

Community Development Committee

For the Metropolitan Council meeting of February 4, 2019

Subject: 2019 Annual Livable Communities Fund Distribution Plan

Proposed Action

That the Metropolitan Council approve the 2019 Annual Livable Communities Fund Distribution Plan and direct staff to include an increase in the authorized budget in an upcoming Council budget amendment to fully fund the proposed Fund Distribution Plan.

Summary of Committee Discussion/Questions

Paul Burns, Livable Communities Manager, presented the proposed action to the Committee. One committee member had a question about community input and the extent of changes shown in the redline version of the Plan. Mr. Burns explained what community contacts were made, and that the changes shown were responding to direction from the committee and the community input.

The Proposed Action passed unanimously.

Community Development Committee

Meeting date: February 4, 2019

For the Metropolitan Council meeting of February 13, 2019

Subject: 2019 Annual Livable Communities Fund Distribution Plan

District(s), Member(s): All

Policy/Legal Reference: Livable Communities Act (Minn. Stat. § 473.25)

Staff Prepared/Presented: Paul Burns, Manager, Livable Communities (651-602-1106)

Division/Department: Community Development / Regional Planning

Proposed Action

That the Metropolitan Council approve the 2019 Annual Livable Communities Fund Distribution Plan and direct staff to include an increase in the authorized budget in an upcoming Council budget amendment to fully fund the proposed Fund Distribution Plan.

Background

The Livable Communities Act requires that the Council prepare an annual plan for distribution of the Livable Communities funds based on criteria developed by the Council. The annual Livable Communities Fund Distribution Plan establishes the amount of funding that will be available for grant awards from each of the Livable Communities accounts; sets the calendar for the grants making processes; and sets forth the criteria upon which applications are reviewed and grant awards are based.

Based on Committee member direction and with input from Metro Cities and individual communities, staff have developed the attached 2019 Annual Livable Communities Fund Distribution Plan. Key policy changes from 2018 are:

1. Modifying eligibility for land acquisition in the two Livable Communities Demonstration Account (LCDA) categories (that is the regular category and the Transit-Oriented Development (LCDA-TOD) category) to focus on affordable housing and jobs projects that are accessible to low-income and underserved populations;
2. More scoring support for jobs, engagement, and design in both the LCDA and LCDA-TOD categories;
3. Elimination of separate threshold criteria for LCDA-TOD applications as the issues are covered in the project-based scoring;
4. Expanded eligibility for Local Housing Incentives Account (LHIA) applications that receive Low Income Housing Tax Credits through sub-allocator jurisdictions in addition to those requesting tax credits or deferred funding through the Minnesota Housing Request for Proposals process;
5. More support for small jobs projects in the Tax Base Revitalization Account (TBRA);
6. Consolidation of the TBRA-TOD category into the regular TBRA category;
7. Development and pre-development projects along the D Line and pre-development projects along the Rush Line Bus Rapid Transit lines are eligible to apply for LCDA-TOD grants.

Proposed funding levels are outlined below.

Rationale

Council staff have presented information items at two Community Development Committee meetings and have received input from Committee members, several communities, and MetroCities over the last few months. The proposed changes reflect the input received and further the goals and objectives that Committee members have discussed.

Thrive Lens Analysis

The Livable Communities Act programs represent one of the Council's primary financial tools to advance and encourage development and redevelopment that advance Livability, Equity, and Prosperity.

Funding

This Plan proposes the following funding levels:

Livable Communities Demonstration Account regular category <i>includes up to \$500,000 for pre-development grants</i>	\$7.5 million
Livable Communities Demonstration Account-TOD category <i>includes up to \$500,000 for pre-development grants</i>	\$5.0 million
Local Housing Incentives Account	\$2.5 million
Tax Base Revitalization Account regular category <i>includes up to \$250,000 for Site Investigation grants</i>	\$5.9 million
Tax Base Revitalization Account Seeding Equitable Economic Development category	\$0.5 million
Total	\$21.4 million

The Council 2019 Authorized Budget includes \$18,792,000 in Livable Communities pass-through funding. Fund balances are available to fully fund the accounts proposed in the Fund Distribution Plan. A future budget amendment will bring these fund balances into the Council Authorized Budget.

Known Support / Opposition

Several communities have provided feedback, some supporting the package of changes proposed above, some advocating retaining the separate Tax Base Revitalization Account Transit Oriented Development category.

2019 ANNUAL LIVABLE COMMUNITIES FUND DISTRIBUTION PLAN



January 2019

The Council's mission is to foster efficient and economic growth for a prosperous metropolitan region

Metropolitan Council Members

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The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Council operates the regional bus and rail system, collects and treats wastewater, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that provide housing opportunities for low- and moderate-income individuals and families. The 17-member Council board is appointed by and serves at the pleasure of the governor.

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2019 Livable Communities Act Fund Distribution Plan

This document establishes the annual plan for distributing funds under the state Livable Communities Act (LCA, [Minnesota Statutes 473.25](#)).

The plan:

- Establishes the amount of funding available for 2019 and the limits that apply to individual awards.
- Sets the schedule for submitting grant applications, reviewing them, and awarding the funds.
- Describes the criteria the Metropolitan Council uses in selecting projects for grants.
- Defines who is eligible to apply for the grants.

More detailed information and instructions on process, grant terms, eligible and ineligible uses of grant funds and schedules will be contained in the individual grant applications and application guides.

Grants Strengthen Communities and Region

Livable Communities grants strengthen communities and the Twin Cities region. The funding helps cities foster economic development and job growth, expands housing choices and affordability, strengthens travel connections to where people want to go and promotes optimum use of existing public infrastructure.

By demonstrating commitment to local projects, the Council's investment of regional dollars helps leverage investment of additional public and private dollars. Communities and their residents benefit from improvements that enhance the quality of life. The region benefits from attracting talent and business opportunities that help it compete on a global scale.

The Metropolitan Council's mission is to foster efficient and economic growth for a prosperous metropolitan region. The Council's regional development plan – *Thrive MSP 2040* – advances that mission through its outcomes and in its principles, policies, and strategies. The Livable Communities Grant Program is an important investment that supports *Thrive MSP 2040* and helps the Council carry out its regional mission (see Appendix B).

Livable Communities Grant Accounts and Categories

Livable Communities Demonstration Account (LCDA)

The **LCDA** supports development and redevelopment projects that link housing, jobs and services and use community and regional infrastructure efficiently. The LCDA is funded by a property tax levy of approximately \$11.3 million (this amount is distributed among the regular LCDA, the LCDA-TOD and the LHIA. Amounts for each account and category are listed below).

Local Housing Incentives Account (LHIA)

The **LHIA** helps expand and preserve lifecycle and affordable housing, both rented and owned. The LHIA annual base funding includes \$500,000 transferred from the LCDA tax levy plus \$1 million from the Council's general fund.

Tax Base Revitalization Account (TBRA)

The **TBRA** helps clean up contaminated land and buildings for subsequent development. These grants are intended to provide the greatest public benefit for the money spent, strengthen the local tax base, and create and preserve jobs and/or affordable housing. The TBRA is funded by a property tax levy established in statute that may not exceed \$5,000,000 annually.

Transit Oriented Development (TOD) Grant Category

Using targeted funds from the LCDA, this program is focused on high density, generally mixed-use projects that are located within TOD-eligible areas along light rail, commuter rail, bus rapid transit, and high frequency bus corridors.

Points of Interest for 2019

- Account balances and investment earnings from the Livable Communities Fund are available to increase the amount available for LCDA, LCDA-TOD, LHIA, TBRA, and TBRA SEED funding categories for 2019. Fund balances are available to fully fund the accounts proposed in the Fund Distribution Plan. A future budget amendment will bring these fund balances into the Council Authorized Budget.
- There is expanded eligibility for Local Housing Incentives Account (LHIA) applications that receive Low Income Housing Tax Credits through sub-allocator jurisdictions in addition to those requesting tax credits or deferred funding through the Minnesota Housing Request for Proposals process;

Funds Available for Award in 2019

The dollar amounts cited below are the base amounts for grants to be awarded during 2019.

- \$7.5 million for the LCDA program, with up to \$500,000 of that available for Pre-Development awards
- \$2.5 million for the LHIA program
- \$5.9 million for the TBRA Contamination Cleanup program, with up to \$250,000 of that available for Site Investigation grants
- \$500,000 for the TBRA Seeding Equitable Environmental Development (SEED) program (in addition to the amount above)
- \$5 million for the LCDA-TOD grant category, with up to \$500,000 of that available for Pre-Development awards

If significant additional monies accrue to any account during 2019 due to relinquished funds or investment earnings, additional funds may be made available through an amendment to this Plan.

If funding applied for or awarded through the LCDA-TOD or TBRA SEED grant categories is less than the funding available, the remaining funds may be made available for award through the regular LCDA or TBRA categories, respectively, without an amendment to this Plan.

Conversely, if funding awarded through the regular LCDA or TBRA categories is less than the funding available, the remaining funds may be made available for award through the LCDA-TOD or TBRA SEED categories without an amendment to this Plan. If funding awarded through the regular TBRA program is less than the funding available, the remaining funds may be made available for award through the TBRA-SEED grant category without an amendment to this Plan.

Who Is Eligible to Apply?

By [state statute](#), applicants must be a local governmental unit, which may be a:

- A. Municipality (a statutory or home rule charter city or township) currently participating in the Metropolitan Livable Communities Housing Incentives Program
- B. Metropolitan county
- C. Housing and Redevelopment Authority, Economic Development Authority, Community Development Authority or Port Authority

Projects proposed by categories (B) and (C) must be located in [participating municipalities](#).

Individuals and/or private or nonprofit developers are not eligible to apply.

Eligible and Ineligible Uses

Details on eligible and ineligible uses for each grant category are included in the application guides for each grant category.

LIVABLE COMMUNITIES GRANT PROGRAMS

Livable Communities Demonstration Account

**2019
Funding Schedule
Funding Criteria
and Selection Process**

Livable Communities Demonstration Account (LCDA) – Regular Categories Funding Schedule

2019 Available Funding for LCDA Development Grants:

\$7.5 Million, including up to \$500,000 for Pre-Development Grants

Application Type	Month	Activity
LCDA Pre-Development	March	Notice of Funding Availability
	May 1	Spring applications due
	June	Community Development Committee recommends grant awards
	July	Council awards spring LCDA pre-development grants
	September	Notice of Funding Availability
	November 1	Fall applications due
	December	Community Development Committee recommends grant awards
	December-January	Council awards fall LCDA pre-development grants
LCDA Development	February & April	Design Workshops
	March	Notice of funding availability
	July 1	Project Concept Plans due
	August 8	Full applications due
	September / October	Staff and Livable Communities Advisory Committee review and rank proposals
	November	Community Development Committee recommends grant awards
	December	Council awards grants

Livable Communities Demonstration Account (LCDA)

Section 1: Purpose, Program Profile, Award Limits

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 Program Profile

- Funding Profile:**
- LCDA Development
 - No match requirement
 - 3-year grant term
 - No cap on individual grant request amount.
 - LCDA Pre-Development
 - 25% match requirement
 - No cap on request amount
 - Award limit: \$100,000 per city, per round
 - 2-year grant term (no extensions)
 - Application limit: three per City

A list of eligible grant-funded activities will be available in the application guide.

Award Limits

There are no award limits for individual LCDA Development grants or per city, except that:

Council-established guidelines state that up to 40% of the total LCDA funds available in a grant cycle are available to projects located in Minneapolis and/or Saint Paul. The Council reserves the right to consider awarding more than 40% and reserves the right to award less than the amount requested and to award less than the available funding in a funding cycle.

Section 2: LCDA changes for 2019

- New support in scoring process to emphasize equitable development principles. The “Tools and Process” section has been renamed “Partnerships and Process” and will score the level of diverse partnerships, community involvement, and planning for continued engagement throughout the life of the project.
- Design and land use are combined into one scoring category to emphasize the relationship between the two.
- Housing projects and jobs projects will be scored as two distinct categories. The same number of points are available for each project type.

Section 3: LCDA Evaluation Process

LCDA Development Application Process. The Council evaluates LCDA development applications in a two-step process. A staff evaluation team reviews and scores eligible grant applications using the Step One evaluation criteria and guidelines (see below).

Step Two of the evaluation process is conducted by the 15-member Livable Communities Advisory Committee (LCAC), which makes funding recommendations to the Council. The LCAC includes members representing seven areas of expertise to provide the range of skills and experience necessary for evaluating the complex LCDA applications. Two members are selected for each of the areas of expertise: local government (planning, economic or community development); development finance (one

member in private finance, one in public finance); development (one member in new development, one in redevelopment); transportation; environment; site design; and community-based organizations representing or serving underserved communities. The LCAC chair, not representing a specific area of expertise, is the 15th member.

Step One Evaluation Criteria for LCDA Development Grants	Possible Points
Efficient Land Use and Site Design	
<ul style="list-style-type: none"> The project's ability to maximize the potential of the location through intensified land use and increased density The development introduces a diversity of uses to the project area The project includes internal pedestrian circulation which is convenient, efficient, and attractive throughout and around the project site The site is designed to facilitate pedestrian activity and considers first floor activity, parking location, and wayfinding 	15
Connections	
<ul style="list-style-type: none"> The development project takes advantage of or maximizes connections between or among housing, centers of employment, education, retail, and recreation uses through location or design The development provides convenient, efficient, and attractive access from the project site to the neighborhood or the surrounding community through infrastructure that emphasizes pedestrian and/or bike mobility 	7
Environmental Design	
<ul style="list-style-type: none"> The project conserves, protects, and enhances natural resources The project incorporates green building design and/or energy efficiency standards The project utilizes sustainable site design 	8
Jobs and Housing (Projects will be scored as Jobs or Housing projects, taking the highest score of either category)	
<p>Jobs Projects</p> <ul style="list-style-type: none"> The project's ability to expand employment opportunities through the creation or preservation of permanent employment opportunities with emphasis on including living wage jobs and increasing diversity of jobs type in the area The creation of jobs in or near Areas of Concentrated Poverty There is an established process to advance and promote the employment of local workers The development prioritizes the preservation of existing small businesses and/or the ability to occupy commercial space with small with local small businesses <p>OR</p> <p>Housing Projects</p> <ul style="list-style-type: none"> The project provides or preserves housing choices to give people in all life stages and of all economic means viable choices for safe, stable, and affordable homes The development's willingness to accept Housing Choice Vouchers The project's ability to work with community partners to implement a displacement prevention strategy 	12
Partnerships and Processes	
<ul style="list-style-type: none"> The project team involves partnerships among government, private for-profit and nonprofit sectors, and the local community The project fills an identified and specific community need The project team initiates community engagement early in the planning process The planning process is inclusive of and responsive to community participation, vision, and leadership 	8

<ul style="list-style-type: none"> The project team has a clear engagement plan to maintain community involvement throughout the project Significant project changes lead to additional community engagement 	
Total	50
Applications must score 25 or more points to advance to the Step Two evaluation process.	

