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TO: Members of the Metropolitan Council Equity Advisory Committee

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SUBJECT: Livable Communities Act Programs

About the Livable Communities Act programs

The Livable Communities Act, passed in 1995, provides funding for communities to invest in local economic revitalization, affordable housing initiatives, and development or redevelopment that connects different land uses and transportation. The program is a voluntary, incentive-based approach to help communities grow and redevelop, and to address the region's affordable and lifecycle housing needs.

Under the Livable Communities Act, the Metropolitan Council (Council) makes awards from four grant categories:

- The **Livable Communities Demonstration Account (LCDA)** funds public infrastructure and place-making for development and redevelopment that links housing, jobs, and services, and demonstrates efficient land and infrastructure use (\$7.5 million for Livable Communities Demonstration Account, including up to \$250,000 for Pre-Development).
- The **Livable Communities Transit Oriented Development (TOD)** funding category funds public infrastructure and place-making for development and redevelopment around light rail, commuter rail and high frequency bus stations (\$5 million annually, including up to \$250,000 for Pre-Development).
- The **Local Housing Incentives Account (LHIA)** funds the development of housing that helps cities meet their goals of expanding and preserving affordable and lifecycle rental and ownership housing (\$1.5 million / year).
- **Tax Base Revitalization Account (TBRA)** cleans up brownfields for redevelopment, job creation and affordable housing (\$8 million / year).

To compete for Livable Communities Act funding, communities must negotiate long-term affordable and lifecycle housing goals with the Council and develop a Housing Action Plan to accomplish these goals. In 2019, 96 participating communities will be eligible to compete for funding from all four Livable Communities Act categories. Every year, the Metropolitan Council must approve an annual Fund Distribution Plan outlining the accounts, funding amounts, and criteria for that year. The 2018 Plan is at <https://metro council.org/Communities/Services/Livable-Communities-Grants/LCA/2018-LCA-Fund-Distribution-Plan.aspx>

The Livable Communities Advisory Committee (LCAC) recommends funding awards to the Council for the Livable Communities Demonstration Account and the subcategory of Transit Oriented Development within that account. The Committee reviews complex development and redevelopment proposals against the program's criteria for connected development patterns that link housing, jobs and services. The committee's 15 members have expertise in development specialties, including local government

planning and economic or community development; public and private finance; new development and redevelopment; transportation; environment; site design; and community-based organizations.

Livable Communities Equity Efforts

After the 2014 adoption of *Thrive MSP 2040*, the Metropolitan Council's long-range plan for the region, the Council revised the Livable Communities Act programs to help further the Thrive Equity outcomes by:

- Creating a new category of Tax Base Revitalization Account funding, targeted to helping grow jobs or affordable housing in Areas of Concentrated Poverty, called Seeding Equitable Environmental Development (SEED). While regular TBRA funding requires a redevelopment project that would be enabled by cleaning up a site, the SEED funding is available to investigate the degree of contamination or clean up sites in Areas of Concentrated Poverty so that redevelopment projects could be attracted to the area, allowing sites to compete more effectively with uncontaminated sites.
- Adding two members to the Livable Communities Advisory Committee representing community-based organizations serving underserved populations.
- Requiring a Fair Housing Marketing Plan for all funded housing projects.
- Giving extra points to Local Housing Incentives Account applications that propose more than building code minimum units accessible to people with disabilities.
- Requiring all cities receiving Livable Communities Act grants in 2018 or beyond to support housing developments to have adopted a fair housing policy.

Livable Communities staff have compared the Livable Communities Act Livable Communities Demonstration Account (LCDA), LCDA Transit Oriented Development, and Tax Base Revitalization Account scoring criteria and program objectives with elements in the Equitable Development Scorecard and have enhanced our criteria as a result.

