

Committee Report

Community Development Committee



Committee Meeting Date: February 5, 2024

For the Metropolitan Council: February 14, 2024

Business Item: 2024-41

Adoption of 2024 Livable Communities Act Fund Distribution Plan

Proposed Action

That the Metropolitan Council approve the 2024 Livable Communities Act Fund Distribution Plan as shown in Attachment 1, for the TBRA and LHIA accounts [only], while pausing grants offered under the LCDA account.

Summary of Community Development Committee Discussion/Questions

Staff presented the 2024 Fund Distribution Plan for Livable Communities Act grant programs, as initially shared for discussion at the January 16 meeting, as well as a packet of supplementary information provided in response to committee members' questions at the previous meeting and in subsequent correspondence.

Committee members discussed the proposed changes to scoring and process described in the business item, and discussed several issues at length, including clarifications regarding the TBRA proposed changes and the proposal for combining step 1 and step 2 review for the LCDA programs. The Committee members shared concern about the overall participation in the program and ensuring that smaller communities across the region could access and participate in the program. The Committee then turned to the question of how to make changes to the program for the 2025 funding cycle.

Wulff moved, and Johnson seconded, a motion to approve the 2024 Livable Communities Act Fund Distribution Plan as shown in Attachment 1, for the TBRA and LHIA accounts, while pausing all grants offered under the LCDA account.

After further discussion on the motion, the Committee members voted and the motion carried with four (4) in favor and three (3) opposed.

Business Item

Community Development Committee



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Adoption of 2024 Livable Communities Act Fund Distribution Plan

District(s), Member(s): All

Policy/Legal Reference: Minn. Stat. § 473.25

Staff Prepared/Presented: Sarah Berke, Senior Manager, Livable Communities, 651-602-1198
Hannah Gary, Planning Analyst, 651-602-1633

Division/Department: Community Development / Livable Communities

Proposed Action

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

Background

The Livable Communities Act (LCA) requires that the Council prepare an annual plan for distribution of the Livable Communities funds that includes funding availability, program guidelines, and scoring criteria. Building on Committee workshop discussions on [July 17](#), [August 21](#), and [October 2](#), and following discussions on [December 4](#), [December 18](#), and [January 18](#), staff recommends approval of the Fund Distribution Plan for 2024 LCA programs as shown in Attachment 1. Staff is proposing minor process and scoring criteria changes to programs for the 2024 cycle, given the Committee's ongoing interest in making programs accessible to more applicants and ensuring good stewardship of resources. Approval of the 2024 Plan will allow staff to begin outreach and open the first rounds of applications for the 2024 program year.

Beyond the 2024 Plan, staff will continue to work with Council Members and community stakeholders to develop proposed program changes for the 2025 program cycle, continuing from the working sessions held in the summer and fall of 2023. Staff is committed to an engaged program development process and intends to spend 2024 developing proposed program changes in partnership with Council Members, city staff, developers, and other identified stakeholders. Committee Members requested more information about a range of LCA program topics for both 2024 and 2025 consideration at the January 18 Committee meeting and in subsequent correspondence; responses to these questions are summarized separately.

Incorporating Feedback

The proposed 2024 changes respond to feedback from applicants and reviewers and represent changes to administrative process and reduction of duplicative scoring criteria. The proposed changes are part of a commitment to continuous improvement, but not intended to change program goals or outcomes this year.

Scoring Criteria

In response to feedback that the **LCDA & TOD Development** process is slower than other funders', that our application is complex, and that the role of LCAC members is too subjective:

- A single step scoring process is being proposed for the LCDA and LCDA-TOD programs to ensure that all applications are seen by reviewers external to the Council as well as to reduce the review time by several weeks. The intended impact of this administrative change is to have a more objective and streamlined scoring process while providing applicants with funding recommendations in a timelier manner.
- The Project Team and Project Process scoring criteria are being combined into a single Projects Process section for the LCDA and LCDA-TOD programs. Through application response and review analysis, staff found that the scoring criteria in those two categories was redundant. Combining the sections will reduce duplication of scoring criteria and will make both the application and review process clearer.
- To reflect these scoring changes, overall scoring points have been adjusted. In the new rubric, a minimum equity score (22% of total points, vs. 24% in 2023) and a minimum overall score (59% of total points, vs. 60% in 2023) are still required.

Program Changes

For the **Affordable Homeownership** program, in response to feedback that a 1:1 match requirement was confusing and administratively burdensome for applicants, and also in response to comments from Committee members who wanted to better understand how funding award recommendations are prioritized:

- In lieu of the existing 1:1 match requirement, but with similar effect, staff propose capping per-unit support at no more than 50% of eligible project gap.
- Additionally, staff propose guidance for maximizing the number of awards and the number of homes funded if demand continues to exceed available funds. This recognizes the fact that homeownership projects are often scalable with partial awards.

For the **TBRA Site Investigation** program, staff has heard that our process is time-intensive and too inflexible to adequately support smaller, time-sensitive Site Investigation projects, likely explaining the low demand for this longstanding program. To encourage more applicant interest and support more time-sensitive projects:

- Staff proposes to pilot a scattered-site TBRA Site Investigation award option that could be used by an applicant for multiple sites within a Target Area, with a maximum award of up to \$50,000 per project or up to \$250,000 per applicant for multiple scattered sites.
- To encourage active use of the funds, applicants would be required to expend 80% or more of awarded funds before being eligible to reapply.