Step Two Evaluation Criteria for LCDA Development Grants	Possible Points
Innovation and Demonstration	
<p>The development project provides demonstration value for the community and for the region through:</p> <ul style="list-style-type: none"> New development concepts, strategies, elements, or partnerships in one or more of the scoring areas covered in the Step One evaluation process Serving as a model of LCDA goals Incorporating equitable development strategies when planning and/or designing the proposed project 	30
Catalyst	
<ul style="list-style-type: none"> The proposed development project will catalyze additional development and private investment to future project phases and/or to the immediate area The inclusion of strategies to support wealth building for residents within the community where the project is located 	10
Readiness Assessment	
<p>The development project is ready and able to use awarded grant funds within the 36-month grant term, based on an assessment including:</p> <ul style="list-style-type: none"> The status of implementation tools – for example, zoning codes and other official controls, design standards, or development standards The status of funding commitments and other indicators of readiness Partnerships have been formalized and committed to and roles and contributions have been agreed to 	10
Step Two Total	50
Combined Step One and Step Two Total	100
Combined Step One and Step Two scores must total 60 to be considered for funding.	
Housing Performance Score	
<p>The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if a significant amount of affordable housing is already located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual performance score or the average performance scores from all proposals being evaluated.</p>	10
Overall Total	110

LCDA Pre-Development Application Evaluation Process Applicants seeking funding for LCDA Pre-Development activities may apply for funds in either the Spring or Fall funding rounds. The process for evaluating applications for these grants is conducted by the staff evaluation team in a single step.

Evaluation Criteria for LCDA Pre-Development Project Grants	Possible Points
Land Use and Site Design	
<p>The proposed project’s ability to</p> <ul style="list-style-type: none"> • Intensify land use by planning to add buildings and increase density • Increase the diversity of uses in the project area by planning to add new uses • Provide internal pedestrian and bicycle convenience and efficiency through the design, layout, and features of the project • Develop a site design that encourages pedestrian and bicycle activity and active first floors 	8
Connections	
<p>How well the proposed project will</p> <ul style="list-style-type: none"> • Establish a connected development pattern between housing and centers of employment, education, retail, and recreation uses • Connect to surrounding area and provide convenient access to nearby development • Incorporate short blocks with pedestrian connections adjacent to the buildings 	5
Environmental Design	
<p>Initial development plans will</p> <ul style="list-style-type: none"> • Provide opportunities to employ natural resources, where feasible and appropriate, as community connections, assets, and amenities • Utilize sustainable site design practices 	5
Housing	
<p>The proposed project’s ability to</p> <ul style="list-style-type: none"> • Diversify housing options within the future development site, neighborhood and community • Provide a range of housing density, type, and cost • Help achieve the city’s negotiated affordable and lifecycle housing goals 	9
Jobs	
<p>The proposed project’s ability to</p> <ul style="list-style-type: none"> • Create or preserve employment opportunities in the project area with a preference for living wage jobs • Plan to preserve existing local small businesses 	5
Readiness	
<p>Implement the applicant city’s local comprehensive plan</p> <ul style="list-style-type: none"> • The project’s ability to implement any redevelopment plans, corridor or other local plans applicable to the identified project area • The city has identified and secured financial commitments to move project forward • The city has demonstrated political commitment for the future development or redevelopment project 	10

<ul style="list-style-type: none"> The proposed project is ready and able to use the grant, if awarded, within the 24-month grant term (higher points will be given for more advanced projects on the pre-development continuum) 	
Demonstration Value and Catalyst	
<ul style="list-style-type: none"> The project can provide demonstration value and generate area-wide benefits Extent to which pre-development activities will be a catalyst to implement the project of which it is a part Extent to which the proposed development project will catalyze additional development and private investment to future project phases and/or the immediate area 	10
Partnerships and Process	
<p>Pre-development activities provide for meaningful and appropriate public engagement</p> <ul style="list-style-type: none"> The project brings together a variety of partners There is a defined plan to continue community engagement throughout the development process d 	8
Total (Applications must score 30 or more points to receive funding consideration)	60
Housing Performance Score	
<p>The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if a significant amount of affordable housing is already located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual performance score or the average performance scores from all proposals being evaluated.</p>	10
Overall Total	70

LIVABLE COMMUNITIES GRANT PROGRAMS

Local Housing Incentives Account

**2019
Funding Schedule
Funding Criteria
and Selection Process**

Local Housing Incentives Account (LHIA) Funding Schedule

2019 Available Funding for LHIA: \$2.5 Million

Application Type	Month	Activity
Ownership and Rental Programs	April 5	Minnesota Housing/Funding partners issue notice of funding availability
	May 17	Multifamily Intent to Apply form due
	June 3	Application deadline
	July	Minnesota Housing staff review applications
	August-September	Minnesota Housing/Funding partner application evaluation and selection meetings
	October	Minnesota Housing board acts on funding recommendations
	November	Community Development Committee recommends grant awards
	December	Council awards grants

Local Housing Incentives Account (LHIA)

Section 1: Purpose, Program Profile, Award Limits

Purpose of the Local Housing Incentives Account Grants

The Local Housing Incentives Account funding assists cities in meeting their negotiated affordable and lifecycle housing goals. Grants provide funds to construct, rehabilitate, maintain, and/or preserve affordable housing opportunities.

LHIA Program Profile

- Funding Profile:**
- A dollar-for-dollar match is required from the grantee
 - 3-year grant term
 - Eligible uses:
 - Gap financing for acquisition, rehabilitation, new construction, and preservation of affordable housing

More details on eligible and ineligible uses can be found in the LHIA Program Guide.

Award Limits

- The LHIA contribution to fill the gap in homeownership applications will be limited to no more than one-half of the difference between the purchase price of the home and the total per-unit hard costs. This limit does not apply if a project maintains the homes affordability level for a minimum of 15 years.
- The Metropolitan Council reserves the right to award less than the amount requested and to award less than the available funding in a funding cycle.

Section 2: LHIA Changes for 2019

- Applications to sub-allocator jurisdictions; Dakota County, Minneapolis, Saint Paul, Washington County, are eligible for LHIA funding outside of the consolidated request for proposals.

Section 3: Evaluation Process

The Metropolitan Council partners with Minnesota Housing, the Family Housing Fund and others to implement the LHIA program. Applicants apply for LHIA funds through the Consolidated RFP process administered by Minnesota Housing, or directly to a sub-allocator. All applications are reviewed and evaluated by the funding partners, with Council staff applying the Metropolitan Council project eligibility criteria. The criteria set forth in this Fund Distribution Plan are specific to the LHIA program. See the Minnesota Housing web pages for detailed information ([Special Announcements](#)).

LHIA Threshold and Competitive Criteria

- A significant component of the project must serve households with incomes at or below 80% of Area Median Income (AMI) with a minimum affordability term of 15 years, for rental projects.
- Grantees must have an adopted Fair Housing Policy in order to receive Livable Communities Act Funding.
- Projects must have affirmative fair housing marketing plans.
- The Council will give priority to:
 - rental proposals creating or preserving affordability for persons at or below 30% of AMI;
 - proposals that serve large families by providing two or more-bedroom units; and
 - proposals meeting the needs of individuals and households experiencing long-term homelessness.

Other Considerations

The Council will give preference if:

- A municipality has a lower Housing Performance score than the other proposals being considered for funding;
- A municipality currently has a net fiscal disparities contribution of \$200 or more per household;
- A municipality does not use its expenditure from the Affordable and Lifecycle Housing Opportunity Amount (ALHOA) as the source for its matching funds; or
- A development project exceeds the current building code requirement which states a minimum of 5% of the total units in a development be designed and constructed to meet accessibility requirements, and an additional 2% of the dwelling units must be adaptable for the vision/hearing impaired. If any applications are received for projects exceeding these minimums, any other applications for affordable housing projects outside the Metro Mobility service area will receive the same preference, even if they do not propose to exceed those minimums.

LIVABLE COMMUNITIES GRANT PROGRAMS



Tax Base Revitalization Account

**2019
Funding Schedule
Funding Criteria
and Selection Process**

Tax Base Revitalization Account (TBRA) Funding Schedule

2019 Available Funding for TBRA Grants:

\$5.9 Million, including up to \$250,000 for Site Investigation Grants

\$500,000 for Seeding Equitable Environmental Development Program Grants

Application Type	Month	Activity
Round 1: Investigation, Cleanup and Seeding Equitable Environmental Development program	March	Notice of funding availability
	May	Applications due
	June	Community Development Committee recommends grant awards
	July	Council awards grants
Round 2: Investigation, Cleanup and Seeding Equitable Environmental Development program	August	Notice of funding availability
	November	Applications due
	December	Community Development Committee recommends grant awards
	January 2020	Council awards grants

Tax Base Revitalization Account (TBRA)

Section 1: Purpose, Program Profile, Award Limits

Purpose of the Tax Base Revitalization Account (TBRA) Grants

TBRA funding helps make areas that have lost commercial/industrial activity available for economic redevelopment. The grants provide funds for environmental site investigation and cleanup for redevelopments that enhance the city tax base, promote job retention or job growth and/or create or preserve affordable housing.

TBRA Program Profile

Successful TBRA applications support redevelopments that eliminate or reduce the risk from contamination, increase the tax base and, create or preserve jobs or affordable housing. Applicants will choose one of the following grant categories for each proposal submitted for funding:

- *Site 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.
- *Contamination Cleanup* grants are intended for applicants with projects that have recently completed their environmental site investigation and are seeking public funding to assist with the cost of implementing a cleanup plan for eligible activities and beginning redevelopment on a specific project.
- *TBRA Seeding Equitable Environmental Development (TBRA SEED)* grants are intended for sites within an area of concentrated poverty that do not have a planned or identified redevelopment project. Activities may include site investigation, cleanup, or both.

Funding Profile:

- Site Investigation
 - 25% match requirement
 - 1-year grant term (no extensions)
 - \$50,000 cap on request amount
 - Eligible uses:
 - Phase I environmental site assessment, Phase II environmental site assessment, hazardous materials building assessments, development of response action plans
- Contamination Cleanup
 - No match requirement
 - 3-year grant term (2-year extension possible)
 - No cap on request amount
 - Eligible uses: contaminated soil remediation, groundwater remediation, soil vapor mitigation, hazardous building materials abatements
- TBRA SEED
 - Site within areas of concentrated poverty (ACPs) and in areas previously defined as ACPs, and parcels within 150 feet of a current or former ACP
 - No identified redevelopment project associated with the investigation and/or cleanup
 - 25% match requirement for investigation and/or abatement
 - \$50,000 cap on request amount for investigation
 - 2-year grant term (no extensions);
 - Eligible uses:
 - Phase I environmental site assessment
 - Phase II environmental site assessment

- Hazardous materials building assessments
- Hazardous building materials abatements for all sites within an ACP and
- Contaminated soil remediation, groundwater remediation, or soil vapor mitigation for sites with an approved cleanup plan and developer site control

Award Limits

The Metropolitan Council reserves the right to award less than the amount requested and to award less than the available funding in a funding cycle. By [statute](#), total award amounts by funding cycle are limited to 50% within a single city or 75% within Minneapolis and Saint Paul.

Section 2: TBRA changes for 2019

- New cleanup scoring criterion added to encourage adding job opportunities within micro-enterprises or new small businesses

Section 3: Evaluation Process

Site Investigation Applications

The Council will rank the investigation applications according to the extent they demonstrate the following:

Site Investigation Evaluation Criteria	Possible Points
Increase to the Tax Base	
Increase to the tax base of the recipient municipality based on a redevelopment proposal.	5
Access to jobs and/or affordable housing (and economic competitiveness)	
<ul style="list-style-type: none"> • Potential to increase or retain the number of new full-time equivalent jobs for the region through adaptive reuse, infill development or redevelopment • Potential for construction of distribution facilities and commercial-industrial space for freight-generating industries near regional intermodal freight terminals • Potential to add affordable rental or ownership housing units for households with incomes at or below 80% of Area Median Income (AMI) OR • Preserve existing affordable housing if <ul style="list-style-type: none"> ○ the building undergoes substantial rehabilitation ○ ensures the extension of long-term affordability with income restrictions on tenants with incomes at or below 80% of Area Median Income (AMI) AND ○ includes federal subsidy (e.g., project-based Section 8) as part of the redevelopment financing 	5

Site Investigation Evaluation Criteria	Possible Points
Brownfield clean up/environmental health improvements	
<ul style="list-style-type: none"> Investigation of the most contaminated sites to provide the greatest improvement in the environment and the greatest reduction in human health risk The site and suspected contamination will use green remediation practices. The applicant's capacity to oversee environmental investigations and successfully complete site cleanup with prior Council-funded environmental investigations 	15
Orderly and Efficient Land Use	
<p>Show how the investigation supports the Council's <i>Thrive MSP 2040</i> goals by:</p> <ul style="list-style-type: none"> Likelihood of potential development to increase the use of transit, and/or Supporting growth in the region through adaptive reuse, infill development or redevelopment The Council will give priority to the re-use of vacant or abandoned sites 	15
Readiness/Market demand	
<ul style="list-style-type: none"> Demonstrate readiness to proceed with cleanup-site investigation Demonstrate readiness to proceed with site cleanup Demonstrate market demand for proposed redevelopment elements in the project area and demonstrate readiness to implement the proposed project if/when TBRA funding is provided, including identifying a developer and commitments by occupants. or future owners 	15
Partnership	
Demonstrate established financial partnerships. Points are awarded for committing matching funds beyond the required minimum 25% match.	5
TOTAL	
60	
Applications must score 30 points or more out of 60 points to be considered for funding.	

Contamination Cleanup Applications

The Council will rank cleanup applications according to the extent they demonstrate the following:

Contamination Cleanup Evaluation Criteria	Possible Points
Increase to the tax base	
<ul style="list-style-type: none"> • Increase the tax base of the recipient municipality • Add tax revenue in the near term. (Projects not in or not expected to be in a Tax Increment Finance district earn 5 points because all the affected tax jurisdictions benefit immediately) 	25
Access to Jobs and/or affordable housing and economic competitiveness	
<ul style="list-style-type: none"> • Increase or retain the number of permanent jobs in the region • Increase job opportunities within micro-enterprises or new small businesses • Preserve and/or increase the number of permanent living wage jobs in the region • Increase permanent living wage jobs within and near areas of concentrated poverty • Construction of distribution facilities and commercial-industrial space for freight-generating industries near regional intermodal freight terminals • Add affordable rental or ownership housing units for households with incomes at or below 80% of Area Median Income (AMI) <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Preserve existing affordable housing if <ul style="list-style-type: none"> ○ the building undergoes substantial rehabilitation: ○ doing so ensures the extension of long-term affordability with income restrictions on tenants with incomes at or below 80% of Area Median Income (AMI) AND ○ includes federal subsidy (e.g., project-based Section 8) as part of the redevelopment financing <p>(A minimum of 20% of the total housing units proposed must be affordable for a project to be considered for affordable housing points, and the minimum term of affordability is 15 years.)</p>	25
Brownfield cleanup/environmental health improvements	
Clean-up of the most contaminated sites to provide the greatest improvement in the environment and the greatest reduction in human health risk	25

Contamination Cleanup Evaluation Criteria	Possible Points
Orderly and efficient land use	
<p>Show how the cleanup and redevelopment project supports <i>Thrive MSP 2040</i> goals by:</p> <ul style="list-style-type: none"> Supporting growth in the region and around regional transit through adaptive reuse, infill development or redevelopment to make the best use of public and private investment Support for private investment in Areas of Concentrated Poverty particularly investment related to wealth-building strategies such as new micro-enterprise or new small business Accommodating growth through increased redevelopment density Providing or preserving housing choices to give people in all life stages and of all economic means viable choices for safe, stable and affordable homes including the willingness to accept Housing Choice Vouchers Conserving vital regional natural resources features and functions Conserving, restoring or protecting the region's water resources through environmentally sound opportunities for recharging groundwater with best management practices for stormwater Commitment to resilient energy infrastructure through the use of renewable energy sources Providing access to regional parks and trails and the transit network using a variety of modes of travel Showing consistency of proposed use with regional highway system and investments in the regional transit system and showing potential for growth in transit service 	35
Readiness and market demand	
<ul style="list-style-type: none"> Demonstrate readiness to proceed with project site cleanup Demonstrate market demand for proposed redevelopment elements in the project area and demonstrate readiness to promptly implement the proposed project if/when TBRA funding is provided, including identifying an end-stage developer and commitments by occupants 	25
Partnership	
Represent innovative partnerships among various levels of government and private for-profit and nonprofit sectors	5
Community's Housing Performance Score	
The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if affordable housing is located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual score or the average score for this section from all proposals.	10
TOTAL	
Applications must score 75 points or more out of 150 points to be considered for funding.	