Equitable Development Scorecard Criteria	LCDA Scoring Criteria	TOD Scoring Criteria	TBRA Scoring Criteria
<ul style="list-style-type: none"> • Increased density to promote amenities • Mixed-use zoning to support affordable housing and commercial use near transit 	<ul style="list-style-type: none"> • Intensify land use and increase density • Introduce mix of uses 	<ul style="list-style-type: none"> • Intensity of future uses on the site • Diversify mix of uses 	<ul style="list-style-type: none"> • Promotes infill and redevelopment
<ul style="list-style-type: none"> • Local community given hiring preference 	<ul style="list-style-type: none"> • Expand opportunities for living wage jobs 	<ul style="list-style-type: none"> • City has goal to hire local workers and/or support disadvantaged businesses 	<ul style="list-style-type: none"> • Promotes commercial/industrial redevelopment that leads to economic prosperity through job growth including living wage jobs
<ul style="list-style-type: none"> • 30-45-minute trip to jobs, goods, services 	<ul style="list-style-type: none"> • Maximize connections to jobs, housing, and services 	<ul style="list-style-type: none"> • Reduce need for car ownership and increase access to jobs, housing, and services 	<ul style="list-style-type: none"> • Project locations typically have high level of access to jobs, housing, and services • Promotes multi-modal transportation
<ul style="list-style-type: none"> • Integration of affordable housing in mixed income neighborhoods • Connections of affordable housing to amenities (TOD scoring) 	<ul style="list-style-type: none"> • Provides housing choices • Means for safe, stable, affordable housing 	<ul style="list-style-type: none"> • Produce affordable and/or lifecycle housing • Create or preserve mix of housing diversity 	<ul style="list-style-type: none"> • Promotes multifamily housing (including affordable housing) and commercial growth • Supports housing diversity
<ul style="list-style-type: none"> • Equitable development requires community involvement 	<ul style="list-style-type: none"> • Involve partnerships and include local community 	<ul style="list-style-type: none"> • Establish partnerships • Extent to which project advances equitable development 	<ul style="list-style-type: none"> • Supports partnerships in financing and consistency with local plans • Supports investment in areas of concentrated poverty or disinvestment
<ul style="list-style-type: none"> • New housing built with energy efficiency • Development meets environmental standards 	<ul style="list-style-type: none"> • Incorporate green building design and/or energy efficiency 	<ul style="list-style-type: none"> • Green building design and energy efficiency • Sustainable site design 	<ul style="list-style-type: none"> • Supports environmental justice through cleanup of polluted and blighted sites • Supports green remediation methods • Supports low-impact stormwater management

Areas where we would like your thoughts:

Community Voices in Project Selection

Since 2015, we have had two representatives from Community-Based Organizations serving underserved populations on the Livable Communities Advisory Committee as a means of including community voices in our project selection process. However, we have had some difficulty recruiting people in this category as people have had difficulty finding the time and/or financial capacity to contribute between 70-90 hours from September through November. This leaves us with questions:

1. Is including representatives from Community-Based Organizations serving underserved populations on the Livable Communities Advisory Committee the optimal way of including community voices in our project selection process or is there a better way?
2. If the answer to question 1. is yes, then could the Equity Advisory Committee assist us with recruiting individuals who could serve on the Livable Communities Advisory Committee? Our ideal would be candidates who have had some experience contributing to the designs of development projects.

Community Voices in the Project Development Process

Some recent projects have incorporated more active engagement efforts, including contributing to ideas for the design of the project or the kinds of services to be included with the project. Those efforts contributed to their demonstration value scores in the grant review process. These include:

- Selby Milton Victoria—partnered with several organizations assisting and promoting businesses owned by people of color and/or neighborhood residents
- Minneapolis Great River Landing—conducted focus groups with target clientele, formerly incarcerated or homeless men with children, to inform the design of the building and site, and services to be provided

A few recent Livable Communities Demonstration Account Pre-Development grants are proposing to use Livable Communities Act funds to help fund better and earlier engagement.

How can we encourage cities and developers to conduct earlier and more effective neighborhood engagement? Does the Committee have ideas to help better promote the use of Livable Communities Act funding to support engagement efforts?

Promoting Equitable Development

Are there other ways that we could or should be using the Equitable Development Scorecard in our application review cycle?

More broadly, how could and should the Council use Livable Communities Act funds to more effectively encourage equitable development? We welcome your thoughts and ideas!

Next steps

We plan to attend the January Equity Advisory Committee meeting to discuss these questions. In the meantime, if we can provide additional information about the Livable Communities Act programs, please do not hesitate to contact us.

OVERVIEW OF 2018 LHIA Program



Purpose of Local Housing Incentives Account (LHIA) Grants

LHIA funding helps preserve and expand lifecycle and affordable rental and ownership housing in the metropolitan area. Eligible communities apply for funding through the Minnesota Housing Consolidated RFP and is used to support projects that: preserving existing affordable housing stock; providing workforce housing choices; increasing homeownership opportunities for underserved populations and exhibiting strong implementation partnerships.

LHIA Project Profile

Successful LHIA projects connect development or redevelopment with transit; intensify land uses; connect housing and employment; and/or provide a mix of housing and affordability. The Council will give priority to proposals that:

- Create or preserve affordability for persons at or below 30% AMI;
- Serve large families by providing two or more bedroom units; and/or
- Serve people experiencing long-term homelessness

Impact to Date of LHIA Grants

To date, the Council has awarded over \$33 million in grants to 190 projects through the LHIA.

