

Livable  
Communities  
Act  
Update

# Discussion with Community Development Committee

November 18, 2024

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# Goals for Today

- Share highlights from final report
- Committee reactions and discussion
- Next Steps for Committee + LCA Program Staff

# Our Charge

## Consultant Scope: Objectives

- Ensure program design aligns with Imagine 2050 and promotes objectives of LCA
- Promote widespread program participation by communities and minimize barriers to accessing programs
- Assess and synthesize existing quantitative + qualitative data to gauge impact and context
- Provide comprehensive report

# Inside the report

# Overview

- Acknowledgement of realities
- Program Trends and Outcomes
- Application and Award Trends
- Insights and Observations
- Potential Changes

# Realities

- LCA is an incentive program - and projects that are aligned with Council policies tend to get funded
- LCA is valued, competitive and under-funded - and though cities and developers have concerns, they want LCA to continue
- Geographic distribution is not specified in statute but has implications and is the primary tension despite several limits in place already that guide where funds are allocated (e.g. 40% limit on LCDA funds to core cities)

# Realities

Council policies and regional needs impact where LCA funds are awarded

Statute “*establish criteria for uses of the fund ... that are consistent with and promote the purposes of this article **and the policies of the Metropolitan Development Guide adopted by the council***”

Thrive MSP 2040, Imagine 2050, current strategic plan, all emphasize investment in affordable housing at 30% AMI

The Committee could change geographic focus but it would be contradictory to current Council policies