TBRA Seeding Equitable Environmental Development Program Applications

The Council will rank applications for the TBRA Seeding Equitable Environmental Development program category for sites within current and formerly identified area of concentrated poverty and properties directly adjacent to identified areas that do not have a specific redevelopment project according to the extent they demonstrate the following:

TBRA Seeding Equitable Environmental Development Evaluation Criteria		Possible Points
Increase to the tax base		
Potential to increase the tax base of the recipient municipality based on the current tax base of the subject property and changes to the property classification OR based on the desired land use per a current request for proposals for redevelopment		5
Access to jobs and/or affordable housing (and economic competitiveness)		
Potential for adding or retaining new jobs based or adding or preserving housing choices through adaptive reuse, infill development or mixed-use redevelopment based on existing land use designation and proximity to existing employment centers		5
Reducing contamination risk and making health improvements		
Suspected or known environmental contaminants, pollutants, hazardous substances or hazardous building materials and characterization of risks particularly to vulnerable populations (e.g., infants, children and elderly) based on the current property use at or adjacent to the subject property		15
Orderly and efficient land use		
<ul style="list-style-type: none"> • Re-use of vacant lots or buildings • Potential for new construction that will increase the intensity of land use comparing existing improvements, if any, and existing zoning designation • Potential for increases in regional transit use • Potential for construction of distribution facilities and commercial-industrial space for freight-generating industries near regional intermodal freight terminals • Plan for interim use that increases visibility or improves marketability of the redevelopment opportunity 		15
Partnership		
<ul style="list-style-type: none"> • Demonstrate public, not-for-profit or private commitment of financial resources and coordination of technical expertise to advance redevelopment opportunities • Located within an active business improvement district 		10
Readiness		
<ul style="list-style-type: none"> • Readiness to proceed with cleanup site investigation OR readiness to proceed with site asbestos and lead-based paint abatement • Market demand for redevelopment 		10
TOTAL		60
Applications must score 30 points or more out of 60 points to be considered for funding.		

LIVABLE COMMUNITIES GRANT PROGRAMS

Livable Communities Demonstration Account Transit- Oriented Development Grant Category

**2019
Funding Schedule
Funding Criteria
and Selection Process**

Livable Communities Transit-Oriented Development (TOD) Funding Schedule

2019 Available Funding for LCA-TOD Grants:

LCDA-TOD Grants: \$5 Million, including up to \$500,000 for Pre-Development Grants

Application Type	Month	Activity
LCDA-TOD Pre-Development	March	Notice of funding availability
	May 1	Round 1 applications due
	June	Community Development Committee recommends Round 1 grant awards
	June/July	Council awards Round 1 grants
	September	Notice of funding availability
	November 1	Round 2 applications due
	December	Community Development Committee recommends Round 2 grant awards
	December / January	Council awards Round 2 grants
LCDA-TOD Development	March	Notice of funding availability
	February & April	Design workshops
	June 1	Project Concept Plans due
	July 11	Applications due
	October	Community Development Committee recommends TOD Development grant awards
	October / November	Council awards TOD Development grants

Transit-Oriented Development Grants

Section 1: Purpose, Program Profile, Award Limits

Purpose of Transit Oriented Development

Transit Oriented Development, or TOD, refers to moderate- to higher-density development located within easy walking distance of a major transit stop, that typically include a mix of uses such as housing, jobs, businesses, and retail choices oriented to the transit stop. TOD projects are expected to diversify uses and provide a higher concentration of amenities in a compact built environment in transit station areas, contributing to high-quality, pedestrian-oriented streets and public spaces encouraging the use of transit service. Through a focus on TOD, the Council aims to integrate transportation, jobs, and housing, leverage private investment, advance equity, and increase transit ridership.

TOD Program Profile

LCA-TOD grants are a category within the LCDA account intended to catalyze transit-oriented development along transit corridors throughout the metropolitan area. (See introduction section for definition of the [LCDA](#) account.) Limited geographic areas are eligible for TOD funding based on levels of transit service and a transit project's stage of development. The criteria to determine areas eligible for TOD funding is as follows:

LCDA-TOD Pre-Development – the transit project is in environmental review and in the Transportation Policy Plan Current Revenue Scenario or the lead agency has adopted the Final Station Plan for arterial bus rapid transit.

LCDA-TOD Development – The transit project has completed environmental review or received a Record of Decision.

Projects requesting LCDA-TOD Development funding must be located in one of the following TOD Eligible Areas, described as within:

- A ½-mile radius of an existing station on the following transit corridors:
 - METRO Blue, Green, and Red Lines
 - A Line
 - Northstar Commuter Rail Line
- A ½-mile radius of a proposed station on the following planned transit corridors:
 - METRO Blue Line and Green Line Extensions, METRO Orange Line
 - C Line (excluding temporary stations), D Line
- A ½-mile radius of a bus stop or station on high-frequency express routes. High-frequency express service is defined as bus service on or outside the I-494/694 freeways providing six or more trips during at least one of the peak morning hours between 6:00 AM and 9:00 AM and every 10 minutes during the peak morning hour.
- A ¼-mile radius of a bus stop along high frequency local bus lines, defined as those routes providing service at least every 15 minutes and running between 6:00 AM to 7:00 PM on week days and between 9:00 AM and 6:00 PM on Saturdays.

Projects requesting LCDA-TOD Pre-Development funding must be located within any one of the TOD Eligible Areas described above, or within:

- A 1/2-mile radius of a proposed station on the following planned transit corridors:
 - METRO Gold Line.
 - Rush Line

Funding Profile:

- LCDA-TOD Development
 - No match requirement
 - No cap on request amount
 - Award limits: \$2,000,000 per city
 - Application limit: three per City
 - 3-year grant term (2-year extension possible)
 - Eligible uses are the same as the [LCDA Development grant category](#)
- LCDA-TOD Pre-Development
 - 25% match requirement
 - No cap on request amount
 - Award limit: \$100,000 per city, per round
 - 2-year grant term (no extensions)
 - Application limit: three per City
 - Eligible uses: site plan development, market studies, project-specific stormwater management plans, geotechnical analysis, development staging plans
- LCDA-TOD Zoning Implementation
 - 25% match requirement
 - No cap on request amount
 - Award limit: \$100,000 per city, per round
 - 2-year grant term (no extensions)
 - Eligible uses: development of TOD zoning ordinances

A list of eligible grant-funded activities will be available in the application guide.

Award Limits

The Metropolitan Council reserves the right to award less than the amount requested and to award less than the available funding in a funding cycle.

Section 2: TOD changes for 2019

- Consolidation of TBRA-TOD into the regular TBRA program. Projects needing contamination cleanup may apply for funding through the regular TBRA program.
- Removal of TOD threshold criteria (elements from prior threshold criteria are integrated into Step 1 scoring).
- Refinement of scoring to allow for jobs or housing projects, with additional points given to mixed-use projects; greater emphasis on design and contributions to pedestrian realm; increase in points awarded for partnerships and equitable development strategies.
- Refinement of criteria to determine TOD eligible areas. Change from “project has entered environmental review” to “project has received FTA approval to Enter Project Development and/or Council has adopted a Final Station Plan”. This change provides more clarity on the specific point on the corridor development timeline a transit project may be eligible and provides more certainty on station locations.
- Addition of the D Line BRT corridor as eligible for TOD Pre-Development and Development grants and Rush Line as eligible for TOD Pre-Development grants.

Section 3: Evaluation Process

LCDA-TOD Development Application Evaluation Process

The evaluation of TOD Development applications is a two-step ranking process. First, an interdivisional staff evaluation team reviews and scores eligible applications using the Step One evaluation criteria (see

table below). Step Two of the evaluation process is conducted by members of the Livable Communities Advisory Committee (LCAC) using the Step Two evaluation criteria (see table below.)

The Council will rank LCDA-TOD Development applications according to the extent they demonstrate the following:

Step One Evaluation Criteria for LCDA-TOD Development		Possible Points
TOD Principles:		
<ul style="list-style-type: none"> The demonstration of TOD design principles to enhance the public realm and pedestrian environment The inclusion of amenities and strategies to support transit use, biking, walking, car share and alternative modes of transportation to single-occupancy vehicles. The intensity of future use of the site and consistency with the Council’s Housing Policy Plan and Transportation Policy Plan The degree to which proposed development projects align with city TOD guidelines or area plans 	20	
Housing and Jobs: (Projects will be scored as a “housing” or “jobs” project.)		
<p>Housing Criteria:</p> <ul style="list-style-type: none"> The addition of affordable and/or life cycle housing, or preservation of affordable units within the station area The diversification of housing affordability and/or type within the station area The acceptance of Housing Choice Vouchers Housing affordability requirements for development projects assisted with city funds or other fiscal devices applicable in the TOD Area 	20 (single-use projects 15)	
<p>Jobs Criteria:</p> <ul style="list-style-type: none"> The creation or preservation of permanent jobs within the region The creation or preservation of permanent living wage jobs in the region The creation of jobs within or near areas of concentrated poverty The project’s proximity to employment centers with high job densities and its ability to enhance the local tax base The establishment of hiring and procurement goals and/or processes that advance and promote the employment of local workers and/or disadvantaged businesses 		
Mixed-use projects will be scored on the criteria above as well as on the type and diversity of uses within the development project.		

Step One Evaluation Criteria for LCDA-TOD Development		Possible Points
Transit Accessibility, Walkability, & Ridership		
<ul style="list-style-type: none"> • The degree to which the development project makes the TOD Area more transit-oriented OR the degree to which the existing area is already supportive of transit users • The degree to which the project fulfills an identified area need • The extent and quality of connections from the development project to transit service and other uses through infrastructure that promotes pedestrian and/or bike mobility • An increase in transit ridership 	15	
Environmental Design		
<ul style="list-style-type: none"> • Conserving, restoring, or protecting the region’s water resources through best management practices or innovative design • Commitment to resilient energy infrastructure through the use of green building design, energy efficiency standards, and/or the inclusion of renewable energy sources • The conservation, protection, or enhancement of natural resources features and functions 	12	

Process and Partnerships:	
<ul style="list-style-type: none"> Partnerships have been established among various levels of government and private for-profit and non-profit sectors and the local community Community engagement efforts are initiated early in the planning process The planning process is inclusive of and responsive to community participation, vision, and leadership 	8
TOTAL	75
Applications must score 45 or more points to advance to the Step Two evaluation process.	

Step Two Evaluation Criteria for LCDA-TOD Development	Possible Points
TOD Model/Demonstration Value	
<ul style="list-style-type: none"> The project's demonstration value and potential to provide area-wide benefits The degree to which the development plan demonstrates TOD design principles The degree to which equitable development strategies were incorporated when planning and/or designing the proposed project 	20
Catalyst	
<ul style="list-style-type: none"> The extent to which the proposed project will catalyze additional development and private investment to future project phases and/or to the immediate area and throughout the region The inclusion of strategies to support wealth building for residents within the community where the project is located 	15
Readiness	
<ul style="list-style-type: none"> Project readiness and anticipated timeframe of development (higher points for proposals further advanced on predevelopment continuum and development projects closest to "shovel-ready/ground breaking" stage) 	15
Step Two Total	50
Combined Step One and Step Two Total	125
Applications must score 75 or more points of the total 125 available points from Step One and Step Two combined to be considered for funding.	
Housing Performance Score	
The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if a significant amount of affordable housing is already located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual performance score or the average performance scores from all proposals being evaluated.	10
Overall Total	135

LCDA-TOD Pre-Development and LCDA-TOD Zoning Implementation Application Evaluation Process

Applicants seeking funding for LCDA-TOD Pre-Development and LCDA-TOD Zoning Implementation activities may apply for funds in two funding rounds. The process for evaluating applications for these grants is conducted by a staff evaluation team in a single step.