2018 Funding Profile

- Available funding: \$2.5 Million
- Dollar-for-Dollar match requirement
- Eligible grant recipients are: Cities, Counties or Development Authorities
(An Acknowledgment of Receptivity Form is required from the city where the project is located.)
- 3-Year Grant Term

Eligible Uses

- Gap financing, incl. land acquisition
- Property acquisition
- Demolition
- Site preparation
- General construction

2018 LHIA Calendar

JAN-APR	MAY-JUNE	JULY-SEPT	OCT-DEC
<p>March 23: Fund Distribution Plan adopted by Council</p> <p>March 24: Notice of Funding Availability (NOFA) released</p>	<p>May 31: Intent to Apply Due</p> <p>June 12: Applications Due</p>	<p>July – Aug: Application Review</p> <p>September: Funding Partner Group Evaluation and Selection Meeting</p>	<p>November: MN Housing Board Awards Funding</p> <p>Nov/Dec: Metropolitan Council Awards Funding</p>

For more information, contact:

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Regional Brownfield Redevelopment Grants

The *Tax Base Revitalization Account* (TBRA) is one of three competitive grant programs provided by the Metropolitan Council's Livable Communities program. TBRA provides \$5M annually to investigate and clean up polluted land, ground water or hazardous materials in existing buildings (i.e., brownfields) for redevelopment projects. TBRA grants support affordable and market rate multi-family housing, commercial or industrial redevelopment projects. There are opportunities to request funding in the spring and fall of each year.

Investment Goals

- Lead to the cleanup of the most contaminated sites and improve the environment within the 7-county metropolitan region
- Increase the local tax base of communities
- Add and/or preserve living wage jobs or produce affordable housing
- Expand range of housing choices based on building types and housing services in comparison to existing housing in a neighborhood or city
- Support compact development that optimizes the use of existing transit services and uses existing sanitary sewer services efficiently
- Encourage use of regional parks or walking trails
- Support projects that are poised for redevelopment

Partnership is Important

A successful application for funding typically involves a public-private partnership between a city, county or local development authority and a private developer or landowner to complete a redevelopment. TBRA awards are coordinated with complementary programs at the Minnesota Pollution Control Agency (MPCA), the Minnesota Department of Employment and Economic Development (DEED), Hennepin County and Ramsey County.

Investments reap impressive results

From 1996-2016, the Metropolitan Council awarded more than 400 pollution cleanup grants totaling over \$118 million to projects in 46 cities and towns. The 2016 projects will leverage more than \$746 million in private investment and add \$7.1 million in net tax capacity, and result in more than 3,900 new and retained jobs.

Contact:

For more information about the TBRA program and how to apply, contact Marcus Martin at 651-602-1054 or marcus.martin@metc.state.mn.us

OVERVIEW OF 2018 LCDA PROGRAM



Purpose of Livable Communities Demonstration Account (LCDA) Grants

LCDA funding assists cities with the implementation of their community development objectives and comprehensive plans in ways that lead to economic development. These grants provide funds for public infrastructure and placemaking improvements that create or enhance connections between people, housing, jobs, and transit in innovative ways that offer demonstration value for other potential projects.

LCDA Project Profile

Successful LCDA projects connect development or redevelopment with transit; intensify land uses; connect housing and employment; provide a mix of housing and affordability; and/or provide infrastructure to create more compact, walkable communities and attract further investment.

Impact to Date of LCDA Grants

To date, the Council has awarded over \$140 million in grants to 258 projects through the LCDA. Based on collected data*, these projects are expected to help generate:

- Over \$1 billion in private investment and over \$277 million in other public investment.
- Nearly 2,000 jobs.
- Over 12,200 housing units, 49% of which will be affordable.

2018 Funding Profile

- Available Funding: \$9.5 Million
- No Match Requirement
- No Award Limit (*Note: Based on Council guidance, LCDA awards to the cities of Minneapolis and Saint Paul combined, are limited to no more than 40% of total LCDA funds available in a grant cycle.*)
- 3-Year Grant Term

Eligible Uses

- Stormwater Management and Renewable Energy elements
- Placemaking – public improvements and other public elements that improve the functional connectivity of the project.
- Public infrastructure to serve development

2018 LCDA Calendar

JAN-APR	MAY-JUNE	JULY-SEPT	OCT-DEC
<p>March 23: Fund Distribution Plan adopted by Council</p> <p>March 24: Notice of Funding Availability (NOFA) released</p> <p>March / April : LCDA Pre-Application Meetings</p>	<p>June 28: Project Concept Plans (PCPs) due</p> <p>July 12: PCP review comments forwarded to applicants</p>	<p>August 9: Full LCDA applications due</p> <p>August 10-21: Application eligibility and completeness evaluation conducted.</p> <p>August 21-Sept 18: Step 1 evaluation conducted.</p>	<p>October 4-November 1: Step 2 evaluation conducted by Livable Communities Advisory Committee (LCAC)</p> <p>November: LCAC recommendations presented to Community Development Committee (CDC)</p> <p>December: CDC recommendations presented to Metropolitan Council.</p>



For more information, contact:

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OVERVIEW OF 2018 LCA-TOD PROGRAM

Purpose of Livable Communities Transit-Oriented Development (LCA-TOD) Grants

The purpose of LCA-TOD grants is to promote moderate to higher density development projects located within easy walking distance of a major transit stop that typically include a mix of uses such as housing, jobs, restaurants, shops, and entertainment and is oriented to the transit stop. These development projects contribute to vibrant communities that provide opportunities for people of all ages, backgrounds, and incomes to access daily activities and needs by walking, biking or transit.