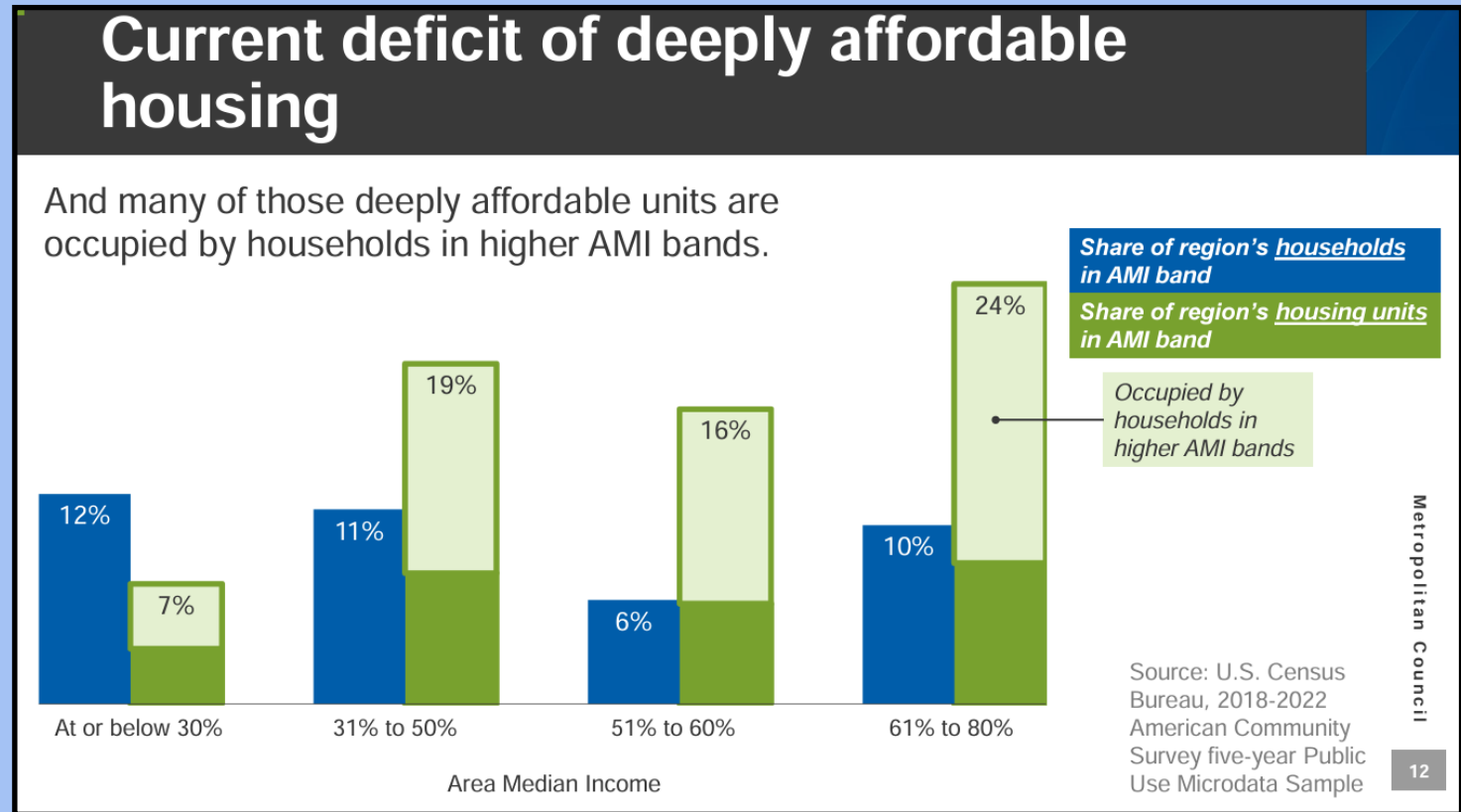


# Realities

## Historic Context + Statutory Framework

LCA has evolved, programs added, programs ended in response to Council direction, changing development patterns and demographics

Deeply affordable housing is critical regional issue



# Realities

## Stakeholder Feedback

- General consensus around LCA purpose and value
- Appreciation of LCA staff
- Misperceptions around how local context is considered in scoring
- Misperceptions about staff capacity, complexity of application process
- Desire for LCA to fill local gaps
- Concern with geographic distribution
- Support for changes that improve process, outreach and engagement, and collaboration with staff

# Enrollment

Communities must participate in Local Housing Incentives program which sets affordable housing goals to be eligible for LCA; those goals have been adjusted downward

Average of 96 communities enrolled over 30 years but varies and typically drop offs during re-enrollment period

Low was 59 in 2021 but has increased 29% and is 77 now

Development activity drives participation because LCA funds development; not every community will participate

## Applications + Awards

64 communities applied since 2014

71% of all applications were awarded grants

Core cities and counties received most awards as expected due to development activity, number of applications, pre-screening, TOD eligible areas

Some non-core communities have had 82%-90% of applications funded (e.g., Roseville, Maplewood, Carver County, Edina, Brooklyn Center, Hopkins, Washington County)

Communities outside of the core apply much less frequently which is likely a result of less development activity