Evaluation Criteria for LCDA-TOD Pre-Development with an Identified Future Development Project	Possible Points
Applications will be evaluated on the degree to which the proposed activities will enhance the potential for an associated development or redevelopment project to:	
Transit Accessibility, Walkability, and Ridership	
<ul style="list-style-type: none"> • Make the TOD Area more transit-oriented OR the degree to which the existing area is already supportive of transit users, considering factors such as: diversity of uses, quality of the pedestrian environment and connections to transit • Increase ridership 	10
TOD Design	
<ul style="list-style-type: none"> • Exemplify TOD design features • Intensify future use of the site 	15
Housing	
<ul style="list-style-type: none"> • Produce affordable and/or lifecycle housing • Assist the city in meeting its affordable and life-cycle housing goals • Create or preserve a mix of housing affordability within the station area 	10
Jobs	
<ul style="list-style-type: none"> • Create or preserve employment opportunities 	5
Catalyst	
<p>Applications will also be evaluated on the degree to which:</p> <ul style="list-style-type: none"> • Pre-development activities will be a catalyst to implement the project of which they are a part • Pre-development activities will lead to a development project providing demonstration value and design beyond that of standard development types • The proposed development project will catalyze additional development and private investment to future project phases and/or to the immediate area, particularly focusing on retaining or attracting locally owned businesses and providing opportunities to the local community 	15
Partnerships and Readiness	
<p>Applications will also be evaluated on the degree to which:</p> <ul style="list-style-type: none"> • Pre-development activities provide for meaningful and appropriate public engagement • The city has identified and secured financial commitments to move the project forward • The city has demonstrated political commitment for the future development or redevelopment project • The proposed project is ready and able to use the grant, if awarded, within the 24-month grant term (Higher points will be given for more advanced projects on the pre-development continuum) 	10
Housing Performance Score	
The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if a significant	10

amount of affordable housing is already located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual performance score or the average performance scores from all proposals being evaluated.	
Total	75
Applications must score at least 45 of the total 75 available points	

Evaluation Criteria for Pre-Development TOD Zoning Implementation		Possible Points
Applications will be evaluated on the degree to which the proposed zoning ordinance will:		
Transit Accessibility, Walkability, and Ridership		
<ul style="list-style-type: none"> Improve the pedestrian and bike environment within the station area by addressing such elements as: increased connections and intersection density, public realm requirements, reduced parking requirements, addition of public space, and diversification of uses and intensification of future development within the TOD area. 		20
TOD Design and Demonstration		
<ul style="list-style-type: none"> Demonstrate TOD design features by addressing elements such as building articulation and orientation, pedestrian zones, parking placement and access 		25
Catalyst		
<ul style="list-style-type: none"> The extent to which the zoning ordinance will catalyze (induce, stimulate, prompt, effectuate, or cause to happen) development and private investment to future projects 		10
Partnerships and Readiness		
Applications will also be evaluated on the degree to which: <ul style="list-style-type: none"> pre-development activities provide for meaningful and appropriate public engagement The city has identified and secured financial commitments to move the project forward The city has demonstrated political commitment for the proposed zoning ordinance 		15
Housing Performance Score		
The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if a significant amount of affordable housing is already located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual performance score or the average performance scores from all proposals being evaluated.		10
Total		80
Applications must score at least 48 of the 80 available points		

Appendix A. Definitions

- **Affordable housing, for all Livable Communities Act programs**, is ownership or rental housing affordable to households with incomes of 80% or less of Area Median Income (AMI). Units indicated as affordable must have a minimum 15-year affordability term, and a mechanism to ensure the affordability for that period of time.
- **Equity** connects all residents to opportunity and creates viable housing, transportation, and recreation options for people of all races, ethnicities, incomes, and abilities so that all communities share the opportunities and challenges of growth and change.
- The **Development Project** is the development or redevelopment project that provides the deliverables upon which a development grant application is scored. Note that in most cases, the Grant-Funded Activities do not comprise the Project.
- **Equitable Development** creates healthy vibrant communities of opportunity where low income people, people of color, new immigrants and people with disabilities participate in and benefit from systems decisions and activities that shape their neighborhoods.
- **Fair Housing Policy** A written statement regarding the local municipality's commitment to fair housing, typically including the policy's purpose, procedures for complaint identification and referral, designating a fair housing officer, and outlining internal and external actions the municipality will undertake to advance fair housing. A best practices guide, as well as a copy of a model local fair housing policy can be found here: <https://metro council.org/Handbook/Files/Resources/Best-Practices/Fair-Housing-Policy-Guide.aspx>
- The **Future Development Project** is the development or redevelopment project that provides the deliverables upon which the Pre-Development grant application is scored. These criteria apply only to LCDA-TOD Pre-Development applications as specified in the LCA-TOD eligibility criteria.
- The **Grant-Funded Activities** are components of the project described in the application. The Grant-Funded Activities do not in and of themselves make up the project for which the Council awards grant funds.
- A **Living Wage** is 130% of the poverty guideline for a family of four within the 48 contiguous states established annually by the U.S. Department of Health and Human Services.
- **Micro-Enterprise** is a business with 5 or fewer employees including the owner.
- **Participating Community**. To compete for Livable Communities grants, a community must elect to **participate** in the Local Housing Incentives program established by the Metropolitan Livable Communities Act (LCA) as well as negotiate with the Metropolitan Council to establish a set of goals for affordable and lifecycle housing. There are currently 96 Twin Cities communities participating in LCA programs.
- The process of **Placemaking** can lead to the creation of physical spaces that foster civic engagement, build social connections, catalyze economic development, demonstrate environmental sustainability, and contribute to the unique sense of identity of a project area or neighborhood. LCA funding may be used for engagement activities to develop placemaking and for certain physical spaces. Intentionally designed spaces, such as plazas, squares, greens or courtyards, that serve to create an identity, a focal point of, or gateway to the development are examples of spaces that may be eligible for LCA funding. Playgrounds, tot lots, neighborhood parks, or general amenity areas

primarily for the use of the development project's tenants are examples of spaces that do not meet eligible placemaking criteria for Livable Communities.

- The **Project Area** is the specific geographic area in which LCDA-TOD Pre-Development activities will be conducted.
- For the purposes of LCDA and LCDA-TOD Development applications, **site improvement** means demolition and removal of obsolete structures; excavation, filling, grading and soil correction to prepare a site for construction.
- **Small Business** is a business that have been operating for at least 1 year with more than 5 employees and less than 50 employees, less than \$10 million in revenue, and faces barriers to survival and growth.
- **Transit-Oriented Development (TOD)** is moderate to higher-density development located within easy walking distance of a major transit stop, generally with a mix of residential, employment and shopping opportunities designed for pedestrians. (Additional information about transit-oriented development can be found in the Council's online handbook, the Guide for Transit-Oriented Development.)
- **An LCDA-TOD-Eligible Area is**
 - A ½-mile radius of an existing station on the following transit corridors:
 - METRO Blue, Green, and Red Lines
 - A Line
 - Northstar Commuter Rail Line
 - A ½-mile radius of a proposed station on the following planned transit corridors:
 - METRO Blue Line and Green Line Extensions, METRO Orange Line
 - C Line (excluding temporary stations), D Line
 - A ½-mile radius of a bus stop or station on high-frequency express routes. High-frequency express service is defined as bus service on or outside the I494/694 freeways providing six or more trips during at least one of the peak morning hours between 6:00 AM and 9:00 AM and every 10 minutes during the peak morning hour.
 - A ¼-mile radius of a bus stop along high frequency local bus lines, defined as those routes providing service at least every 15 minutes and running between 6:00 AM to 7:00 PM on week days and between 9:00 AM and 6:00 PM on Saturdays.
 - Projects requesting LCDA-TOD Pre-Development funding must be located within any one of the TOD Eligible Areas described above, or within a 1/2-mile radius of a proposed station on the following planned transit corridors:
 - METRO Gold Line.
 - Rush Line
 - The criteria to determine areas eligible for TOD funding is as follows:
 - LCDA-TOD Development – The transit project has completed environmental review or received a Record of Decision.
 - LCDA Pre-Development – a project is in environmental review and included in the Transportation Policy Plan Current Revenue Scenario or the lead agency has adopted the Final Station Plan for bus rapid transit corridors.

Appendix B. How the Livable Communities Grant Program Supports Thrive MSP 2040

Under state law, the Council is responsible for preparing a comprehensive development guide for the seven-county metropolitan area. *Thrive MSP 2040* provides a framework for a shared vision for the future of our region over the next 30 years. The Council adopted Thrive in 2014, along with the Housing Policy Plan, and in 2015 adopted the Transportation Policy Plan, the Regional Parks Policy Plan, and Water Resources Policy Plan. Thrive MSP 2040 and the policy plans provide the policy foundation and strategies to help accomplish the five desired outcomes that define the shared regional vision: **Stewardship, Prosperity, Equity, Livability, and Sustainability.**

The five outcomes reinforce and support one another to produce greater benefits than any single outcome alone. Outcomes describe how Council investments and policies are enriching the region for residents and businesses.

In addition to the Thrive systems and policy plans, the Council will consider how to advance the Thrive outcomes by making investments through **Livable Communities Act** grants. Livable Communities Act funding currently addresses the Thrive outcomes in many ways. Some of the ways include:

Stewardship:

“Leveraging our infrastructure investments with higher expectations of land use.”

- LCDA and LCDA-TOD grants, in particular, help fund land acquisition and public infrastructure that increase densities, and provide a mix of uses and housing affordability and types.

Prosperity:

“Planning for and investing in infrastructure, amenities, and quality of life with an eye to what the region needs to be economically competitive.”

- LCDA and LCDA-TOD grants help fund basic infrastructure and placemaking features that help create livable neighborhoods, as well as helping provide workforce housing in proximity to job centers and transit

“Encouraging redevelopment and infill development across the region.”

- All LCA accounts and associated grant categories have helped, and will continue to help participating communities implement projects in priority sites, that help further their comprehensive plan community development and redevelopment objectives

Equity:

“Using our influence and investments to build a more equitable region.”

- The Livable Communities Act, Council policies and participating communities implement projects across the region that provide a range of employment, housing and transportation opportunities

“Investing in a mix of housing affordability along the region’s transitways.”

- LCA grants have worked with participating communities and funding partners to create and preserve a mix of housing types and affordability levels connected to transit and jobs. Through the TOD grant category, the Council specifically awards grants for affordable housing in transit areas.

Livability:

“Providing housing and transportation choices for a range of demographic characteristics and economic means.”

- The Livable Communities Act, by design, provides funding to assist with the production and preservation of a range of housing and transportation choices.

“Aligning resources to support transit-oriented development and walkable, urban places.”

- One of the early initiatives of the current Council was to create the TOD category of TBRA and LCDA grants. To date, the Council has awarded \$30.2 million in grants to 38 projects through the LCA-TOD grant categories.

Sustainability:

“Promoting the wise use of water through expanding water conservation and reuse, increasing groundwater recharge, and rebalancing surface water and groundwater use.”

- Many of the LCDA, LCDA-TOD, and TBRA-funded projects have included water conservation and re-use features, as well as provisions to protect water quality.

In collaboration with regional funding partners and participating cities, the Council will continue work to tailor the scoring criteria for LCA investments to balance the Thrive outcomes recognizing that *“projects that balance all five of the outcomes create positive change, while efforts that advance only one or two at the expense of the others may fall short over the long term.”*

The five outcomes focus on the “why” of *Thrive MSP 2040*. Just as important is the “how” - the principles set forth in *Thrive* guide how the Council carries out its work to advance the outcomes. The Council has identified three principles: **Integration, Collaboration, and Accountability**.

An example of the principle of **Integration** at work in the LCA is perhaps most clearly seen in the creation of the LCA-TOD grant category which focuses resources for projects that intensify land use in station areas and along high frequency bus corridors.

Collaboration is inherent in the LCA through statutory language that requires proposals using innovative partnerships between government, private for-profit, and nonprofit sectors be given priority. Additionally, the Council works with participating communities to support their community development needs when reviewing and developing the scoring criteria for the grant accounts

Accountability is essential for LCA. Monitoring and evaluating projects funded with LCA grants is an ongoing effort and challenge. Council staff is committed to continual improvement in this work to measure and report the regional accomplishments gained through completed projects, as well as hurdles experienced by projects that do not materialize. Both accomplishments as well as hurdles will be used to refine future Fund Distribution Plans to advance the *Thrive MSP 2040* outcomes.



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2019 ANNUAL LIVABLE COMMUNITIES FUND DISTRIBUTION PLAN

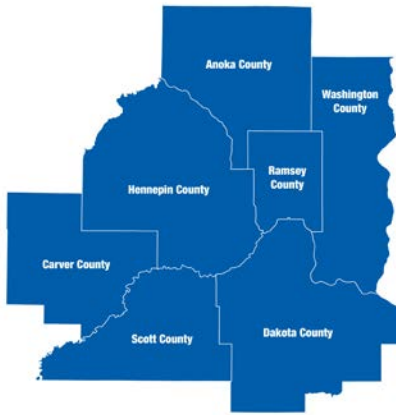


January 2019

The Council’s mission is to foster efficient and economic growth for a prosperous metropolitan region

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The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Council operates the regional bus and rail system, collects and treats wastewater, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that provide housing opportunities for low- and moderate-income individuals and families. The 17-member Council board is appointed by and serves at the pleasure of the governor.

On request, this publication will be made available in alternative formats to people with disabilities. Call Metropolitan Council information at 651-602-1140 or TTY 651-291-0904.

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2019 Livable Communities Act Fund Distribution Plan

This document establishes the annual plan for distributing funds under the state Livable Communities Act (LCA, [Minnesota Statutes 473.25](#)).

The plan:

- Establishes the amount of funding available for 2019 and the limits that apply to individual awards.
- Sets the schedule for submitting grant applications, reviewing them, and awarding the funds.
- Describes the criteria the Metropolitan Council uses in selecting projects for grants.
- Defines who is eligible to apply for the grants.

More detailed information and instructions on process, grant terms, eligible and ineligible uses of grant funds and schedules will be contained in the individual grant applications and application guides.

Grants Strengthen Communities and Region

Livable Communities grants strengthen communities and the Twin Cities region. The funding helps cities foster economic development and job growth, expands housing choices and affordability, strengthens travel connections to where people want to go and promotes optimum use of existing public infrastructure.

By demonstrating commitment to local projects, the Council's investment of regional dollars helps leverage investment of additional public and private dollars. Communities and their residents benefit from improvements that enhance the quality of life. The region benefits from attracting talent and business opportunities that help it compete on a global scale.

The Metropolitan Council's mission is to foster efficient and economic growth for a prosperous metropolitan region. The Council's regional development plan – *Thrive MSP 2040* – advances that mission through its outcomes and in its principles, policies, and strategies. The Livable Communities Grant Program is an important investment that supports *Thrive MSP 2040* and helps the Council carry out its regional mission (see Appendix B).

Livable Communities Grant Accounts and Categories

Livable Communities Demonstration Account (LCDA)

The **LCDA** supports development and redevelopment projects that link housing, jobs and services and use community and regional infrastructure efficiently. The LCDA is funded by a property tax levy of approximately \$11.3 million (this amount is distributed among the regular LCDA, the LCDA-TOD and the LHIA. Amounts for each account and category are listed below).

Local Housing Incentives Account (LHIA)

The **LHIA** helps expand and preserve lifecycle and affordable housing, both rented and owned. The LHIA annual base funding includes \$500,000 transferred from the LCDA tax levy plus \$1 million from the Council's general fund.

Tax Base Revitalization Account (TBRA)

The **TBRA** helps clean up contaminated land and buildings for subsequent development. These grants are intended to provide the greatest public benefit for the money spent, strengthen the local tax base, and create and preserve jobs and/or affordable housing. The TBRA is funded by a property tax levy established in statute that may not exceed \$5,000,000 annually.

Transit Oriented Development (TOD) Grant Category

Using targeted funds from the ~~TBRA and~~ LCDA, this program is focused on high density, generally mixed-use projects that are located within TOD-eligible areas along light rail, commuter rail, bus rapid transit, and high frequency bus corridors.

Points of Interest for 2019

- Account balances and investment earnings from the Livable Communities Fund are available to increase the amount available for [LCDA, LCDA-TOD, LHIA, TBRA, and -TBRA SEED funding categories](#) for 2019. [Fund balances are available to fully fund the accounts proposed in the Fund Distribution Plan. A future budget amendment will bring these fund balances into the Council Authorized Budget.](#)
- [There is Expanded eligibility for Local Housing Incentives Account \(LHIA\) applications that receive Low Income Housing Tax Credits through sub-allocator jurisdictions in addition to those requesting tax credits or deferred funding through the Minnesota Housing Request for Proposals process;](#)

Funds Available for Award in 2019

The dollar amounts cited below are the base amounts for grants to be awarded during 2019.

- [\\$7.5 million for the LCDA program, with up to \\$500,000 of that available for Pre-Development awards](#)
- [\\$2.5 million for the LHIA program](#)
- \$5.9 million for the TBRA Contamination Cleanup program, with up to \$250,000 of that available for Site Investigation grants
- ~~\$1 million~~ [500,000](#) for the TBRA Seeding Equitable Environmental Development ([SEED](#)) program (in addition to the amount above)
- \$5 million for the LCDA-TOD grant category, with up to ~~\$250~~ [500](#),000 of that available for Pre-Development awards

If significant additional monies accrue to any account during 2019 due to relinquished funds or investment earnings, additional funds may be made available through an amendment to this Plan.