Funding Availability Proposal

The 2024 Fund Distribution Plan provides direction for up to \$29.0M in grants to be awarded in this solicitation cycle, as shown in Table 1.



Table 1. 2024 LCA Proposed Funding Availability, by Program

Program	2024 Funding
Tax Base Revitalization Account (TBRA)	
• Contamination Clean-Up and Site Investigation	\$5.5 M
• Seeding Equitable Economic Development	\$0.5 M
Livable Communities Demonstration Account (LCDA)	
• Pre-Development	\$2.0 M
• Policy Development	\$0.2 M
• LCDA Development	\$9.8 M
• Transit-Oriented Development	\$5.5 M
• Affordable Homeownership	\$3.0 M
Local Housing Incentives Account (LHIA)	
• Multifamily / Consolidated RFP	\$2.5 M
TOTAL	\$29.0 M

Table 2. 2024 LCA Funding Availability Sources, by program

Program	TBRA		LCDA					LHIA
Base Funding Allocation	\$5.0 M		\$14.3 M					\$1.5 M
Restricted Reserves Allocation	\$0.5 M		\$2.0 M					\$0
Unrestricted Reserves Allocation	\$0.5 M		\$4.2 M					\$1.0 M
Total Recommended for 2024	\$6.0 M		\$20.5 M					\$2.5 M
Recommended Distribution by Program	TBRA \$5.5M	SEED \$0.5M	LCDA \$9.8M	TOD \$5.5M	Pre-D \$2.0M	Policy \$0.2M	HO \$3.0M	RFP \$2.5M
TOTAL	\$29.0M							
<i>Anticipated restricted reserve balance</i>	\$1.5M		\$0.4M					\$0
<i>Anticipated unrestricted reserve balance</i>	\$8.3M							

Rationale

As described in the above report, Council staff have gathered feedback from Council Members over the course of workshops and discussions during Committee meetings. Additionally, staff has received extensive input from Committee members, applicants, and program partners throughout the year in the form of both formal surveys and ongoing conversations. The proposed Plan reflects input received and will further the goals and objectives outlined in the Livable Communities Act, in *Thrive MSP 2040*, and by the Committee members. Approval of the 2024 Plan will allow staff to continue offering grant programs this year. In 2024 and 2025, through continued conversations and research, staff will work to incorporate more feedback and develop programs that reflect updated policy goals outlined in *Imagine 2050*.

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 advances the Thrive principles of Livability, Sustainability, Equity, and Prosperity. Several criteria further the Council's Equity outcome by better accounting for measurable equity impacts. Finally, the LCA programs are an important way we advance Stewardship by making strategic investments in our region's future to ensure orderly and economical development.

Funding

The 2024 Fund Distribution Plan provides direction for up to \$29M in grants to be awarded in this solicitation cycle. Approximately \$21M is available in the 2024 Authorized Budget and \$8.0M is available in reserve accounts to add to the balance. This business item provides the policy direction for future budget actions required to meet annual cashflow needs of multi-year grants. Future Council annual budgets and budget amendments will program reserves into the Council Authorized Budget to meet annual cashflow needs.

Attachments

Attachment 1: 2024 Fund Distribution Plan for all LCA programs



Attachment 1: 2024 Fund Distribution Plan for all LCA programs

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.

SEED (Seeding Equitable Economic Development)

Program Criteria:

- Local Match: None
- Grant Terms: 2 years from date of award
- Term extensions: None
- Award Limits: \$50,000 for investigation; 50% of funding available for cleanup
- Application Limit: None

Geographic restriction: Sites that meet specific place-based equity criteria, as determined by the Council considering: concentrated areas of poverty, low-wage jobs, Black, Indigenous, and other populations of color; and low-income households with little recent redevelopment activity (as measured by building permits). Excess available funding: If funding applied for or awarded through TBRA SEED is less than the funding available, the remaining funds may be made available for award through the regular TBRA categories (Investigation, Cleanup).

TBRA SEED Scoring Table

What: Proposed Project Outcomes		
Tax Base	Increase to the tax base OR potential to increase the city tax base from expected changes to the property classification or the preferred land use in a current Request For Proposals for redevelopment	5
Jobs and Housing	Potential to add or preserve living-wage jobs or affordable housing based on the proposed redevelopment OR existing land use designation and proximity to existing employment centers	5
Compact, Connected Development	Develop vacant lots or re-use vacant buildings	20
	Potential to increase the use of transit and alternatives such as walking or biking	
	Interim use that increases visibility or improves market potential of the redevelopment proposals	
	Demonstrate a market demand for the proposed redevelopment OR future redevelopment proposals	
	Potential to increase the density or intensity of land use based on the proposed development OR changes to existing site conditions, if any, and existing zoning designation	
Environmental Impact	Identify or reduce risk to human health from suspected or known environmental contaminants, pollutants, hazardous substances or hazardous building materials and likely impact 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
	Potential to support equitable environmental protection based on project location and potential impact of exposure from existing environmental risks	6