# County Level Analysis

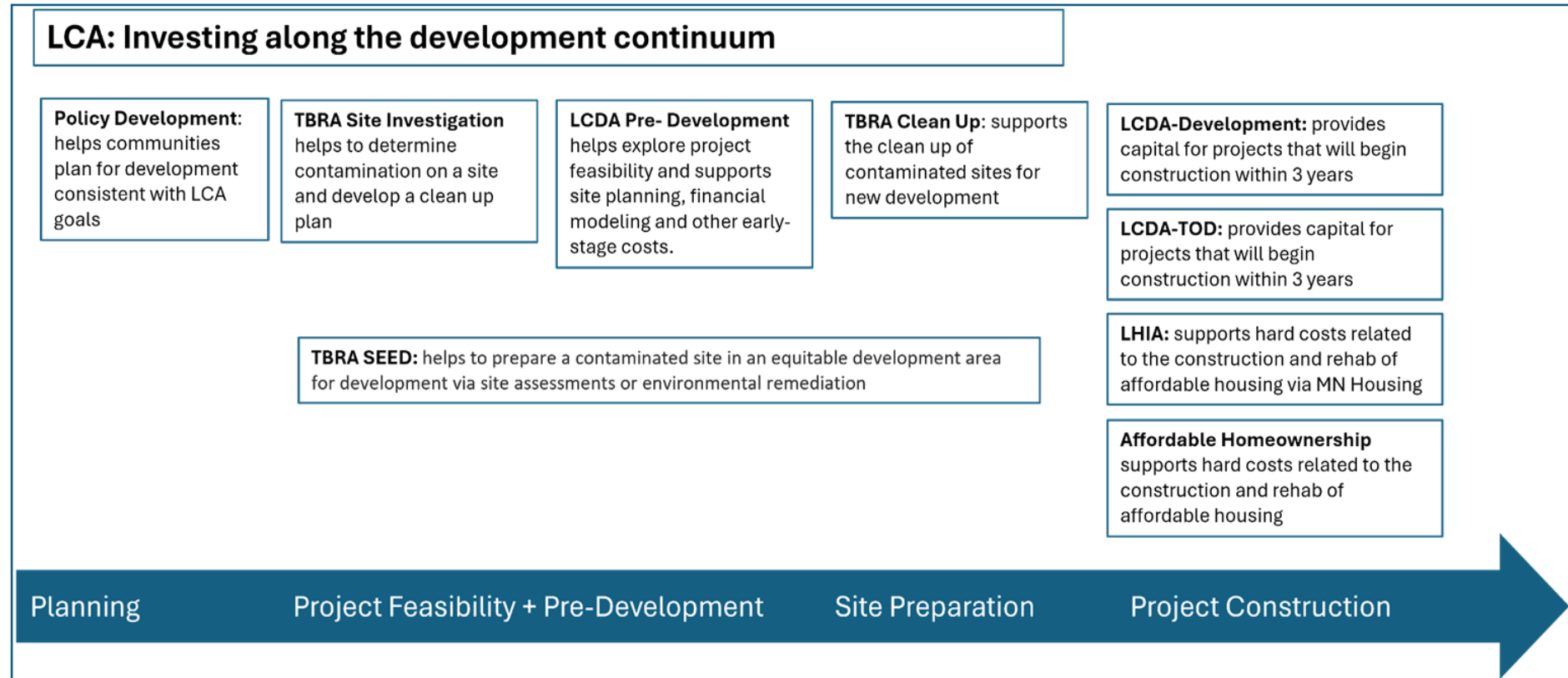
County	Sum Levy 2014-2023	Participating Cities Levy 2014-2023	Number of enrolled cities 2023	Awarded Dollars 2014 - 2023	Award Amount as a proportion of levy from Participating Cities	% of Awarded Dollars	\$ Awarded per capita	Total Applications 2014-2023	Total Grants 2014-2023	% of Awarded Grants	Awarded Ratio
Anoka	\$11,257,734	\$7,488,377	8	\$4,782,200	64%	2.0%	\$ 12.88	17	9	2%	53%
Carver	\$4,401,882	\$3,561,014	7	\$4,864,000	137%	2.0%	\$ 42.92	17	12	2%	71%
Dakota	\$15,977,292	\$11,622,973	9	\$7,734,450	67%	3.2%	\$ 17.20	46	22	4%	48%
Hennepin	\$55,393,584	\$50,093,802	24	\$160,468,090	320%	66.5%	\$ 123.64	455	331	59%	73%
Ramsey	\$17,504,268	\$17,023,084	14	\$59,580,314	350%	24.7%	\$ 107.66	229	172	31%	75%
Scott	\$5,711,966	\$4,374,357	6	\$808,600	18%	0.3%	\$ 5.17	5	2	0%	40%
Washington	\$10,602,420	\$7,018,222	8	\$3,176,100	45%	1.3%	\$ 11.33	18	13	2%	72%
<b>Totals</b>	<b>\$120,849,145</b>	<b>\$101,181,829</b>	<b>76</b>	<b>\$241,413,754</b>				<b>787</b>	<b>561</b>		

## Applications + Awards

Hennepin and Ramsey County are largest recipients likely due to:

- largest number of cities participating
- submitted more applications
- largest populations
- home to 70% of region's population experiencing poverty
- have more development activity, especially development of affordable housing