If funding applied for or awarded through the LCDA-TOD or TBRA SEED grant categories is less than the funding available, the remaining funds may be made available for award through the regular LCDA or TBRA [programscategories](#), respectively, without an amendment to this Plan.

Conversely, if funding awarded through the regular LCDA [or TBRA program iscategories is](#) less than the funding available, the remaining funds may be made available for award through the LCDA-TOD [or TBRA SEED grant categorycategories](#) without an amendment to this Plan. If funding awarded through the regular TBRA program is less than the funding available, the remaining funds may be made available for award through the TBRA-SEED grant category without an amendment to this Plan.

Who Is Eligible to Apply?

By [state statute](#), applicants must be a local governmental unit, which may be a:

- A. Municipality (a statutory or home rule charter city or township) currently participating in the Metropolitan Livable Communities Housing Incentives Program
- B. Metropolitan county
- C. Housing and Redevelopment Authority, Economic Development Authority, Community Development Authority or Port Authority

Projects proposed by categories (B) and (C) must be located in [participating municipalities](#).

Individuals and/or private or nonprofit developers are not eligible to apply.

Eligible and Ineligible Uses

Details on eligible and ineligible uses for each grant category are included in the application guides for each grant category.

LIVABLE COMMUNITIES GRANT PROGRAMS

Livable Communities Demonstration Account

**2019
Funding Schedule
Funding Criteria
and Selection Process**

Livable Communities Demonstration Account (LCDA) – Regular Program Categories Funding Schedule

2019 Available Funding for LCDA Development Grants:

\$7.5 Million, including up to \$250500,000 for Pre-Development Grants

Application Type	Month	Activity
LCDA Pre-Development	March	Notice of Funding Availability
	May 1	Spring applications due
	June	Community Development Committee recommends grant awards
	July	Council awards spring LCDA pre-development grants
	September	Notice of Funding Availability
	November 1	Fall applications due
	December	Community Development Committee recommends grant awards
	December-January	Council awards fall LCDA pre-development grants
LCDA Development	February & April	Design Workshops
	March	Notice of funding availability
	July 1	Project Concept Plans due
	August 8	Full applications due
	September / October	Staff and Livable Communities Advisory Committee review and rank proposals
	November	Community Development Committee recommends grant awards
	December	Council awards grants

Livable Communities Demonstration Account (LCDA)

Section 1: Purpose, Program Profile, Award Limits

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 Program Profile

Funding Profile:

- LCDA Development
 - No match requirement
 - 3-year grant term
 - No cap on individual grant request amount.
 - ~~Eligible uses~~
 - ~~Basic public infrastructure serving the proposed project~~
 - ~~Site improvements and site acquisition~~
 - ~~Stormwater management~~
 - ~~Energy and resource conservation, including alternative energy sources~~
 - ~~Placemaking features~~
- LCDA Pre-Development
 - 25% match requirement
 - No cap on request amount
 - Award limit: \$100,000 per city, per round
 - 2-year grant term (no extensions)
 - Application limit: three per City
 - Eligible uses:
 - ~~design workshops~~
 - ~~market studies~~
 - ~~project-specific stormwater management plans~~
 - ~~soil testing to determine feasible uses~~
 - ~~impact analyses~~
 - ~~architectural work for site plans or development staging plans~~
 - active engagement efforts, particularly for under-represented people

A list of eligible grant-funded activities will be available in the application guide.

Award Limits

There are no award limits for individual LCDA Development grants or per city, except that:

Council-established guidelines state that up to 40% of the total LCDA funds available in a grant cycle are available to projects located in Minneapolis and/or Saint Paul. The Council reserves the right to consider awarding more than 40% and reserves the right to award less than the amount requested and to award less than the available funding in a funding cycle.

Section 2: LCDA changes for 2019

- New support in scoring process to emphasize equitable development principles. The “Tools and Process” section has been renamed “Partnerships and Process” and will score the level of diverse

partnerships, community involvement, and planning for continued engagement throughout the life of the project.

- Design and land use are combined into one scoring category to emphasize the relationship between the two.
- Housing projects and jobs projects will be scored as two distinct categories. The same number of points are available for each project type.

Section 3: LCDA Evaluation Process

LCDA Development Application Process. The Council evaluates LCDA development applications in a two-step process. A staff evaluation team reviews and scores eligible grant applications using the Step One evaluation criteria and guidelines (see below).

Step Two of the evaluation process is conducted by the 15-member Livable Communities Advisory Committee (LCAC), which makes funding recommendations to the Council. The LCAC includes members representing seven areas of expertise to provide the range of skills and experience necessary for evaluating the complex LCDA applications. Two members are selected for each of the areas of expertise: local government (planning, economic or community development); development finance (one member in private finance, one in public finance); development (one member in new development, one in redevelopment); transportation; environment; site design; and community-based organizations representing or serving underserved communities. The LCAC chair, not representing a specific area of expertise, is the 15th member. ~~LCDA pre-development grant applications are not subjected to the two-step process.~~

Step One Evaluation Criteria for LCDA Development Grants	Possible Points
Orderly and Efficient Land Use	
<p>The development project:</p> <ul style="list-style-type: none"> Intensifies land use and increases density that maximizes the potential of the location Includes a mix of uses or introduces a diversity of uses Introduces a diversity of densities to the project area 	8
<p>The development project is designed in relationship to surrounding land uses and the community by:</p> <ul style="list-style-type: none"> Providing internal pedestrian circulation which is convenient, efficient, and attractive throughout and around the project site Providing convenient, efficient, and attractive access from the project site to the neighborhood or the surrounding community through Infrastructure that emphasizes pedestrian and/or bike mobility Incorporating pedestrian, bike and/or transit-oriented design principles 	10
<p>The development is sensitive to the environment by:</p> <ul style="list-style-type: none"> Conserving, protecting, and enhancing natural resources Incorporating green building design and/or energy efficiency standards Utilizing sustainable site design 	8
Access, Jobs and Affordable Housing	
<p>The development project:</p> <ul style="list-style-type: none"> Takes advantage of or maximizes connections between or among housing, centers of employment, education, retail, and recreation uses through location or design 	5
<p>The development project:</p> <ul style="list-style-type: none"> Expands employment opportunities through the creation or preservation of permanent employment opportunities, including living wage jobs 	3
<p>The development project:</p> <ul style="list-style-type: none"> Provides or preserves housing choices to give people in all life stages and of all economic means viable choices for safe, stable, and affordable homes Includes a willingness to accept Housing Choice Vouchers 	8
Tools and Processes	
<p>The development project:</p> <ul style="list-style-type: none"> Includes tools and processes appropriate to ensure successful outcomes, including pertinent and effective regulatory tools Utilizes equitable development strategies Involves partnerships among government, private for-profit and nonprofit sectors, and the local community, inclusive of community participation, vision, and leadership 	8
Total	
50	
Applications must score 25 or more points to advance to the Step Two evaluation process.	

Step One Evaluation Criteria for LCDA Development Grants

Possible Points

Efficient Land Use and Site Design

- The project’s ability to maximize the potential of the location through intensified land use and increased density
- The development introduces a diversity of uses to the project area
- The project includes internal pedestrian circulation which is convenient, efficient, and attractive throughout and around the project site
- The site is designed to facilitate pedestrian activity and considers first floor activity, parking location, and wayfinding

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Connections

- The development project takes advantage of or maximizes connections between or among housing, centers of employment, education, retail, and recreation uses through location or design
- The development provides convenient, efficient, and attractive access from the project site to the neighborhood or the surrounding community through infrastructure that emphasizes pedestrian and/or bike mobility

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Environmental Design

- The project conserves, protects, and enhances natural resources
- The project incorporates green building design and/or energy efficiency standards
- The project utilizes sustainable site design

8

Jobs and Housing (Projects will be scored as Jobs or Housing projects, taking the highest score of either category)

Jobs Projects

- The project’s ability to expand employment opportunities through the creation or preservation of permanent employment opportunities with emphasis on including living wage jobs and increasing diversity of jobs type in the area
- The creation of jobs in or near Areas of Concentrated Poverty
- There is an established process to advance and promote the employment of local workers
- The development prioritizes the preservation of existing small businesses and/or the ability to occupy commercial space with small with local small businesses

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OR

Housing Projects

- The project provides or preserves housing choices to give people in all life stages and of all economic means viable choices for safe, stable, and affordable homes
- The development’s willingness to accept Housing Choice Vouchers
- The project’s ability to work with community partners to implement a displacement prevention strategy

Partnerships and Processes

- The project team involves partnerships among government, private for-profit and nonprofit sectors, and the local community
- The project fills an identified and specific community need
- The project team initiates community engagement early in the planning process
- The planning process is inclusive of and responsive to community participation, vision, and leadership

8

<ul style="list-style-type: none"> • <u>The project team has a clear engagement plan to maintain community involvement throughout the project</u> • <u>Significant project changes lead to additional community engagement</u> 	
Total	50
<u>Applications must score 25 or more points to advance to the Step Two evaluation process.</u>	

Step Two Evaluation Criteria for LCDA Development Grants	Possible Points
Innovation and Demonstration	
<p>The development project provides demonstration value for the community and for the region through:</p> <ul style="list-style-type: none"> • <u>New development concepts, strategies, elements, or partnerships in one or more of the scoring areas covered in the Step One evaluation process</u> • <u>Serving as a model of LCDA goals</u> • Incorporating equitable development strategies when planning and/or designing the proposed project <u>New development concepts, strategies, or elements in one or more of the scoring areas covered in the Step One evaluation process</u> • Other innovation • Serving as a model of LCDA goals • Incorporating equitable development strategies when planning and/or designing the proposed project 	30
Catalyst	
<ul style="list-style-type: none"> • The proposed development project will catalyze additional development and private investment to future project phases and/or to the immediate area • <u>The inclusion of strategies to support wealth building for residents within the community where the project is located</u> The activities for which LCDA funding is sought will be a catalyst to implement the project 	10
Readiness Assessment	
<p>The development project is ready and able to use awarded grant funds within the 36-month grant term, based on an assessment including:</p> <ul style="list-style-type: none"> • <u>The status of implementation tools – for example, zoning codes and other official controls, design standards, or development standards</u> • <u>The status of funding commitments and other indicators of readiness</u> • <u>Partnerships have been formalized and committed to and roles and contributions have been agreed to</u> The status of implementation tools – for example, zoning codes and other official controls, design standards, or development standards • The status of funding commitments and other indicators of readiness • Whether grant funds have been spent for or progress has been made on a prior LCDA development or pre-development grant for the same project or a related project 	10
Step Two Total	50

Combined Step One and Step Two Total		100
Combined Step One and Step Two scores must total 60 to be considered for funding.		
Housing Performance Score		
The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if a significant amount of affordable housing is already located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual performance score or the average performance scores from all proposals being evaluated.		10
Overall Total		110

LCDA Pre-Development Application Evaluation Process Applicants seeking funding for LCDA Pre-Development activities may apply for funds in either the Spring or Fall funding rounds. The process for evaluating applications for these grants is conducted by the staff evaluation team in a single step.

Evaluation Criteria for LCDA Pre-Development Project Grants		Possible Points
Land Use Criteria		
Applications will be evaluated on the degree to which the proposed activities will enhance the potential for an associated future development project to:		
Land Use and Site Design		
<p><u>The proposed project's ability to</u></p> <ul style="list-style-type: none"> Intensify land use by planning to add buildings or other uses and increase density Increase the diversity of uses in the project area by planning to add new uses Provide internal pedestrian and bicycle convenience and efficiency through the design, layout, and features of the project Develop a site design that encourages pedestrian and bicycle activity and active first floorsto a level that maximizes the potential of the location 		8
Improve the balance between jobs and housing and establish a connected development pattern between housing and centers of employment, education, retail, and recreation uses		8
Connections		
<p><u>How well the proposed project will</u></p> <ul style="list-style-type: none"> Establish a connected development pattern between housing and centers of employment, education, retail, and recreation uses Connect to surrounding area and provide convenient access to nearby development Incorporate short blocks with pedestrian connections adjacent to the buildings 		5
Environmental Design		
<p><u>Initial development plans will</u></p> <ul style="list-style-type: none"> Provide opportunities to employ natural resources, where feasible and appropriate, as community connections, assets, and amenities Utilize sustainable site design practices 		5
Housing		
<p><u>The proposed project's ability to</u></p> <ul style="list-style-type: none"> Diversify housing options within the future development site, neighborhood and community Provide a range of housing density, type, and cost Help achieve the city's negotiated affordable and lifecycle housing goals 		98
Jobs		
<p><u>The proposed project's ability to</u></p> <ul style="list-style-type: none"> Create or preserve employment opportunities in the project area with a preference for living wage jobs Plan to preserve existing local small businesses 		5

<p>How well the development project would comply with the following design features: Provide internal pedestrian convenience and efficiency through the design, layout, and features of the design of the Project</p> <p>Minimal building setbacks</p> <p>Short blocks with pedestrian connections adjacent to the buildings</p> <p>A range of housing densities, types and costs</p> <p>Cycling and walking conveniences</p> <p>In a mixed-use setting, residential and commercial parking is limited, shared between uses, located to the rear of buildings, and/or is structured</p> <p>Provide opportunities to employ natural resources, where feasible and appropriate, as community connections, assets and amenities</p>	8
<p>Local Planning and Implementation Processes <u>Readiness</u></p>	
<p>The extent to which the proposed activities will enhance the potential for the future development project to:</p> <p>Implement the applicant city's local comprehensive plan</p> <p>Help achieve the city's negotiated affordable and lifecycle housing goals</p> <ul style="list-style-type: none"> • <u>The project's ability to implement any redevelopment plans, corridor or other local plans applicable to the identified project area; and pre-development activities provide for meaningful and appropriate public engagement</u> • <u>The city has identified and secured financial commitments to move project forward</u> • <u>The City has demonstrated political commitment for the future development or redevelopment project</u> • <u>The proposed project is ready and able to use the grant, if awarded, within the 24-month grant term (higher points will be given for more advanced projects on the pre-development continuum)</u> 	108
<p>Demonstration Value and Catalyst</p>	
<ul style="list-style-type: none"> • <u>The p</u>Project can provide demonstration value and generate area-wide benefits • Extent to which pre-development activities will be a catalyst to implement the project of which it is a part • Extent to which the proposed development project will catalyze additional development and private investment to future project phases and/or the immediate area 	10
<p>Partnerships and <u>Process Readiness</u></p>	
<p>Applications will also be evaluated on the degree to which:</p> <p>Pre-development activities provide for meaningful and appropriate public engagement</p> <ul style="list-style-type: none"> • <u>The project brings together a variety of partners</u> • <u>There is a defined plan to continue community engagement throughout the development process</u> The city has identified and secured financial commitments to move project forward • City has demonstrated political commitment for the future development or redevelopment project 	840

<ul style="list-style-type: none"> The proposed project is ready and able to use the grant, if awarded, within the 24-month grant term (higher points will be given for more advanced projects on the pre-development continuum) 	
Total (Applications must score 30 or more points to receive funding consideration)	60
Housing Performance Score	
The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if a significant amount of affordable housing is already located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual performance score or the average performance scores from all proposals being evaluated.	10
Overall Total	70

LIVABLE COMMUNITIES GRANT PROGRAMS

Local Housing Incentives Account

**2019
Funding Schedule
Funding Criteria
and Selection Process**

Local Housing Incentives Account (LHIA) Funding Schedule

2019 Available Funding for LHIA: \$2.5 Million

Application Type	Month	Activity
Ownership and Rental Programs	April 5	Minnesota Housing/Funding partners issue notice of funding availability
	May 17	Multifamily Intent to Apply form due
	June 3	Application deadline
	July	Minnesota Housing staff review applications
	August-September	Minnesota Housing/Funding partner application evaluation and selection meetings
	October	Minnesota Housing board acts on funding recommendations
	November	Community Development Committee recommends grant awards
	December	Council awards grants

Local Housing Incentives Account (LHIA)

Section 1: Purpose, Program Profile, Award Limits

Purpose of the Local Housing Incentives Account Grants

The Local Housing Incentives Account funding assists cities in meeting their negotiated affordable and lifecycle housing goals. Grants provide funds to construct, rehabilitate, maintain, and/or preserve affordable housing opportunities.