Subtotal Outcomes		51
How: Proposed Project Process		
Process	Address a residential and/or workforce need that was identified by or with residents or workers most impacted by inequities	4
	The city is taking steps toward addressing inequities at the local level, especially efforts to implement equitable development practices	3
Subtotal Process		7
Who: Proposed Project Team		
Capacity	Project team's capacity to begin an environmental investigation or cleanup	12
	The team can demonstrate a need for public financing	
	The project team, including partners, represents the community the project; will serve or the predevelopment activities will build a representative team.	
	Public applicant's capacity to oversee environmental investigations or cleanup	
Subtotal Team		12
TOTAL		70
Applicants must score at least 35 of the 70 available points		



Site Investigation

Program Criteria

- Local Match: 25% per site
- Grant Terms: 1 year for single site; 3 years from date of award for multiple sites.
- Term Extensions: None
- Award Limits: Up to \$50,000 per project; and up to \$250,000 per applicant for multiple sites within a Target Area.
- Application Limit: Applicants with an open grant for multi-site investigation with less than 80% of the awarded funds expended are ineligible to apply.
- Site Eligibility: Individual project sites must be approved by the Council staff prior to incurring eligible costs. Changes to the eligible Target Area will require a grant amendment prior to incurring costs to be reimbursed using grant funds.
- Excess available funding: If funding applied for or awarded through TBRA Site Investigation is less than the funding available, the remaining funds may be made available for award through the TBRA Cleanup and/or SEED category.

TBRA Site Investigation Scoring Table

What: Proposed Project Outcomes		
Tax Base	Increase to the city tax base	5
Jobs and Housing	Build or preserve affordable housing with priority given to projects that serve residents who have barriers finding safe, affordable housing or new housing units affordable to households with income at or below 30% of the median income	5
	Create or preserve long-term job opportunities with priority given to projects with living-wage jobs	
Compact, Connected Development	Develop vacant lots or re-use vacant buildings	15
	Increase the use of transit and alternatives such as walking or biking	
	Support efficient growth in the region by increasing density and intensity through redevelopment	
	Demonstrate a market demand for future redevelopment proposals	5
Environmental Impact	Investigate contaminated sites with the greatest potential to improve the environment and reduce risk to human health	12
	Potential to support equitable environmental protection based on project location and potential impact of exposure	6
Subtotal Outcomes		48
How: Proposed Project Process		
Process	Address a residential and/or workforce need that was identified by or with residents or workers most impacted by inequities	4
	The city is taking steps toward addressing racial and other inequities at the local level, especially efforts to implement equitable development practices	3

Subtotal Process	7
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Who: Proposed Project Team

Capacity	Project team's capacity to begin an environmental investigation and commit sources for required matching fund contribution	15
	The team demonstrates a need for public financing	
	The project team, including partners, is designed to reflect and be responsive to those under-represented and most impacted by the project; or the predevelopment activities will seek to build such partnerships in a meaningful way	
	Demonstrate public applicant's capacity to oversee environmental investigations	

Subtotal Team	15
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Total	70
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Applicants must score at least 35 of the 70 available points



TBRA Contamination Cleanup

Program Criteria:

- Local Match: None
- Grant Terms: 3 years from date of award
- Term Extensions: up to 2 years
- Award Limits: 50% of total available funding per city and no more than 75% of total available funding within Minneapolis and St. Paul (this is inclusive of all TBRA programs)
- Application Limit: None
- Excess available funding: If funding applied for or awarded through TBRA is less than the funding available, the remaining funds may be made available for award through the TBRA SEED category.

TBRA Cleanup Scoring Table

What: Proposed Project Outcomes		
Tax Base	Increase to the city tax base	25
	Add tax revenue in the near term. (Projects not in or not expected to be in a Tax Increment Finance districts earn 5 points because all the affected tax jurisdictions benefit after construction is complete.)	
Jobs and Housing	Build new affordable housing that helps the city meet their share of the region’s need for affordable housing built between 2020-2030. Priority will be given to new housing units affordable to household with incomes at or below 30% of the area median income (AMI) in census tracts with the most households spending more than a third of their income on housing costs before considering units affordable at other levels of AMI up to 60%. OR Preserve and rehabilitate affordable housing, prioritizing cities at highest risk of losing Naturally Occurring Affordable Housing (NOAH) and/or cities with higher rates of housing cost burdened households, AND build or preserve affordable housing opportunities with priority given to projects that serve populations not currently served by the local housing market with priority given to housing for previously unhoused individuals, individuals with disabilities and housing developed with on-site supportive social services.	25
	Add or preserve long-term job opportunities with priority given to projects with living wage jobs	
	Add jobs in priority high-growth and high-opportunity sectors of the region’s economy for industry sectors that have demonstrated significant growth in recent years compared with the nation as a whole; and/or advance city job growth priorities identified in a public economic development strategy.	
	Increase long-term living wage jobs in a qualified Seeding Equitable Environmental Development (SEED) eligible area	
Compact, Connected Development	Support efficient growth in the region through adaptive reuse, infill development or redevelopment	20
	Increase the use of transit and alternatives such as walking or biking	
	Demonstrate a market demand for future redevelopment proposals	5