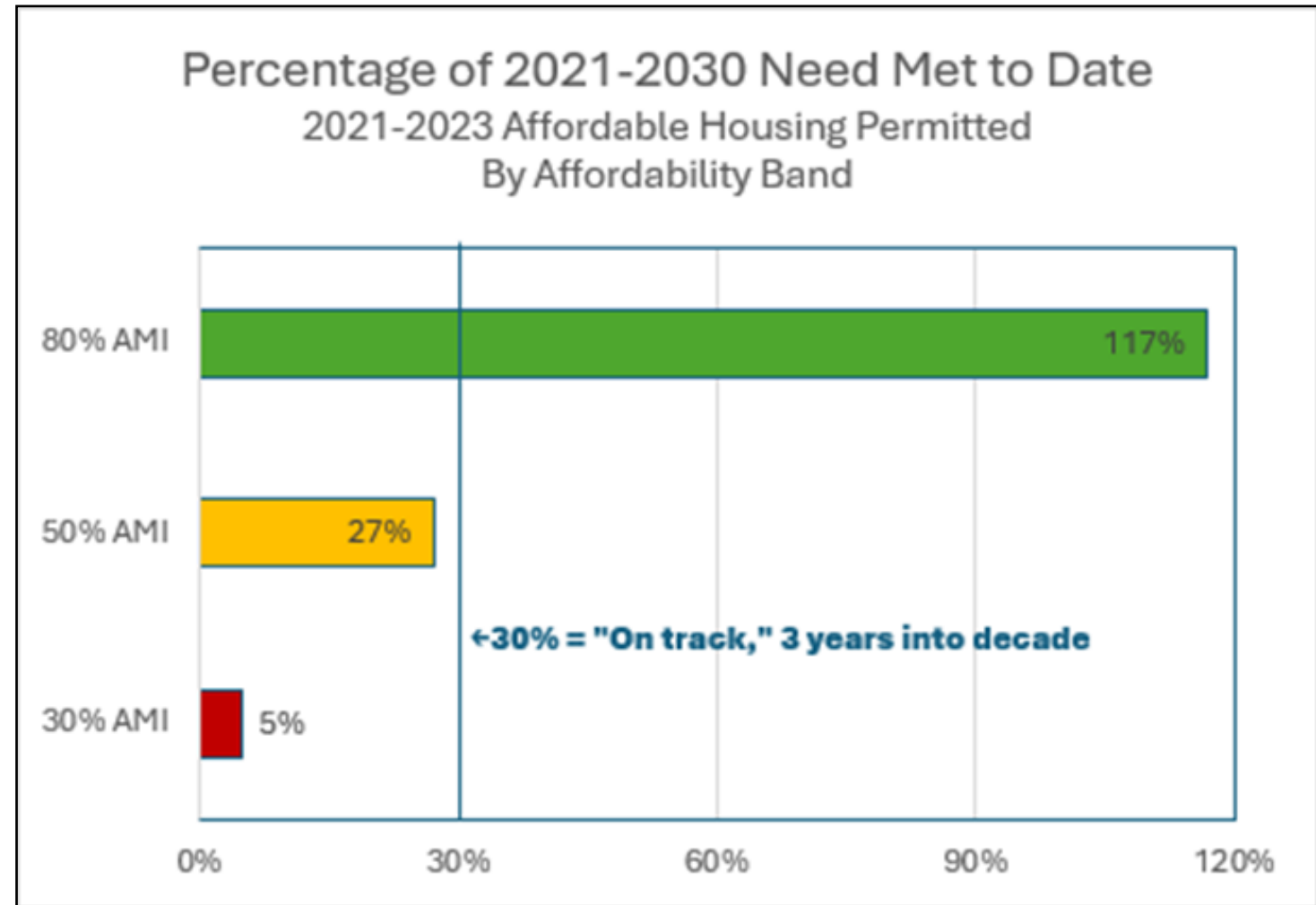
# Demand + Program Outcomes



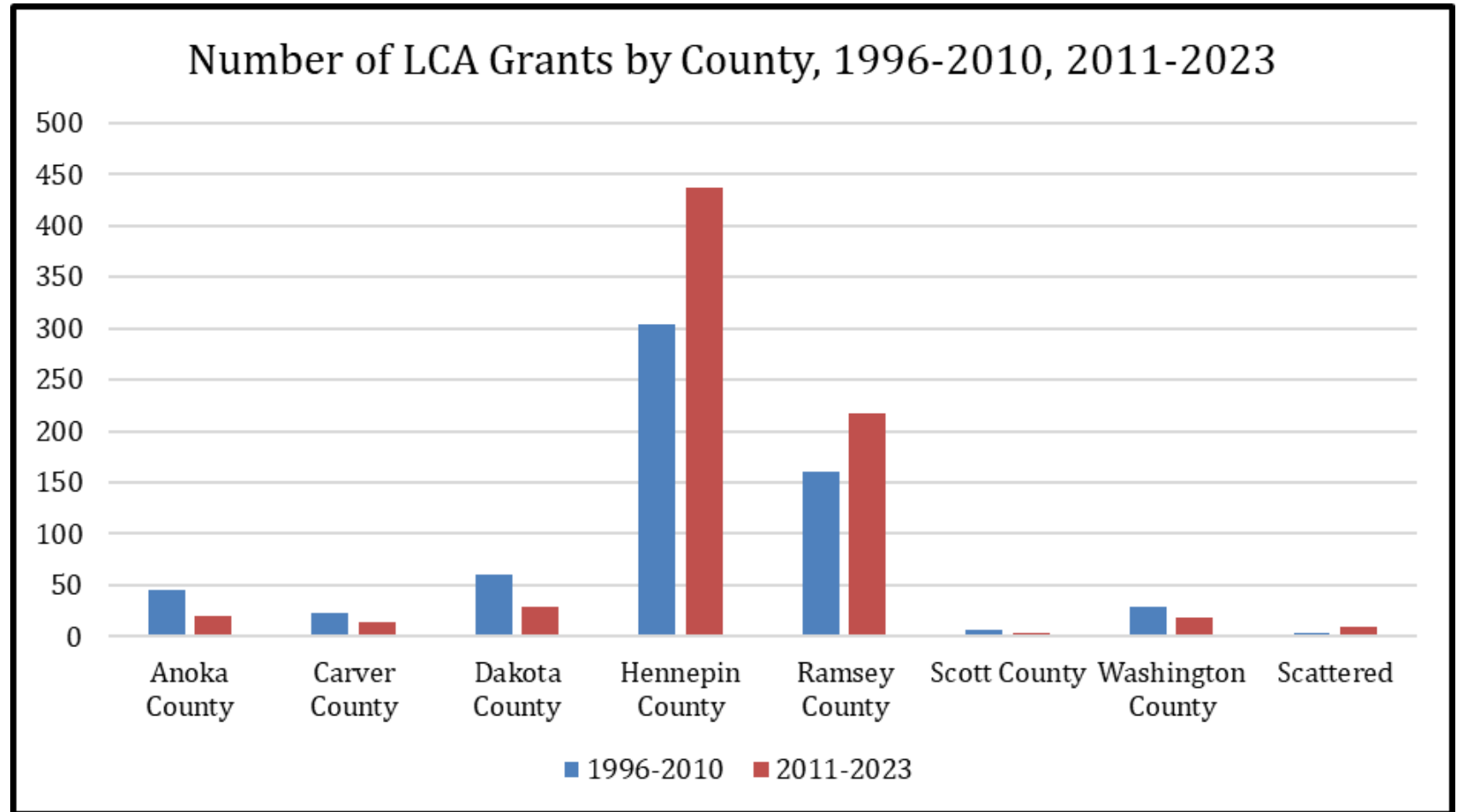
- 2014-2023: Requests for LCA program funding exceeded the available amount by more than \$144M.
- Investments have supported more than 20,000 units of affordable housing, nearly 9,000 units of market rate housing and more than 18,000 new jobs.

Current Council policy prioritizes LCA to support deeply affordable housing- it is working! But there isn't enough money...

## Insights and Observations



# Insights and Observations



- Number of awards to Hennepin + Ramsey County increased in 2011-2023 when LCDA-TOD has been in place
- More TOD-eligible areas in these counties
- Also period of increased development along transitways/in urban centers



## Insights and Observations

LCA was intended to incent development consistent with Council policy; it has

LCA is aligned with many Council policies + priorities

Council policy has been clear about supporting housing at incomes of 60% AMI but **PRIORITIZING** 30% AMI; projects that do this tend to get funded

Geographic distribution is not currently a consideration with a few exceptions (limits in LCDA, TBRA, etc.)

## Insights and Observations

LCA valued, effective program

Councilmembers set policy priorities;  
LCA responds

All decisions have trade offs

Staff and committee must work together

# Moving Forward

# Changes Phased

2024

- modest adjustments to 2025 FDP

2025

- study and engage stakeholders in review of more substantial changes
- analyze likely impact of changes and develop evaluation plan
- integrate Imagine 2050 policy direction

2026

- implement changes