LHIA Program Profile

- Funding Profile:**
- A dollar-for-dollar match is required [from the grantee](#)
 - 3-year grant term
 - Eligible uses:
 - Gap financing for acquisition, rehabilitation, new construction, and preservation of affordable housing

More details on eligible and ineligible uses can be found in the LHIA Program Guide.

Award Limits

- The LHIA contribution to fill the gap in homeownership applications will be limited to no more than one-half of the difference between the purchase price of the home and the total per-unit hard costs. This limit does not apply if a project maintains the homes affordability level for a minimum of 15 years.
- The Metropolitan Council reserves the right to award less than the amount requested and to award less than the available funding in a funding cycle.

Section 2: LHIA Changes for 2019

- [Applications to sub-allocator jurisdictions; Dakota County, Minneapolis, Saint Paul, Washington County, are eligible for LHIA funding outside of the consolidated request for proposals.](#)

Section 3: Evaluation Process

The Metropolitan Council partners with Minnesota Housing, the Family Housing Fund and others to implement the LHIA program. Applicants apply for LHIA funds through the Consolidated RFP process administered by Minnesota Housing, [or directly to a sub-allocator](#). All applications are reviewed and evaluated by the funding partners, with Council staff applying the Metropolitan Council project eligibility criteria. The criteria set forth in this Fund Distribution Plan are specific to the LHIA program. See the Minnesota Housing web pages for detailed information ([Special Announcements](#)).

LHIA Threshold and Competitive Criteria

- A significant component of the project must serve households with incomes at or below 80% of Area Median Income (AMI) with a minimum affordability term of 15 years, for rental projects.
- [Grantees must have an adopted Fair Housing Policy in order to receive Livable Communities Act Funding.](#)
- Projects must have affirmative fair housing marketing plans.
- The Council will give priority to:
 - rental proposals creating or preserving affordability for persons at or below 30% of AMI;
 - proposals that serve large families by providing two or more-bedroom units; and
 - proposals meeting the needs of individuals and households experiencing long-term homelessness.

Other Considerations

The Council will give preference if:

- A municipality has a lower Housing Performance score than the other proposals being considered for funding;
- A municipality currently has a net fiscal disparities contribution of \$200 or more per household;
- A municipality does not use its expenditure from the Affordable and Lifecycle Housing Opportunity Amount (ALHOA) as the source for its matching funds; or
- A development project exceeds the current building code requirement which states a minimum of 5% of the total units in a development be designed and constructed to meet accessibility requirements, and an additional 2% of the dwelling units must be adaptable for the vision/hearing impaired. If any applications are received for projects exceeding these minimums, any other applications for affordable housing projects outside the Metro Mobility service area will receive the same preference, even if they do not propose to exceed those minimums.

LIVABLE COMMUNITIES GRANT PROGRAMS

Tax Base Revitalization Account

**2019
Funding Schedule
Funding Criteria
and Selection Process**

Tax Base Revitalization Account (TBRA) Funding Schedule

2019 Available Funding for TBRA Grants:

\$5.9 Million, including up to \$250,000 for Site Investigation Grants

\$1 Million500,000 for Seeding Equitable Environmental Development Program Grants

Application Type	Month	Activity
Round 1: Investigation, Cleanup and Seeding Equitable Environmental Development program	March	Notice of funding availability
	May	Applications due
	June	Community Development Committee recommends grant awards
	July	Council awards grants
Round 2: Investigation, Cleanup and Seeding Equitable Environmental Development program	August	Notice of funding availability
	November	Applications due
	December	Community Development Committee recommends grant awards
	January 2020	Council awards grants

Tax Base Revitalization Account (TBRA)

Section 1: Purpose, Program Profile, Award Limits

Purpose of the Tax Base Revitalization Account (TBRA) Grants

TBRA funding helps make areas that have lost commercial/industrial activity available for economic redevelopment. The grants provide funds for environmental site investigation and cleanup for redevelopments that enhance the city tax base, promote job retention or job growth and/or create or preserve affordable housing.

TBRA Program Profile

Successful TBRA applications support redevelopments that eliminate or reduce the risk from contamination, increase the tax base and, create or preserve jobs or affordable housing. Applicants will choose one of the following grant categories for each proposal submitted for funding:

- *Site 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.
- *Contamination Cleanup* grants are intended for applicants with projects that have recently completed their environmental site investigation and are seeking public funding to assist with the cost of implementing a cleanup plan for eligible activities and beginning redevelopment on a specific project.
- *TBRA Seeding Equitable Environmental Development (TBRA SEED)* grants are intended for sites within an area of concentrated poverty that do not have a planned or identified redevelopment project. Activities may include site investigation, cleanup, or both.

Funding Profile:

- Site Investigation
 - 25% match requirement
 - 1-year grant term (no extensions)
 - \$50,000 cap on request amount
 - Eligible uses:
 - Phase I environmental site assessment, Phase II environmental site assessment, hazardous materials building assessments, development of response action plans
- Contamination Cleanup
 - No match requirement
 - 3-year grant term (2-year extension possible)
 - No cap on request amount
 - Eligible uses: contaminated soil remediation, groundwater remediation, soil vapor mitigation, hazardous building materials abatements
- TBRA SEED
 - Site within areas of concentrated poverty (ACPs) and in areas previously defined as ACPs, and parcels within 150 feet of a current or former ACP
 - No identified redevelopment project associated with the investigation and/or cleanup
 - 25% match requirement for investigation and/or abatement
 - \$50,000 cap on request amount for investigation
 - 2-year grant term (no extensions);
 - Eligible uses:
 - Phase I environmental site assessment
 - Phase II environmental site assessment

- Hazardous materials building assessments
- Hazardous building materials abatements for all sites within an ACP and
- Contaminated soil remediation, groundwater remediation, or soil vapor mitigation for sites with an approved cleanup plan and developer site control

Award Limits

The Metropolitan Council reserves the right to award less than the amount requested and to award less than the available funding in a funding cycle. By [statute](#), total award amounts by funding cycle are limited to 50% within a single city or 75% within Minneapolis and Saint Paul.

Section 2: TBRA changes for 2019

- [New cleanup scoring criterion added to encourage adding job opportunities within micro-enterprises or new small businesses](#)

Section 3: Evaluation Process

Site Investigation Applications

The Council will rank the investigation applications according to the extent they demonstrate the following:

Site Investigation Evaluation Criteria	Possible Points
Increase to the Tax Base	
Increase to the tax base of the recipient municipality based on a redevelopment proposal.	5
Access to jobs and/or affordable housing (and economic competitiveness)	
<ul style="list-style-type: none"> • Potential to increase or retain the number of new full-time equivalent jobs for the region through adaptive reuse, infill development or redevelopment • Potential for construction of distribution facilities and commercial-industrial space for freight-generating industries near regional intermodal freight terminals • Potential to add affordable rental or ownership housing units for households with incomes at or below 80% of Area Median Income (AMI) OR • Preserve existing affordable housing if <ul style="list-style-type: none"> ○ the building undergoes substantial rehabilitation ○ ensures the extension of long-term affordability with income restrictions on tenants with incomes at or below 80% of Area Median Income (AMI) AND ○ includes federal subsidy (e.g., project-based Section 8) as part of the redevelopment financing 	5

Site Investigation Evaluation Criteria	Possible Points
Brownfield clean up/environmental health improvements	
<ul style="list-style-type: none"> Investigation of the most contaminated sites to provide the greatest improvement in the environment and the greatest reduction in human health risk The site and suspected contamination will use green remediation practices. The applicant's capacity to oversee environmental investigations and successfully complete site cleanup with prior Council-funded environmental investigations 	15
Orderly and Efficient Land Use	
<p>Show how the investigation supports the Council's <i>Thrive MSP 2040</i> goals by:</p> <ul style="list-style-type: none"> Likelihood of potential development to increase the use of transit, and/or Supporting growth in the region through adaptive reuse, infill development or redevelopment The Council will give priority to the re-use of vacant or abandoned sites 	15
Readiness/Market demand	
<ul style="list-style-type: none"> Demonstrate readiness to proceed with cleanup-site investigation Demonstrate readiness to proceed with site cleanup Demonstrate market demand for proposed redevelopment elements in the project area and demonstrate readiness to implement the proposed project if/when TBRA funding is provided, including identifying a developer and commitments by occupants. or future owners 	15
Partnership	
<p>Demonstrate established financial partnerships. Points are awarded for committing matching funds beyond the required minimum 25% match.</p>	5
TOTAL	
<p>Applications must score 30 points or more out of 60 points to be considered for funding.</p>	

Contamination Cleanup Applications

The Council will rank cleanup applications according to the extent they demonstrate the following:

Contamination Cleanup Evaluation Criteria	Possible Points
Increase to the tax base	
<ul style="list-style-type: none"> • Increase the tax base of the recipient municipality • Add tax revenue in the near term. (Projects not in or not expected to be in a Tax Increment Finance district earn 5 points because all the affected tax jurisdictions benefit immediately) 	25
Access to Jobs and/or affordable housing and economic competitiveness	
<ul style="list-style-type: none"> • <u>Increase or retain the number of permanent jobs in the region</u> • <u>Increase job opportunities within micro-enterprises or new small businesses</u> • Preserve and/or increase the number of permanent living wage jobs in the region • Increase permanent living wage jobs within and near areas of concentrated poverty • Construction of distribution facilities and commercial-industrial space for freight-generating industries near regional intermodal freight terminals • Add affordable rental or ownership housing units for households with incomes at or below 80% of Area Median Income (AMI) <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Preserve existing affordable housing if <ul style="list-style-type: none"> ○ the building undergoes substantial rehabilitation: ○ doing so ensures the extension of long-term affordability with income restrictions on tenants with incomes at or below 80% of Area Median Income (AMI) AND ○ includes federal subsidy (e.g., project-based Section 8) as part of the redevelopment financing <p>(A minimum of 20% of the total housing units proposed must be affordable for a project to be considered for affordable housing points, and the minimum term of affordability is 15 years.)</p>	25
Brownfield cleanup/environmental health improvements	
Clean-up of the most contaminated sites to provide the greatest improvement in the environment and the greatest reduction in human health risk	25

Contamination Cleanup Evaluation Criteria	Possible Points
Orderly and efficient land use	
<p>Show how the cleanup and redevelopment project supports <i>Thrive MSP 2040</i> goals by:</p> <ul style="list-style-type: none"> Supporting growth in the region and around regional transit through adaptive reuse, infill development or redevelopment to make the best use of public and private investment Support for private investment in Areas of Concentrated Poverty <u>particularly investment related to wealth-building strategies such as new micro-enterprise or new small business</u> Accommodating growth through increased redevelopment density Providing or preserving housing choices to give people in all life stages and of all economic means viable choices for safe, stable and affordable homes including the willingness to accept Housing Choice Vouchers Conserving vital regional natural resources features and functions Conserving, restoring or protecting the region's water resources through environmentally sound opportunities for recharging groundwater with best management practices for stormwater Commitment to resilient energy infrastructure through the use of renewable energy sources Providing access to regional parks and trails and the transit network using a variety of modes of travel Showing consistency of proposed use with regional highway system and investments in the regional transit system and showing potential for growth in transit service 	35
Readiness and market demand	
<ul style="list-style-type: none"> Demonstrate readiness to proceed with project site cleanup Demonstrate market demand for proposed redevelopment elements in the project area and demonstrate readiness to promptly implement the proposed project if/when TBRA funding is provided, including identifying an end-stage developer and commitments by occupants 	25
Partnership	
Represent innovative partnerships among various levels of government and private for-profit and nonprofit sectors	5
Community's Housing Performance Score	
The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if affordable housing is located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual score or the average score for this section from all proposals.	10
TOTAL	
Applications must score 75 points or more out of 150 points to be considered for funding.	

TBRA Seeding Equitable Environmental Development Program Applications

The Council will rank applications for the TBRA Seeding Equitable Environmental Development program category for sites within current and formerly identified area of concentrated poverty and properties directly adjacent to identified areas that do not have a specific redevelopment project according to the extent they demonstrate the following:

TBRA Seeding Equitable Environmental Development Evaluation Criteria		Possible Points
Increase to the tax base		
Potential to increase the tax base of the recipient municipality based on the current tax base of the subject property and changes to the property classification OR based on the desired land use per a current request for proposals for redevelopment		5
Access to jobs and/or affordable housing (and economic competitiveness)		
Potential for adding or retaining new jobs based or adding or preserving housing choices through adaptive reuse, infill development or mixed-use redevelopment based on existing land use designation and proximity to existing employment centers		5
Reducing contamination risk and making health improvements		
Suspected or known environmental contaminants, pollutants, hazardous substances or hazardous building materials and characterization of risks particularly to vulnerable populations (e.g., infants, children and elderly) based on the current property use at or adjacent to the subject property		15
Orderly and efficient land use		
<ul style="list-style-type: none"> • Re-use of vacant lots or buildings • Potential for new construction that will increase the intensity of land use comparing existing improvements, if any, and existing zoning designation • Potential for increases in regional transit use • Potential for construction of distribution facilities and commercial-industrial space for freight-generating industries near regional intermodal freight terminals • Plan for interim use that increases visibility or improves marketability of the redevelopment opportunity 		15
Partnership		
<ul style="list-style-type: none"> • Demonstrate public, not-for-profit or private commitment of financial resources and coordination of technical expertise to advance redevelopment opportunities • Located within an active business improvement district 		10
Readiness		
<ul style="list-style-type: none"> • Readiness to proceed with cleanup site investigation OR readiness to proceed with site asbestos and lead-based paint abatement • Market demand for redevelopment 		10
TOTAL		60
Applications must score 30 points or more out of 60 points to be considered for funding.		