Environment and Livability	Cleanup contaminated sites with the greatest potential to improve the environment and reduce risk to human health	25
	Improve access to local and regional parks and trails through outreach, site design, or programming	20
	Conserve vital existing regional natural resources features and functions	
	Conserve, restore or protect the region's water resources through environmentally sound opportunities for recharging groundwater with best management practices for stormwater	
	Commitment to resilient energy infrastructure using renewable and/or district energy sources	
	Increase job opportunities within micro-enterprises, worker-owned businesses, or other business models that support wealth creation	
	Support equitable environmental protection for projects in areas most impacted by prior contaminants, pollutants, or hazardous substances that reduce potential impact of exposure	
Subtotal Outcomes		120
How: Proposed Project Process		
Process	Address a residential and/or workforce need that was identified by or with residents or workers most impacted by racial or other disparities	10
	The city is taking steps toward addressing inequities at the local level, especially efforts to implement equitable development practices	4
Subtotal Process		14
Who: Proposed Project Team		
Capacity	Demonstrate public applicant's capacity to oversee environmental cleanup grants	16
	The team can demonstrate a need for public financing	
	The project team, including partners, represents the community the project will serve; or predevelopment activities will build a representative team	
	Project team's readiness to proceed with project site cleanup and construction	
Subtotal Team		16
TOTAL		150
Applications must score at least 75 of the total 150 available points		



Pre-Development

LCA supports pre-development activities that further development and redevelopment projects that link housing, jobs and services and use community and regional infrastructure efficiently.

Program Criteria:

- Local Match: None
- Grant Terms: 2 years from date of award
- Term extensions: Up to 1 year
- Award Limits: \$300,000 per city per round
- Application Limit: No more than six per city
- Excess available funding: If funding applied for or awarded through Pre-Development is less than the funding available, the remaining funds may be made available for award through the Policy Development Program or the regular LCDA or LCDA – TOD Development categories

Pre-Development Scoring Table

While we recognize there are different types of inequities based on identity and circumstance, LCA is focused on addressing racial inequity in the region given race is the largest predictor of inequitable outcomes in jobs, housing, and other LCA goals. Projects addressing racial equity will be prioritized in scoring. Projects addressing other inequities will earn points towards how they address those inequities but will not receive full points unless they also consider the intersection of racial inequity.

What: Pre-Development Project Outcomes		
<i>Criteria:</i>		<i>Points</i>
The goals and vision of the proposed project would meet one or more of the following LCA and/or Thrive goals:		
LCA and Thrive Goals	Add new housing types and create or preserve affordable housing. Priority for projects with deep affordability and/or serving populations who have barriers to finding housing	16
	Create or preserve long-term living wage jobs or support economic opportunity for communities of historic wealth extraction	
	Increase or preserve (for preservation and rehab projects) density on the site and make it easier for people with mobility barriers to easily access housing, jobs, services, and amenities	
	Minimize climate change and/or environmental pollution impacts, reduce greenhouse gas emissions, and/or conserve natural resources in areas most negatively impacted by environmental harms.	
How: Pre-Development Project Process		
Process	Show an understanding of who will benefit most from the project and in what ways, and use this understanding to shape equitable development strategies and outcomes	14
	The project reflects the culture and needs of the community it is intending to serve.	
	The strength of the partnership between the applicant (City/County/HRA/EDA) and development partner(s), including the level of support and engagement the applicant has with the project	
Total		30
Applications must score at least 20 of the 30 points available		



Policy Development

Program Criteria:

- Local Match: 25% reimbursable match
- Grant Terms: 2 years from date of award
- Term extensions: Up to 1 year
- Award Limits: \$50,000 per city per round
- Application Limit: One per city
- Excess available funding: If funding applied for or awarded through Policy Development is less than the funding available, the remaining funds may be made available for award through Pre-Development or the regular LCDA or LCDA – TOD Development categories

Policy Development Scoring Table

While we recognize there are different types of inequities based on identity and circumstance, LCA is focused on addressing racial inequity in the region given race is the largest predictor of inequitable outcomes in jobs, housing, and other LCA goals. Projects addressing racial equity will be prioritized in scoring. Projects addressing other inequities will earn points towards how they address those inequities but will not receive full points unless they also consider the intersection of racial inequity.

What: Policy Development Outcomes		
Criteria:		Points:
The goals and vision of the proposed policy would meet one or more of the following LCA and/or Thrive goals associated with physical development:		30
LCA and Thrive Goals	<ul style="list-style-type: none"> • Support affordable housing by allowing for more development of new affordable housing or preservation of existing affordable housing • Support wealth building and economic opportunity for communities of historic wealth extraction • Minimizing climate impact by reducing greenhouse gas emissions and conserving natural resources • Support more equitable development outcomes in physical developments and/or through city process to approve physical developments • 	
How: Policy Development Process		
Process	The process will include analysis of who will benefit most from the policy and in what ways, and use findings to shape equitable development strategies and outcomes	10
Who: Policy Development Team		
Who Is Involved	The project team has a defined scope of work with tangible goals	10
Total		50
Applications must score at least 25 of the possible 50 points		

Livable Communities Demonstration Account (LCDA) Development

LCDA supports development and redevelopment projects that link housing, jobs and services and use community and regional infrastructure efficiently.

Program Criteria

- Local Match: None
- Grant Terms: 3 years from date of award
- Term extensions: Up to 2 years
- Award Limits: If eligible applications from suburban communities exceed 60% of available funds, it is recommended that no more than 40% of the funds be granted to projects in Minneapolis and St. Paul.
- Application Limit: No more than three per city
- Excess available funding: If funding applied for or awarded through LCDA or LCDA-TOD Development is less than the funding available, the remaining funds may be made available for award through whichever program has requests for more funding than is available.

