allocation (of $2.0 M available)</td>
<td>$0.5 M</td>
<td>$0.5 M</td>
</tr>
<tr>
<td>Unrestricted Reserves Allocation (of $14.0 M available across programs)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total Funding Availability Recommended for 2024</td>
<td>$5.5 M (Two cycles $2.75M per cycle)</td>
<td>$0.5 M (Two cycles $250K per cycle)</td>
</tr>
<tr>
<td></td>
<td>Up to $500K for Site investigation per year</td>
<td></td>
</tr>
</tbody>
</table>
## LCDA Account

<table>
<thead>
<tr>
<th>Program</th>
<th>LCDA Development</th>
<th>LCDA-TOD Development</th>
<th>Pre-Development</th>
<th>Policy</th>
<th>Home-ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Funding Allocation ($14.3 M)</td>
<td>$7.8 M</td>
<td>$4.5 M</td>
<td>$2.0 M</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted Reserves Allocation (of $2.4 M available, $2.0 M recommended)</td>
<td>$1.0 M</td>
<td>$1.0 M</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted Reserves Allocation (of $14.0 M across programs, $4.2M recommended)</td>
<td>$1.0 M</td>
<td>-</td>
<td>-</td>
<td>$200,000</td>
<td>$3.0 M</td>
</tr>
<tr>
<td>Total Allocation Recommended for 2024</td>
<td>$9.8 M</td>
<td>$5.5 M</td>
<td>$2.0 M</td>
<td>$200,000</td>
<td>$3.0 M</td>
</tr>
</tbody>
</table>
LCDA-TOD Eligible Areas for 2024
## Local Housing Incentives Account (LHIA)

<table>
<thead>
<tr>
<th>Program</th>
<th>LHIA (Consolidated RFP - Multifamily)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Funding Allocation ($1.5M)</td>
<td>$1.5 M</td>
</tr>
<tr>
<td>Unrestricted Reserves Allocation (of $ M available across programs)</td>
<td>$1.0 M</td>
</tr>
<tr>
<td>Total Funding Availability Recommended for 2024</td>
<td>$2.5 M</td>
</tr>
</tbody>
</table>
# Funding Availability Recommendations

<table>
<thead>
<tr>
<th>Program</th>
<th>TBRA</th>
<th>LCDA</th>
<th>LHIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Funding Allocation</td>
<td>$5.5 M</td>
<td>$14.3 M</td>
<td>$1.5 M</td>
</tr>
<tr>
<td>Restricted Reserves Allocation Recommended</td>
<td>$0.5 M</td>
<td>$2.0 M</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted Reserves Allocation Recommended (of total $14.0 M available)</td>
<td>-</td>
<td>$4.2 M</td>
<td>$1.0 M</td>
</tr>
<tr>
<td>Total Recommended for 2024</td>
<td>$6.0 M</td>
<td>$20.5 M</td>
<td>$2.5 M</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recommended Distribution by Program</th>
<th>TBRA</th>
<th>SEED</th>
<th>LCDA</th>
<th>TOD</th>
<th>Pre-Dev</th>
<th>Policy</th>
<th>H.O.</th>
<th>RFP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5.5 M</td>
<td>$0.5 M</td>
<td>$9.8 M</td>
<td>$5.5 M</td>
<td>$2.0 M</td>
<td>$0.2 M</td>
<td>$3.0 M</td>
<td>$2.5 M</td>
</tr>
</tbody>
</table>

| Restricted reserve balance                   | $1.5 M | $0.4 M | -     |
| Unrestricted reserve balance                 | $9.5 M  |
Scoring Framework

**What:** Project Outcomes  
(Housing, Jobs, Connections, Environment)

**How:** Process (Engagement) 
+

**(Who)** Project Team
Scoring Framework

Proposed Scoring Criteria Updates

Clarity and Consistency in 2024:

- Plain language updates to ensure wording is understandable and clear
- Single step scoring process, combined Process + Team for LCDA and LCDA-TOD
- Homeownership applications will be scored through an internal/external process consistent with LCDA and LCDA-TOD
Scoring Process Consistency

Rationale

• All applications seen by both internal and external reviewers
• Streamline application process
• Reduce time from application to award decision
• Consistency with other grant programs

Impact

• No applications eliminated in a first round of review
• LCDA & TOD applicants notified of funding recommendation earlier
• Start standardized grant review process across LCA
LCDA/TOD Criteria Clarity: Example

2023 Criteria

- **Project Process**
  - Need for project
  - City efforts to address disparities

- **Project Team**
  - City financial contributions
  - Project team is reflective of project community

2024 Criteria

- Project reflects community culture and needs
- City efforts to address disparities
Homeownership Updates

Award Limits and Guidance

- 50% cap on total development gap
- Priorities for number of recipients, number of homes supported

LCDA Account

- Reserves are funding source, same as in 2023
Scattered-Site Investigation

- $250K max
- Multiple sites in a Target Area
- Reduce barriers to application
Evaluation & Outreach

Looking ahead to 2025:

• Evaluation, strategic consideration of program changes
• Participant and stakeholder involvement in program changes
• Continued outreach and technical assistance for potential applicants
Livable Communities Act Fund Distribution Plan Approval Timeline

- Dec. 18: CDC Preview
- Jan. 16: CDC Review
- Feb. 5: CDC Approval
- Feb. 14: Metropolitan Council Approval
Sarah Berke
Senior Manager, Livable Communities and Housing
Community Development
sarah.berke@metc.state.mn.us

Hannah Gary
Planning Analyst, Livable Communities
Community Development
hannah.gary@metc.state.mn.us