LIVABLE COMMUNITIES GRANT PROGRAMS

Livable Communities Demonstration Account Transit- Oriented Development Grant Category

**2019
Funding Schedule
Funding Criteria
and Selection Process**

Livable Communities Transit-Oriented Development (TOD) Funding Schedule

2019 Available Funding for LCA-TOD Grants:

LCDA-TOD Grants: \$5 Million, including up to \$~~250~~500,000 for Pre-Development Grants

~~TBRA-TOD Grants: \$2 Million, including up to \$250,000 of that amount available for TBRA-TOD Site Investigation grants~~

Application Type	Month	Activity
LCDA-TOD Pre-Development TBRA-TOD Investigation	March	Notice of funding availability
	May 1	Round 1 applications due
	June	Community Development Committee recommends Round 1 grant awards
	June/July	Council awards Round 1 grants
	September	Notice of funding availability
	November 1	Round 2 applications due
	December	Community Development Committee recommends Round 2 grant awards
	December / January	Council awards Round 2 grants
LCDA-TOD Development TBRA-TOD Cleanup	March	Notice of funding availability
	February & April	Design workshops
	June 1	Project Concept Plans due
	July 11	Applications due
	October	Community Development Committee recommends TOD Development grant awards
	October / November	Council awards TOD Development grants

Transit-Oriented Development Grants

Section 1: Purpose, Program Profile, Award Limits

Purpose of Transit Oriented Development

Transit Oriented Development, or TOD, refers to 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, ~~businesses, restaurants, shops and entertainment~~ and ~~is retail choices~~ oriented to the transit stop. TOD projects are expected to diversify uses and provide a higher concentration of amenities in a compact built environment in transit station areas, contributing to high-quality, pedestrian-oriented streets and public spaces encouraging the use of transit service. ~~These development project offer people of all age, backgrounds and incomes abundant, convenient and affordable transportation choices and the opportunity to live active lives.~~ Through a focus on TOD, the Council aims to integrate transportation, jobs, and housing, leverage private investment, advance equity, and increase transit ridership.

TOD Program Profile

LCA-TOD grants are a category within the LCDA ~~and TBRA~~-accounts intended to catalyze transit-oriented development along transit corridors throughout the metropolitan area. (See introduction section for definition of the LCDA and TBRA-accounts.) Limited geographic areas are eligible for TOD funding based on levels of transit service and a transit project's stage of development. The criteria to determine areas eligible for TOD funding is as follows:

~~that a project has entered environmental review for LCDA-TOD Pre-Development – athe transit project is in environmental review and in the Transportation Policy Plan Current Revenue Scenario or the lead agency has adopted the Final Station Plan for arterial bus rapid transit. applications, and has completed environmental review, or received a Record of Decision, for~~

~~LCDA-TOD development applications. Development – The transit project has completed environmental review or received a Record of Decision.~~

Projects requesting LCDA-TOD Development funding must be located in one of the following TOD Eligible Areas, described as within:

- A ½-mile radius of an existing station on the following transit corridors:
 - METRO Blue, Green, and Red Lines
 - A Line
 - Northstar Commuter Rail Line
- A ½-mile radius of a proposed station on the following planned transit corridors:
 - METRO Blue Line and Green Line Extensions, ~~and METRO~~ Orange Line
 - C Line (excluding temporary stations), D Line
- A ½-mile radius of a bus stop or station on high-frequency express routes. High-frequency express service is defined as bus service on or outside the I-494/694 freeways providing six or more trips during at least one of the peak morning hours between 6:00 AM and 9:00 AM and every 10 minutes during the peak morning hour.
- A ¼-mile radius of a bus stop along high frequency local bus lines, defined as those routes providing service at least every 15 minutes and running between 6:00 AM to 7:00 PM on week days and between 9:00 AM and 6:00 PM on Saturdays.

Projects requesting LCDA-TOD Pre-Development funding must be located within any one of the TOD Eligible Areas described above, or within:

- A 1/2-mile radius of a proposed station on the following planned transit corridors:
 - METRO Gold Line.

- Rush Line

Funding Profile:

- LCDA-TOD Development
 - No match requirement
 - No cap on request amount
 - Award limits: \$2,000,000 per city
 - Application limit: three per City
 - 3-year grant term (2-year extension possible)
 - Eligible uses are the same as the [LCDA Development grant category](#)
- LCDA-TOD Pre-Development
 - 25% match requirement
 - No cap on request amount
 - Award limit: \$100,000 per city, per round
 - 2-year grant term (no extensions)
 - Application limit: three per City
 - Eligible uses: ~~site plan development design workshops~~, market studies, project-specific stormwater management plans, ~~soil testing to determine feasible uses geotechnical analysis, impact analyses, architectural work for site plans or~~ development staging plans
- LCDA-TOD Zoning Implementation
 - 25% match requirement
 - No cap on request amount
 - Award limit: \$100,000 per city, per round
 - 2-year grant term (no extensions)
 - Eligible uses: development of ~~zoning implementation tools~~ [TOD zoning ordinances](#)
 - ~~TBRA-TOD Site Investigation~~
 - 25% match requirement
 - 1-year grant term (no extensions)
 - \$50,000 cap on request amount
 - Award limit: \$100,000 per city, per round
 - Eligible uses: same as TBRA Site Investigation
 - ~~TBRA-TOD Cleanup~~
 - No match requirement
 - Award limit: \$1,000,000
 - 3-year grant term (2-year extension possible)
 - Eligible uses: are the same as TBRA Cleanup
 - ~~Special note: available only in conjunction with concurrent LCDA-TOD application and award.~~

[A list of eligible grant-funded activities will be available in the application guide.](#)

Award Limits

The Metropolitan Council reserves the right to award less than the amount requested and to award less than the available funding in a funding cycle.

Section 2: TOD changes for 2019

- [Consolidation of TBRA-TOD into the regular TBRA program. Projects needing contamination cleanup may apply for funding through the regular TBRA program.](#)
- [Removal of TOD threshold criteria \(elements from prior threshold criteria are integrated into Step 1 scoring\).](#)

- Refinement of scoring to allow for jobs or housing projects, with additional points given to mixed-use projects; greater emphasis on design and contributions to pedestrian realm; increase in points awarded for partnerships and equitable development strategies.
- Refinement of criteria to determine TOD eligible areas. Change from “project has entered environmental review” to “project has received FTA approval to Enter Project Development and/or Council has adopted a Final Station Plan”. This change provides more clarity on the specific point on the corridor development timeline a transit project may be eligible and provides more certainty on station locations.
- Addition of the D Line BRT corridor as eligible for TOD Pre-Development and Development grants and Rush Line as eligible for TOD Pre-Development grants.

Section 3: Evaluation Process

LCDA-TOD Development Application Evaluation Process

The evaluation of TOD Development applications is a two-step ranking process. First, an interdivisional staff evaluation team reviews and scores eligible applications using the Step One evaluation criteria (see table below). Step Two of the evaluation process is conducted by members of the Livable Communities Advisory Committee (LCAC) using the Step Two evaluation criteria (see table below.)

The Council will rank LCDA-TOD Development applications according to the extent they demonstrate the following:

LCDA-TOD Development and TBRA-TOD Cleanup Category Threshold Criteria

Transit-Oriented Development Design Features in the TOD Area

<p>The development project must comply with an approved station area plan or small area plan that addresses the following TOD design features:</p> <ul style="list-style-type: none"> • Minimal building setbacks • Short blocks with pedestrian connections adjacent to the buildings • Optimal pedestrian convenience between station and other connecting transit. A range of housing densities, types and costs • Connections between housing, retail, employment centers and recreational uses • Cycling and walking conveniences • Current and future employment opportunities within the TOD Area and within the connecting transit corridor/corridors • Conservation, protection, and enhancement of natural resources • Residential and commercial parking is limited, shared between uses, located to the rear of buildings, and/or is structured 	<p>Pass</p>	<p>Fail</p>
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Housing and Economic Diversity Considerations within the TOD Area

<p>City has adopted a policy/plan/guideline or other official local control to:</p>		
<p>Create or preserve a mix of housing affordability around transit investments in the TOD area by addressing both the preservation of existing subsidized and naturally occurring affordable housing units in the TOD Area and</p> <ul style="list-style-type: none"> • The addition of affordable housing units in the TOD Area <p>or</p> <ul style="list-style-type: none"> • The addition of higher-value housing in lower-income areas to achieve a mix of housing affordability. 	<p>Pass</p>	<p>Fail</p>
<p>Address how the applicant will proactively and intentionally address gentrification</p>	<p>Pass</p>	<p>Fail</p>

Step One Evaluation Criteria for LCDA-TOD Development	Possible Points
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<u>TOD Principles:</u>	
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<ul style="list-style-type: none"> • <u>The demonstration of TOD design principles to enhance the public realm and pedestrian environment</u> • <u>The inclusion of amenities and strategies to support transit use, biking, walking, car share and alternative modes of transportation to single-occupancy vehicles.</u> • <u>The intensity of future use of the site and consistency with the Council's Housing Policy Plan and Transportation Policy Plan</u> • <u>The degree to which proposed development projects align with city TOD guidelines or area plans</u> 	<u>20</u>
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<u>Housing and Jobs: (Projects will be scored as a “housing” or “jobs” project.)</u>	
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<p><u>Housing Criteria:</u></p> <ul style="list-style-type: none"> • The proposal's ability to produce<u>The addition of affordable and/or life cycle housing, or preservation of affordable units within the station area</u> • including the willingness to accept Housing Choice Vouchers • The city has adopted affordability requirements for housing assisted with city funds or other fiscal devices applicable in the TOD Area • The proposal's ability to create or preserve a mix of housing diversity<u>The diversification of housing affordability and/or type within the station area</u> • <u>The acceptance of Housing Choice Vouchers</u> • <u>Housing affordability requirements for development projects assisted with city funds or other fiscal devices applicable in the TOD Area</u> 	20 (single-use projects 15)
<p><u>Jobs Criteria:</u></p> <ul style="list-style-type: none"> • <u>The creation or preservation of permanent jobs within the region</u> • <u>The creation or preservation of permanent living wage jobs in the region</u> • <u>The creation of jobs within or near areas of concentrated poverty</u> • <u>The project's proximity to employment centers with high job densities and its ability to enhance the local tax base</u> • <u>The establishment of hiring and procurement goals and/or processes that advance and promote the employment of local workers and/or disadvantaged businesses</u> 	
<p><u>Mixed-use projects will be scored on the criteria above as well as on the type and diversity of uses within the development project.</u></p>	

Step One Evaluation Criteria for LCDA-TOD Development	Possible Points
Transit Accessibility, Walkability, & Ridership	
<ul style="list-style-type: none"> The degree to which the development project makes TOD the TOD Area provides the opportunity for residents and/or employees in that TOD Area to live or work there without relying on an automobile to meet daily needs through the use of transit or walking, and to reduce automobile ownership, vehicular traffic, and associated parking requirements that would otherwise be necessary to support a similar level of more traditional development <u>more transit-oriented OR the degree to which the existing area is already supportive of transit users</u> <u>The degree to which the project fulfills an identified area need</u> <u>The extent and quality of connections from the development project to transit service and other uses through infrastructure that promotes pedestrian and/or bike mobility</u> The project's ability to increase the share of transit ridership to a level above what would be expected from a more traditional development <u>An increase in transit ridership</u> 	4615
Jobs & Economic Competitiveness	
<ul style="list-style-type: none"> The project's ability to create or preserve permanent jobs The city has established hiring and procurement goals and/or processes that advance and promote the employment of local workers and/or disadvantaged businesses The project's proximity to employment centers with high job densities and its ability to enhance the local tax base 	15
TOD Design:	
<ul style="list-style-type: none"> The degree to which the city has formalized TOD guidelines The intensity of future use of the site, and The project's ability to demonstrate TOD design features and/or connections that promote walking, bicycling, recreation, and the use of transit 	14
Environmental Design	
<ul style="list-style-type: none"> The project's ability to minimize stormwater runoff, filter sediments, and promote infiltration <u>Conserving, restoring, or protecting the region's water resources through best management practices or innovative design</u> Integrate native vegetation Incorporate green building design and energy efficiency standards, and <u>Commitment to resilient energy infrastructure through the use of green building design, energy efficiency standards, and/or the inclusion of renewable energy sources</u> Clean contaminated land <u>The conservation, protection, or enhancement of natural resources features and functions</u> 	612

Leverage/Process and Partnerships:	
<ul style="list-style-type: none"> Partnerships have been established to advance the proposal and leverage other resources among various levels of government and private for-profit and non-profit sectors and the local community Community engagement efforts are initiated early in the planning process The planning process is inclusive of and responsive to community participation, vision, and leadership The extent to which the project advances equitable development 	<u>48</u>
TOTAL	75
Applications must score 45 or more points to advance to the Step Two evaluation process.	

Step Two Evaluation Criteria for LCDA-TOD Development and TBRA-TOD Cleanup	Possible Points
TOD Model/Demonstration Value	
<ul style="list-style-type: none"> The project's demonstration value and potential to provide area-wide benefits The degree to which the development plan demonstrates TOD design principles/features as listed under the threshold criteria The degree to which equitable development strategies were incorporated when planning and/or designing the proposed project 	20
Catalyst	
<ul style="list-style-type: none"> The extent to which TOD funding requested elements will be a catalyst to implement the project of which it is a part The extent to which the proposed project will catalyze additional development and private investment to future project phases and/or to the immediate area and throughout the region <u>The inclusion of strategies to support wealth building for residents within the community where the project is located</u> 	<u>15</u>
Readiness	
<ul style="list-style-type: none"> Project readiness and anticipated timeframe of development (higher points for proposals further advanced on predevelopment continuum and development projects closest to "shovel-ready/ground breaking" stage) 	15
Step Two Total	<u>45</u>
Combined Step One and Step Two Total	<u>120</u>
Applications must score <u>72-75</u> or more points of the total <u>120-125</u> available points from Step One and Step Two combined to be considered for funding.	
Housing Performance Score	
The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if a significant amount of affordable housing is already located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual performance score or the average performance scores from all proposals being evaluated.	10
Overall Total	135

LCDA-TOD Pre-Development and LCDA-TOD Zoning Implementation Application Evaluation Process

Applicants seeking funding for LCDA-TOD Pre-Development and LCDA-TOD Zoning Implementation activities may apply for funds in two funding rounds. The process for evaluating applications for these grants is conducted by a staff evaluation team in a single step.