Scoring Criteria:

The LCDA program has in the past been scored in two steps; Step One was an internal review completed by a review committee from different divisions in the Council. Step Two was an external review conducted by the Livable Communities Advisory Committee (LCAC), a 15-member committee of subject area experts. In order to reduce the timeline for applicants, align more with State and other Council grant review processes, and ensure all applications are reviewed by external reviewers, the LCDA applications will be scored in a single step. The review committee will continue to include external reviewers who will score alongside Council staff.



LCDA Development Scoring Table

While we recognize there are different types of inequities based on identity and circumstance, LCA is focused on addressing racial inequity in the region given race is the largest predictor of inequitable outcomes in jobs, housing, and other LCA goals. Projects addressing racial equity will be prioritized in scoring. Projects addressing other inequities will earn points towards how they address those inequities but will not receive full points unless they also consider the intersection of racial inequity.

What: Proposed Project Outcomes		
Criteria		Points
Housing	Build or preserve affordable housing; priority for projects that serve residents who have barriers to finding safe, affordable housing, have the deepest affordability, include supportive services or other needed services	8
	Build new affordable housing that helps the City meet their share of the region's need for affordable housing at affordability levels needed most; OR Preserve and rehabilitate affordable housing, prioritizing cities at highest risk of losing Naturally Occurring Affordable Housing (NOAH) and/or with more housing cost burdened households	
	Further equity outcomes in housing access*	3*
Economic Opportunity	Create or preserve permanent jobs OR Create workforce development and/or training opportunities; priority for projects with full-time living wage jobs	8
	Create economic opportunity in health care, technology or environmental sustainability fields; advance strategic city job growth priorities; and/or create or preserve industrial jobs with access to regional transit systems	
	Further equity outcomes in access to economic opportunity*	3*



What: Proposed Project Outcomes

<i>Criteria</i>		<i>Points</i>
Compact, Connected Development	Increase density or intensity of land use in the project area; OR Preserve an existing building that newly activates or preserves activity in the area	8
	Make it easier and more comfortable for people to access their daily needs and desired amenities. OR Preserve existing access if project is preservation or rehab	
	Further equitable access transit, services, and amenities*	3*
Environment and Livability		
	Minimize greenhouse gas emissions	8
	Conserve natural resources, include or address resilience needs, and/or advance climate adaptation and mitigation strategies.	
	Further equity outcomes in environmental impact and resilience *	3*
Subtotal Outcomes		44



How: Proposed Project Process		
	<i>Criteria</i>	<i>Points</i>
Project Process	The project reflects the culture and needs of the community it is intending to serve *	8*
	The City is taking steps toward addressing inequities at the local level, especially efforts to implement equitable development practices*	3*
		11
Total		55
<p>Applications must score at least 33 of the available 55 and 12 of the available 23 equity points to be eligible for funding</p>		



Livable Communities Demonstration Account – Transit Oriented Development (LCDA-TOD)

Using targeted funds from LCDA, the LCDA-TOD program is focused on higher-density projects that contribute to a mix of uses in a TOD-eligible area. TOD-eligible areas can be along light rail, commuter rail, bus rapid transit, and high frequency bus corridors.

Program Criteria

- Local Match: None
- Grant Terms: 3 years from date of award
- Term extensions: Up to 2 years
- Award Limits: \$2 million per city
- Application Limit: No more than three per city
- Excess available funding: If funding applied for or awarded through LCDA or LCDA-TOD is less than the funding available, the remaining funds may be made available for award through whichever program has requests for more funding than is available.