Types of TOD Grants

1. **LCDA-TOD Development** – these grants are intended for applicants that are ready to begin a development or redevelopment project and the land and/or infrastructure necessary to support it. This grant category includes site acquisition and site preparation.
2. **TBRA-TOD Cleanup** – these grants are intended for applicants that have recently completed their cleanup site investigation and are seeking public funding to assist with the cost of implementing a cleanup plan and/or beginning redevelopment. TBRA-TOD Cleanup grants are only eligible when applied for in conjunction with a LCDA-TOD Development grant.
3. **LCDA-TOD Pre-development**– these grants are intended for applicants that are defining their TOD project through such activities as design workshops, architectural work to generate site plans, financial analyses, market studies, appraisals, project-specific stormwater management plans, soil testing, and environmental, fiscal, traffic, or gentrification impact analyses in support of an identified Future Development Project.
4. **TBRA-TOD Site Investigation** – Investigation grants are intended for applicants that have a redevelopment site with suspected or perceived contamination and are seeking public funding to determine the scope and severity of the contamination and to develop a cleanup plan as part of the pre-development planning for a specific redevelopment project.
5. **LCDA-TOD Zoning Implementation** – these grants are intended for applicants that have plans for transit stops or station areas and need to develop zoning or other local controls, such as form-based codes to implement those plans. No development project is required for applications for this category of funding.

LCA-TOD-Eligible Areas

TOD grants are intended to catalyze transit-oriented development along transit corridors throughout the metropolitan area. See program guide for specific information on location eligibility.



OVERVIEW OF 2018 LCA-TOD GRANTS

2018 Funding Available

- **LCDA-TOD: \$7 million** including up to \$250,000 for Pre-Development and Zoning projects
- **TBRA-TOD: \$2 million** including up to \$250,000 for Site Investigation projects

2018 Award & Application Limits

Program	Award Limits	Application Limits	Notes
TOD Predevelopment, Zoning, and Site Investigation*	\$100,000 per city, per round and \$50,000 per site investigation application	3 applications per city	*TOD Cleanup and Site Investigation grants are only eligible in conjunction with a concurrent TOD Development or Predevelopment application and award.
TOD Development	\$2,000,000 per city	3 applications per city	
TOD Cleanup*	\$1,000,000 per application		

Eligible Uses

TOD Development	TOD Cleanup	TOD Predevelopment, Zoning, and Site Investigation
Site acquisition, geotechnical work, demo (non-contaminated), grading and soil correction, publicly-accessible infrastructure, placemaking, design, and engineering for other funded items, energy efficiency installations	Preparation of approved response action plan (RAP), cleanup of contaminated soil, groundwater, soil vapor or asbestos-containing materials and lead-based paint, Phase I & II investigations, preparation of RAPs, hazardous materials surveys, limited demolition to access contamination	Site plans, design workshops, appraisals, market studies, impact analyses, soil testing (not environmental testing), pro-forma development in support of a future development project, zoning studies, and site investigation

2018 TOD Calendar

February - April	May-July	August - October	November - January
<p>Feb 14, 15: LCA Design Workshop 1</p> <p>April 11: Fund Distribution Plan adopted by Council</p> <p>April 12: Notice of Funding Availability (NOFA) Released</p> <p>April 24, 25: LCA Design Workshop 2</p>	<p>May 31: TOD Development and Cleanup Project Concept Plans (PCPs) Due</p> <p>May 31: Round 1 TOD Pre-Development Applications Due</p> <p>July 12: TOD Development and Cleanup Applications Due</p> <p>July 26: Round 1 Pre-Development Funding Recommendations Presented to Council</p>	<p>August: Step 1 Review-TOD Development and Cleanup Applications</p> <p>September: Step 2 Review-Livable Communities Advisory Committee (LCAC)</p> <p>October 15: LCAC Recommendations Presented to CDC</p> <p>October 24: LCDA-TOD Development and Cleanup Applications-CDC Recommendations to Council</p>	<p>November 1: Round 2 Pre-Development Applications Due</p> <p>December/January: Round 2 Pre-development Funding Recommendations Presented to Council</p>