2024 LCA Fund Distribution Plan (2024-41)
Community Development Committee
Today’s Discussion

Livable Communities Act (LCA) Fund Distribution Plan

Review:
• 2024 FDP timeline
• LCA goals
• Funding availability
• Proposed program and scoring criteria

Discuss:
• Follow-up on 1/16 questions
• Action for 2024
Livable Communities Act Fund Distribution Plan Approval Timeline

- **Workshop Discussions (July, October)**
- **Dec. 4 and 18 CDC Preview**
- **Jan. 16 CDC Information Item**
- **Feb. 5 CDC Action**
- **Metropolitan Council Approval**
- **Program NOFA published**
LCA Overview

What are the Livable Communities Act (LCA) programs?

Who can apply

• Participating cities and townships
• Developers partner with the government organization to apply
LCA Programs: Current Goals

Policy Direction

- LCA Statute
- Thrive 2040
- Housing Policy Plan
- Transportation Policy Plan
- Council Strategic Plan
- Regional Economic Framework

Program Goals

- Create more housing choice and support affordable housing
- Create living wage jobs and more economic opportunity
- Connect housing, jobs, and regional amenities
- Realize more equitable development outcomes
- Improve environmental sustainability
LCA Program Cycle

**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

### Base revenue*

<table>
<thead>
<tr>
<th>Program</th>
<th>2024 Base Revenues</th>
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<tbody>
<tr>
<td>Tax Base Revitalization Account (TBRA)</td>
<td>$5.0 M</td>
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<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>

### Reserves to allocate

<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>
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<tr>
<td>Unrestricted Reserves</td>
<td></td>
<td></td>
<td>$14.0 M</td>
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</table>

*Statutory base revenues are fixed in dollars for TBRA and LHIA since 1995; revenue is defined as a formula for LCDA.
# Funding Availability Recommendations

<table>
<thead>
<tr>
<th>Program</th>
<th>TBRA</th>
<th>LCDA</th>
<th>LHIA</th>
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<tbody>
<tr>
<td>Base Funding Allocation</td>
<td>$5.0 M</td>
<td>$14.3 M</td>
<td>$1.5 M</td>
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<tr>
<td>Restricted Reserves Allocation Recommended</td>
<td>$0.5 M</td>
<td>$2.0 M</td>
<td>-</td>
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<tr>
<td>Unrestricted Reserves Allocation Recommended (of total $14.0 M available)</td>
<td>$0.5 M</td>
<td>$4.2 M</td>
<td>$1.0 M</td>
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<tr>
<td>Total Recommended for 2024</td>
<td>$6.0 M</td>
<td>$20.5 M</td>
<td>$2.5 M</td>
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<table>
<thead>
<tr>
<th>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>
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<tbody>
<tr>
<td>Recommended Distribution by Program</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>
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<td>TOTAL</td>
<td></td>
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<td></td>
<td>$29.0 M</td>
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</table>

- **Restricted reserve balance**: $1.5 M
- **Unrestricted reserve balance**: $8.3 M
Proposed Process Updates – 2024 FDP

“Minor” changes =
• Change to process
• Incorporates feedback about experience of applicants

No change to intended outcomes
Proposed Program Updates

TBRA Site Investigation

Incorporating feedback:
- Site Investigation is needed for small, time-sensitive projects
- Our process is time-intensive and inflexible
- Demand has been low

Proposal for 2024:
- Applicant may request up to $250,000 to investigate up to 5 sites over a 2-year period
- Reduce barriers to application, ensure dollars serve public purpose and program goals
Proposed Process & Scoring Updates

LCDA & TOD Development

Incorporating feedback:
• LCAC members' role in scoring is too subjective
• Process is slower than other funders'
• Application is complex

Proposal for 2024:
• Single step scoring process, external & internal reviewers contribute concurrently
• Streamline some scoring criteria to eliminate duplication and reduce applicant burden
Affordable Homeownership

Incorporating feedback:
- Match is burdensome to document, confusing for applicants
- CMs want to understand how funding selections are prioritized

Proposal for 2024:
- 50% cap on total development gap, in lieu of match
- Selection priorities for number of recipients, number of homes supported
2024 Fund Distribution Plan

Committee Options

1. Incorporate staff’s proposed process improvements, as proposed in Scoring Criteria redlines:
   - TBRA-Site Investigation Pilot
   - LCDA & TOD Development one-step review
   - Affordable Homeownership updates

2. Keep all LCDA/TOD process the same, but:
   - Implement proposed updates to:
     - TBRA-Site Investigation
     - Affordable Homeownership

3. Keep all programs the same in 2024; use 2023 criteria

4. Pause programs for 2024 and resume in 2025
Proposed Action

That the Metropolitan Council approve the 2024 Livable Communities Act Fund Distribution Plan as shown in Attachment 1.
Beyond 2024

Looking ahead to 2025:
• Prioritize many, potentially competing goals
• Seek Council Members’ direction
• Align with Imagine 2050 goals
• Establish ongoing evaluation processes based on prioritized goals
• Participant and stakeholder involvement in program changes
• Continued outreach and technical assistance for potential applicants
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