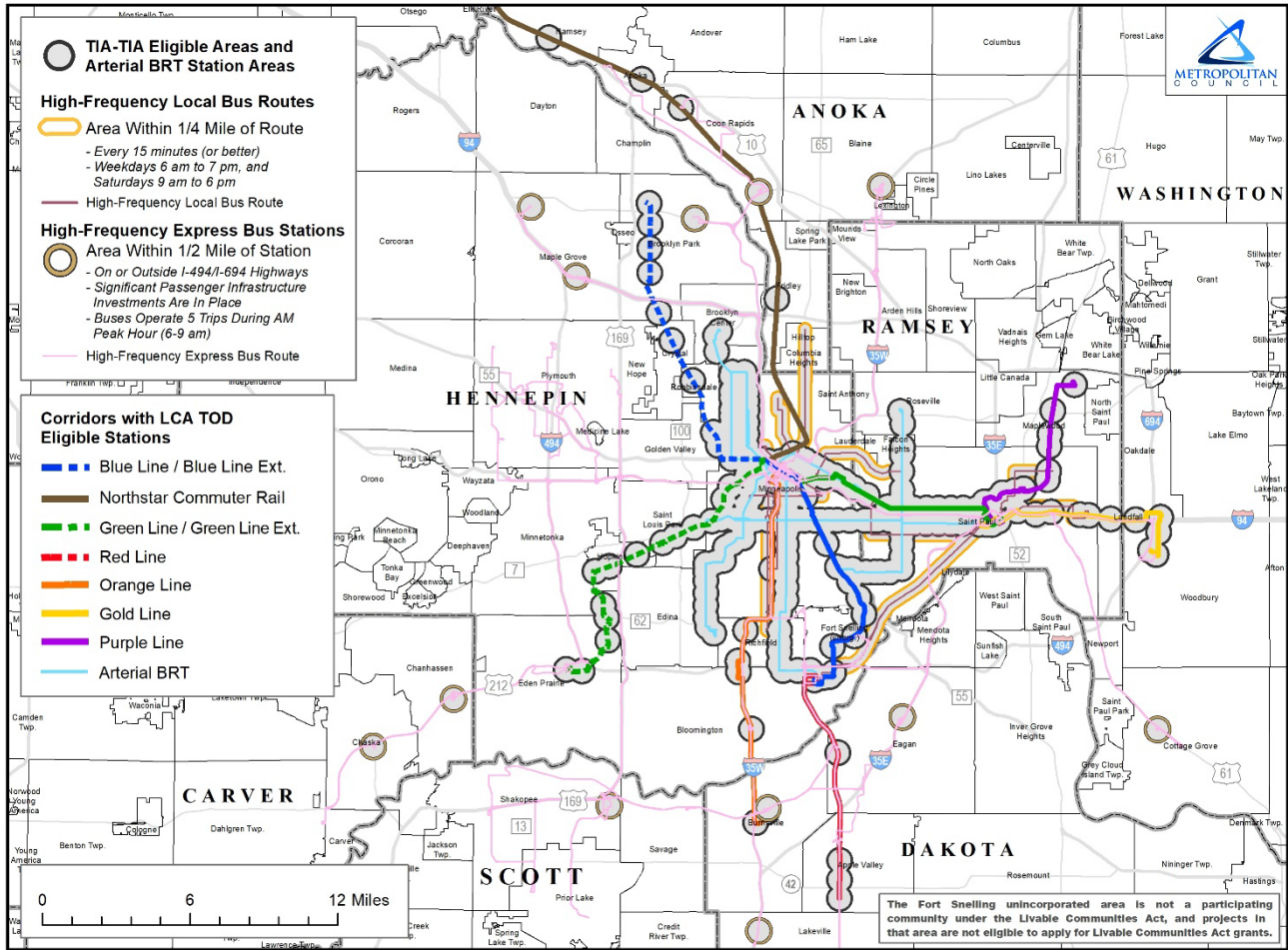
LCDA-TOD Eligible Areas

TOD-Eligible Areas are limited geographic areas eligible for LCDA-TOD Development grant 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:

1. The transit project has completed environmental review or received a Record of Decision.
2. LCDA-TOD projects must be located within a Council-identified Developed Area, Developing Area, or a Rural Center. Regional park land is ineligible in all respects.
3. The project must also be within a TOD Eligible Area, described as within:
 - A ½-mile radius of an existing station on the following transit corridors:
 - LRT: METRO Blue Line and Green Line
 - BRT: METRO Orange Line, Red Line, A Line, C Line, and D Line
 - Northstar Commuter Rail Line
 - A ½-mile radius of a proposed station on the following planned transit corridors:
 - LRT: METRO Blue Line Extension (partial corridor) and Green Line Extensions
 - BRT: METRO Gold Line, Purple Line (partial corridor), B Line, E Line
 - A ½-mile radius of a bus stop or station with significant infrastructure on high-frequency express routes. High-frequency express service is defined as bus service providing either six or more trips during at least one of the peak morning hours between 6:00 AM and 9:00 AM, or 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 between 6:00 AM to 7:00 PM on weekdays and between 9:00 AM and 6:00 PM on Saturdays.*
 - Parts of routes 2, 3, 6, 10, 11, 18, 54, 64, and all of routes 21 and 63

** Due to changes in service frequency related to the impacts of the COVID-19 pandemic, 2020 service levels are used to determine TOD eligibility.*

Figure 1. 2024 LCDA-TOD Eligible Areas



LCDA-TOD Development Scoring Table

- LCA is focused on addressing racial inequity in the region given race is the largest predictor of inequitable outcomes in jobs, housing, and other LCA goals. Projects addressing racial equity will be prioritized in scoring. Projects addressing other inequities will earn points towards how they address those inequities but will not receive full points unless they also consider the intersection of racial inequity.

What: Proposed Project Outcomes	
Criteria	Points
Build or preserve affordable housing; priority for projects that serve residents who have barriers to finding safe, affordable housing; have the deepest affordability; and include supportive services or other needed services	

	Build new affordable housing that helps the City meet its share of the region's need for affordable housing at affordability levels needed most; OR preserve and rehabilitate affordable housing, prioritizing cities at highest risk of losing Naturally Occurring Affordable Housing (NOAH) and/or with more housing cost burdened households	8	
	Further equity outcomes in housing access*	3*	
Economic Opportunity	Create or preserve permanent jobs OR create workforce development and/or training opportunities; priority for projects with full-time living wage jobs	8	
	Create economic opportunity in health care, technology or environmental sustainability fields; and/or advance strategic city job growth priorities; and/or create or preserve industrial jobs with access to regional transit systems		
	Further equity outcomes in access to economic opportunity*	3*	