LCDA-TOD Pre-Development, TOD Zoning Implementation and TBRA-TOD Site Investigation Threshold Criteria

Transit-Oriented Development Design Features in the TOD Area

<p>The development project must comply with an approved station area plan or small area plan that addresses the following TOD design features:</p> <ul style="list-style-type: none"> • Minimal building setbacks • Short blocks with pedestrian connections adjacent to the buildings • Optimal pedestrian convenience between station and other connecting transit • A range of housing densities, types and costs • Connections between housing, retail, employment centers and recreational uses • Cycling and walking conveniences • Current and future employment opportunities within the TOD Area and within the connecting transit corridor/corridors • Conservation, protection, and enhancement of natural resources • Residential and commercial parking is limited, shared between uses, located to the rear of buildings, and/or is structured 	Pass	Fail
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Housing and Economic Diversity Considerations within the TOD Area

<p>City has adopted a policy/plan/guideline or other official local control to:</p>		
<p>Address both the preservation of existing subsidized and naturally occurring affordable housing units in the TOD Area, and</p> <ul style="list-style-type: none"> • The addition of affordable housing units in the TOD Area <p>or</p> <ul style="list-style-type: none"> • The addition of higher-value housing in lower-income areas to achieve a mix of housing affordability 	Pass	Fail
<p>Address how the applicant will proactively and intentionally address gentrification</p>	Pass	Fail

Evaluation Criteria for LCDA-TOD Pre-Development with an Identified Future Development Project	Possible Points
Applications will be evaluated on the degree to which the proposed activities will enhance the potential for an associated development or redevelopment project to:	
Transit Accessibility, Walkability, and Ridership	
<ul style="list-style-type: none"> Make the TOD Area more transit-oriented OR the degree to which the existing area is already supportive of transit users, considering factors such as: diversity of uses, quality of the pedestrian environment and connections to transit Provide the opportunity for residents and/or employees in the TOD Area to live or work there without relying on an automobile to meet daily needs by using transit or walking; to reduce automobile ownership, vehicular traffic, and associated parking requirements that would otherwise be necessary to support a similar level of more traditional development Increase ridership 	4510
Housing	
<ul style="list-style-type: none"> Produce affordable and/or lifecycle housing Assist the city in meeting its affordable and life-cycle housing goals Create or preserve a mix of housing affordability within the station area 	45
Jobs	
<ul style="list-style-type: none"> Create or preserve employment opportunities 	45
TOD Design	
<ul style="list-style-type: none"> Exemplify TOD design features Intensify future use of the site 	15
TOD Model/Demonstration Value	
<ul style="list-style-type: none"> Lead to a project that can serve as a model of TOD, providing demonstration value and area-wide benefits 	45
Housing	
<ul style="list-style-type: none"> Produce affordable and/or lifecycle housing Assist the city in meeting its affordable and life-cycle housing goals Create or preserve a mix of housing affordability within the station area 	10
Jobs	
<ul style="list-style-type: none"> Create or preserve employment opportunities 	5
Catalyst	
<p><u>Applications will also be evaluated on the degree to which:</u></p> <ul style="list-style-type: none"> The extent to which pPre-development activities will be a catalyst to implement the project of which it isthey are a part Pre-development activities will lead to a development project providing demonstration value and design beyond that of standard development types The extent to which tThe proposed development project will catalyze additional development and private investment to future project phases and/or 	515

to the immediate area, <u>particularly focusing on retaining or attracting locally owned businesses and providing opportunities to the local community</u>	
Partnerships and Readiness	
<p>Applications will also be evaluated on the degree to which:</p> <ul style="list-style-type: none"> • prePre-development activities provide for meaningful and appropriate public engagement • The city has identified and secured financial commitments to move the project forward • The city has demonstrated political commitment for the future development or redevelopment project • The proposed project is ready and able to use the grant, if awarded, within the 24-month grant term (Higher points will be given for more advanced projects on the pre-development continuum) 	10
Housing Performance Score	
<p><u>The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if a significant amount of affordable housing is already located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual performance score or the average performance scores from all proposals being evaluated.</u></p>	10
Total	
9075	
Applications must score at least <u>5445</u> of the total <u>9075</u> available points	
Evaluation Criteria for LCDA-TOD Pre-Development and TBRA-TOD Site Investigation with an Identified Future Development Project	
Possible Points	
Housing Performance Score	
<p>The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if a significant amount of affordable housing is already located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual performance score or the average performance scores from all proposals being evaluated.</p>	40
Overall Total	
100	

Evaluation Criteria for Pre-Development TOD Zoning Implementation		Possible Points
Applications will be evaluated on the degree to which the proposed zoning ordinance will:		
Transit Accessibility, Walkability, and Ridership		
<ul style="list-style-type: none"> Improve the ability of residents and/or employees in the TOD Area to live or work there without relying on an automobile to meet daily needs by using transit or walking; to reduce automobile ownership, vehicular traffic, and associated parking requirements that would otherwise be necessary to support a similar level of more traditional development <u>pedestrian and bike environment within the station area by addressing such elements as: increased connections and intersection density, public realm requirements, reduced parking requirements, addition of public space, and diversification of uses and intensification of future development within the TOD area.</u> 	20	
TOD Design and Demonstration		
<ul style="list-style-type: none"> Demonstrate TOD design features <u>by addressing elements such as building articulation and orientation, pedestrian zones, parking placement and access</u> Intensify future development in the TOD Area 	25	
Catalyst		
<ul style="list-style-type: none"> The extent to which the zoning ordinance will catalyze (induce, stimulate, prompt, effectuate, or cause to happen) development and private investment to future projects 	10	
Partnerships and Readiness		
Applications will also be evaluated on the degree to which: <ul style="list-style-type: none"> pre-development activities provide for meaningful and appropriate public engagement The city has identified and secured financial commitments to move the project forward The city has demonstrated political commitment for the proposed zoning ordinance 	15	
Housing Performance Score		
<u>The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if a significant amount of affordable housing is already located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual performance score or the average performance scores from all proposals being evaluated.</u>	<u>10</u>	
Total		870
Applications must score at least 42-48 of the 70-80 available points		
Housing Performance Score		
The applicant's Housing Performance Score will be converted from a 100-point scale to a 10-point scale. If a proposed project includes new affordable housing or if a significant amount of affordable housing is already located within the project site/area, the proposal will be held harmless by assigning the higher of the community's actual performance score or the average performance scores from all proposals being evaluated.	10	
Overall Total		80

Appendix A. Definitions

- **Affordable housing, for all Livable Communities Act programs**, is ownership or rental housing affordable to households with incomes of 80% or less of Area Median Income (AMI). ~~All Livable Communities Act affordable housing grant applications that include affordable housing Units indicated as affordable~~ must have a minimum 15-year affordability term, and a mechanism to ensure the affordability for that period of time, ~~to be considered as affordable~~.
- **Equity** connects all residents to opportunity and creates viable housing, transportation, and recreation options for people of all races, ethnicities, incomes, and abilities so that all communities share the opportunities and challenges of growth and change.
- The **Development Project** is the development or redevelopment project that provides the deliverables upon which a development grant application is scored. Note that in most cases, the Grant-Funded Activities do not comprise the Project.
- **Equitable Development** creates healthy vibrant communities of opportunity where low income people, people of color, new immigrants and people with disabilities participate in and benefit from systems decisions and activities that shape their neighborhoods.
- **Fair Housing Policy** A written statement regarding the local municipality's commitment to fair housing, typically including the policy's purpose, procedures for complaint identification and referral, designating a fair housing officer, and outlining internal and external actions the municipality will undertake to advance fair housing. A best practices guide, as well as a copy of a model local fair housing policy can be found here: <https://metro council.org/Handbook/Files/Resources/Best-Practices/Fair-Housing-Policy-Guide.aspx>
- The **Future Development Project** is the development or redevelopment project that provides the deliverables upon which the Pre-Development grant application is scored. These criteria apply only to LCDA-TOD Pre-Development applications as specified in the LCA-TOD eligibility criteria.
- The **Grant-Funded Activities** are components of the project described in the application. The Grant-Funded Activities do not in and of themselves make up the project for which the Council awards grant funds.
- A **Living Wage** is 130% of the poverty guideline for a family of four within the 48 contiguous states established annually by the U.-S. Department of Health and Human Services.
- **Micro-Enterprise** is a business with 5 or fewer employees including the owner.
- **Participating Community.** To compete for Livable Communities grants, a community must elect to **participate** in the Local Housing Incentives program established by the Metropolitan Livable Communities Act (LCA) as well as negotiate with the Metropolitan Council to establish a set of goals for affordable and lifecycle housing. There are currently 96 95 Twin Cities communities participating in LCA programs.
- The process of **Placemaking** can lead to the creation of physical spaces that foster civic engagement, build social connections, catalyze economic development, demonstrate environmental sustainability, and contribute to the unique sense of identity of a project area or neighborhood. LCA funding may be used for engagement activities to develop placemaking and for certain physical spaces. ~~placemaking-eligible spaces are i~~ntentionally designed spaces, such as plazas, squares, greens or courtyards, that serve to create an identity, a focal point of, or gateway to the

development are examples of spaces that may be eligible for LCA funding. Playgrounds, tot lots, neighborhood parks, or general amenity areas primarily for the use of the development project's tenants are examples of spaces that do not meet eligible placemaking criteria for Livable Communities.

- The **Project Area** is the specific geographic area in which LCDA-TOD Pre-Development activities will be conducted.
- For the purposes of LCDA and LCDA-TOD Development applications, **site improvement** means demolition and removal of obsolete structures; excavation, filling, grading and soil correction to prepare a site for construction.
- **Small Business** is a business that have been operating for at least 1 year with more than 5 employees and less than 50 employees, less than \$10 million in revenue, and faces barriers to survival and growth.
- **Transit-Oriented Development (TOD)** is moderate to higher-density development located within easy walking distance of a major transit stop, generally with a mix of residential, employment and shopping opportunities designed for pedestrians. (Additional information about transit-oriented development can be found in the Council's online handbook, the Guide for Transit-Oriented Development.)
- **An LCDA-TOD-Eligible Area** is
 - A ½-mile radius of an existing station on the following transit corridors:
 - METRO Blue, Green, and Red Lines
 - A Line
 - Northstar Commuter Rail Line
 - A ½-mile radius of a proposed station on the following planned transit corridors:
 - METRO Blue Line and Green Line Extensions, and METRO Orange Line
 - C Line (excluding temporary stations), D Line
 - A ½-mile radius of a bus stop or station on high-frequency express routes. High-frequency express service is defined as bus service on or outside the I494/694 freeways providing six or more trips during at least one of the peak morning hours between 6:00 AM and 9:00 AM and every 10 minutes during the peak morning hour.
 - A ¼-mile radius of a bus stop along high frequency local bus lines, defined as those routes providing service at least every 15 minutes and running between 6:00 AM to 7:00 PM on week days and between 9:00 AM and 6:00 PM on Saturdays.
- ~~Additionally, for Pre-Development: A ½-mile radius of a proposed station on METRO Gold Line.~~
- ~~The criteria to determine areas eligible for TOD funding is that a project has entered environmental review for LCDA Pre-Development applications, and has completed environmental review, or received a Record of Decision, for LCDA-TOD development applications.~~
- ~~Projects requesting LCDA-TOD Pre-Development funding must be located within any one of the TOD Eligible Areas described above, or within :~~
- Aa 1/2-mile radius of a proposed station on the following planned transit corridors:
 - METRO Gold Line.
 - Rush Line

- The criteria to determine areas eligible for TOD funding is as follows:
 - LCDA-TOD Development – The transit project has completed environmental review or received a Record of Decision.
 - LCDA Pre-Development – a project is in environmental review and included in the Transportation Policy Plan Current Revenue Scenario or the lead agency has adopted the Final Station Plan for bus rapid transit corridors.

Appendix B. How the Livable Communities Grant Program Supports Thrive MSP 2040

Under state law, the Council is responsible for preparing a comprehensive development guide for the seven-county metropolitan area. *Thrive MSP 2040* provides a framework for a shared vision for the future of our region over the next 30 years. The Council adopted Thrive in 2014, along with the Housing Policy Plan, and in 2015 adopted the Transportation Policy Plan, the Regional Parks Policy Plan, and Water Resources Policy Plan. Thrive MSP 2040 and the policy plans provide the policy foundation and strategies to help accomplish the five desired outcomes that define the shared regional vision: **Stewardship, Prosperity, Equity, Livability, and Sustainability.**

The five outcomes reinforce and support one another to produce greater benefits than any single outcome alone. Outcomes describe how Council investments and policies are enriching the region for residents and businesses.

In addition to the Thrive systems and policy plans, the Council will consider how to advance the Thrive outcomes by making investments through **Livable Communities Act** grants. Livable Communities Act funding currently addresses the Thrive outcomes in many ways. Some of the ways include:

Stewardship:

“Leveraging our infrastructure investments with higher expectations of land use.”

- LCDA and LCDA-TOD grants, in particular, help fund land acquisition and public infrastructure that increase densities, and provide a mix of uses and housing affordability and types.

Prosperity:

“Planning for and investing in infrastructure, amenities, and quality of life with an eye to what the region needs to be economically competitive.”

- LCDA and LCDA-TOD grants help fund basic infrastructure and placemaking features that help create livable neighborhoods, as well as helping provide workforce housing in proximity to job centers and transit

“Encouraging redevelopment and infill development across the region.”

- All LCA accounts and associated grant categories have helped, and will continue to help participating communities implement projects in priority sites, that help further their comprehensive plan community development and redevelopment objectives

Equity:

“Using our influence and investments to build a more equitable region.”

- The Livable Communities Act, Council policies and participating communities implement projects across the region that provide a range of employment, housing and transportation opportunities

“Investing in a mix of housing affordability along the region’s transitways.”

- LCA grants have worked with participating communities and funding partners to create and preserve a mix of housing types and affordability levels connected to transit and jobs. Through the TOD grant category, the Council specifically awards grants for affordable housing in transit areas.

Livability:

“Providing housing and transportation choices for a range of demographic characteristics and economic means.”

- The Livable Communities Act, by design, provides funding to assist with the production and preservation of a range of housing and transportation choices.

“Aligning resources to support transit-oriented development and walkable, urban places.”

- One of the early initiatives of the current Council was to create the TOD category of TBRA and LCDA grants. To date, the Council has awarded \$30.2 million in grants to 38 projects through the LCA-TOD grant categories.

Sustainability:

“Promoting the wise use of water through expanding water conservation and reuse, increasing groundwater recharge, and rebalancing surface water and groundwater use.”

- Many of the LCDA, LCDA-TOD, and TBRA-funded projects have included water conservation and re-use features, as well as provisions to protect water quality.

In collaboration with regional funding partners and participating cities, the Council will continue work to tailor the scoring criteria for LCA investments to balance the Thrive outcomes recognizing that *“projects that balance all five of the outcomes create positive change, while efforts that advance only one or two at the expense of the others may fall short over the long term.”*

The five outcomes focus on the “why” of *Thrive MSP 2040*. Just as important is the “how” - the principles set forth in *Thrive* guide how the Council carries out its work to advance the outcomes. The Council has identified three principles: **Integration, Collaboration, and Accountability.**

An example of the principle of **Integration** at work in the LCA is perhaps most clearly seen in the creation of the LCA-TOD grant category which focuses resources for projects that intensify land use in station areas and along high frequency bus corridors.

Collaboration is inherent in the LCA through statutory language that requires proposals using innovative partnerships between government, private for-profit, and nonprofit sectors be given priority. Additionally, the Council works with participating communities to support their community development needs when reviewing and developing the scoring criteria for the grant accounts

Accountability is essential for LCA. Monitoring and evaluating projects funded with LCA grants is an ongoing effort and challenge. Council staff is committed to continual improvement in this work to measure and report the regional accomplishments gained through completed projects, as well as hurdles experienced by projects that do not materialize. Both accomplishments as well as hurdles will be used to refine future Fund Distribution Plans to advance the *Thrive MSP 2040* outcomes.



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