What: Proposed Project Outcomes

<i>Criteria</i>		<i>Points</i>
Compact, Connected Development	Increase the number of people contributing to station area activity through greater building density and/or land use intensity of the site; OR preserve and rehabilitate an existing building key to the level of station area activity	20
	Provide uses that will diversify activities and amenities in the station area, better meet residents' needs, and/or provide greater access to services and amenities; priority for projects implementing TOD design principles that support complementary uses, active transportation, and human-centered experiences	
	Generate greater transit ridership, a higher diversity of trip purposes viable via transit, and reduce the need to use and own a personal vehicle	
	Further the transit-oriented nature of the area surrounding the transit station as a node and/or district of TOD; priority for projects that advance a broader adopted plan or vision for the transit station or corridor, and/or positions the station area for additional TOD in a way that leverages public infrastructure and avoids displacement of existing residents or businesses	
	Further equity outcomes in access to multi-modal transportation, services, amenities, and green or open space*	3*
Environment and Livability	Minimize greenhouse gas emissions	8
	Conserve natural resources, include or address resilience needs, and/or advance climate adaption and mitigation strategies	
	Further equity outcomes in environmental sustainability impact and resilience *	3*
	Subtotal Outcomes	56



How & Who: Proposed Project Process		
<i>Criteria</i>		<i>Points</i>
Project Process	The project reflects the culture and needs of the community it is intending to serve*	8*
	The City is taking steps toward addressing inequities at the local level, especially efforts to implement equitable development practices*	3*
Subtotal Process		11
Total		67
<p>Applications must score at least 40 of the 67 points available and 12 of the available 23 equity points to be eligible for funding</p>		



LHIA Scoring Criteria

The LHIA supports the expansion and preservation of 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.

Threshold Criteria	Competitive Criteria
<ul style="list-style-type: none"> • A significant component of rental projects must serve households with incomes at or below 60% of Area Median Income (AMI) with a minimum affordability term of 15 years. • Grantees must have an adopted Fair Housing Policy in order to receive Livable Communities Act funding. • Projects must have affirmative fair housing marketing plans. 	<ul style="list-style-type: none"> • Rental proposals creating or preserving affordability for persons at or below 30% of AMI; • New affordable housing that furthers the City's ability to meet their share of the region's need for affordable housing, considering what the need is across affordability bands OR • Preserved/rehabilitated affordable housing, prioritizing communities at highest risk of losing Naturally Occurring Affordable Housing (NOAH) and/or communities with higher rates of housing cost burdened households. • Proposals that serve large families by providing three or more-bedroom units; • Proposals meeting the needs of individuals and households experiencing long-term homelessness; • Proposals that provide a housing type not currently available or serve a population not currently served in or near the project area.



Affordable Homeownership

The Affordable Homeownership program will provide grants to support affordable homeownership development, including acquisition and rehabilitation, for projects that best meet the following two priorities:

- **Racial Equity Priority:** create homeownership opportunities for Black, Indigenous, and other ethnic or racial groups that own homes at disproportionately lower rates than white households in the region.
- **Geographic Choice Priority:** create affordable homeownership opportunities in parts of the region where it is most challenging to do so.

Program Criteria:

Grant Terms: 3 years from date of award

Term extensions: Up to 2 years

Award Limits: 50% of eligible project gap costs

Application Limit: None

Excess available funding: If funding applied for or awarded through the Affordable Homeownership program is less than the funding available, the remaining funds may be made available for award through the regular LCDA account or the LHIA program.

If more funding than available is requested by eligible applicants, the Council will make awards first to maximize the number of communities/applicants receiving funding and second to maximize the number of units supported. The Council may make partial awards based on scoring and these additional considerations.

Affordable Homeownership Scoring Table

Program Priorities

Racial Equity		
<i>Criteria</i>		<i>Points</i>
City-level racial disparities: Project is in a city with higher racial disparities in homeownership than the regional average		5
OR	Census tract-level racial disparities: Project is in a census tract with higher racial disparities in homeownership than the regional average	3
City-level BIPOC population: Project is in a city with a higher share of Black, Indigenous, and other residents of color than the regional average		3
OR	Census tract-level BIPOC population: Project is in a census tract with a higher share of Black, Indigenous, and other residents of color than the regional average	2
Highest possible subtotal for racial equity		8
Geographic Choice		
<i>Criteria</i>		<i>Points</i>
Unaffordable homes (at 80% AMI): Project is in a city with an average home sale price higher than what is affordable to a household earning 80% AMI		5
OR	Unaffordable homes (at 60% AMI): Project is in a city with an average home sale price higher than what is affordable to a household earning 60% AMI	3
Opportunity for single-family development: Project is in a city where the share of single-family housing stock is higher than the regional average		2
Affordable homeownership development addresses City's housing needs: Project is in a city with an affordable housing need less than 20 units OR more than 50% of their need is in the 51- 80% affordability level.		2

City contributes to the region's fiscal disparity: Project is located in a city with a net fiscal disparity of \$200 or more per household	1
Highest possible subtotal for geographic choice	10
Highest possible subtotal for both program priorities	18
<i>A minimum of 5 points would be required to ensure the project sufficiently addresses one or both pilot priorities</i>	

Equitable Access

<i>Criteria</i>	<i>Points</i>
Record of serving BIPOC homebuyers: Developer or program partner has a demonstrated record of serving Black, Indigenous, and/or other households of color in homeownership at rates equal to or greater than the city and or region's homeownership rates for those same groups	3
Waitlist of BIPOC homebuyers: Developer or program partner has current waiting list consisting of Black, Indigenous, or other households of color at levels equal or greater to the regional and/or city population	3
BIPOC team member(s): Project team includes a lender, realtor, or other homebuyer-facing team member that is reflective of the Black, Indigenous, or other households of color that have disparate homeownership rates in the region	2
First-generation homebuyers: Project will prioritize first-generation homebuyers	2
Addresses unique community need: Project addresses a need specific to the community in which the project is located, through financing, marketing, design, size or other unique need.	3
Further fair housing: Project incorporates marketing efforts to affirmatively further fair housing	1
Other efforts as described by applicant that further equitable access to homeownership	Up to 11
Total for Equitable Access	25

Affordability

<i>Criteria</i>	<i>Points</i>
Depth of affordability: Project will be affordable to homebuyers earning less than 80% AMI	3
Length of affordability: Project will remain affordable upon resale for more than 15 years	3
Total for Affordability	6
Total possible points	57





February 8, 2024

Dear Chair Zelle, and Members of the Metropolitan Council:

Metro Cities, representing the shared interests of cities in the metropolitan region before the Legislature, Executive Branch and Metropolitan Council, appreciates the opportunity to comment regarding the action by the Community Development Committee on February 5th with respect to the draft 2024 Livable Communities Act fund distribution plan. These comments are being provided in advance of this item being considered by the full Council next week.

Metro Cities appreciates the recent in-depth discussions by members of the Community Development Committee regarding LCA participation and program concerns. However, Metro Cities respectfully but strongly opposes pausing 2024 funding for the Livable Communities Demonstration Account (LCDA) and Transit Oriented Development (TOD) programs, that was acted on by the committee this week.

Metro Cities strongly supports the Livable Communities Act (LCA) programs and has long supported having programs be accessible to cities across the region, and flexible to accommodate a range of projects, in keeping with state statutes governing the LCA. Metro Cities also supports ongoing efforts to promote LCA program participation. Metro Cities has periodically participated in advisory groups and task forces to examine Livable Communities programs and has sought input from both LCA participant and non-participant cities in examining LCA programs and levels of local participation.

Cities across the region participate in the LCA under established and expected timelines and processes. An indefinite pause in funding for certain LCA programs for 2024 creates uncertainty for LCA-participating cities and the LCA programs going forward and may inadvertently disrupt local housing and development projects for which funds could be sought. Metro Cities is also concerned that this action was taken without a timeline or specific plan for addressing concerns with the programs.

Metro Cities has a longstanding practice of supporting periodic 'looks under the hood' of regional programs, including the Livable Communities Programs. Metro Cities' policies stipulate that consideration of any LCA changes must include the participation of metropolitan city officials. We stand ready to work with Metropolitan Council members, staff, and city officials in this work. Such work can and should occur while maintaining the 2024 funding distribution for LCA programs.

Thank you for your consideration. Please let me know if you need any further information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patricia Nauman".

Patricia Nauman
Executive Director
Metro Cities

Hoffner, Dawn

From: Tara Beard <Tara.Beard@ci.stpaul.mn.us>
Sent: Thursday, February 8, 2024 3:06 PM
To: Lee, Chai; Carter, Toni
Cc: McDonnell, Ania (Metro Cities); nicolle.goodman; Eric Petersen; Luis Pereira; Kershaw, Sean (CI-StPaul); Russ Stark; Peterson, Nick; Barajas, Lisa
Subject: Decision to pause LCDA and LCDA-TOD grants in 2024

Dear Council Members Lee and Carter,

I am writing to express deep concern for the Community Development Committee's February 5th approval of a motion to pause the LCDA and LCDA-TOD programs in 2024. I understand CM Lee you were not in attendance and CM Carter, I want to thank you for your wise leadership in voting against the motion. Postponing upwards of \$20.5M in funds that many cities across the region count on to achieve the crucial affordable housing, economic development, and transportation oriented development needs would be devastating to the City of Saint Paul, which is of course the second largest city in the region. I implore you to encourage your colleagues across the entire Metropolitan Council to vote against this committee recommendation.

The fact is that the Livable Communities Act was adopted by the state legislature, not the Metropolitan Council, and provides clear goals to support the integration and efficient use of the very resources and infrastructures that the Metropolitan Council is empowered to steward and protect. Subdivision 5 (d) of Statute 473.25 actually directs that the Council "...shall prepare an annual plan for distribution of the fund based on the criteria for project and applicant selection." It does not direct the Council to pause the program, to ensure broad geographic distribution, or to reconsider the goals of the authorizing legislation.

Walkable, mixed use, intensified development is simply the only way we will continue to enjoy the bountiful resources and benefits so many other regions in the Country envy and our state lawmakers were wise enough to ensure those goals were not only explicit in our regional endeavors, but that there were resources to support those goals. Indeed, as the former manager of the LCA programs, I would frequently be contacted by colleagues in other, far larger and denser metropolitan areas, who would express great envy that the State of Minnesota saw fit to not only set goals for efficient, environmentally responsible growth but actually created a taxpayer funded program to support it.

The Council's role is to create the program guidelines and priorities that best support the underlying principles of LCA. I know first hand that LCA staff historically and presently work very hard to seek out suburban, first time applicants to expand the reach of the program, but with over 180 cities and townships, inevitably there will be conflict if a local government does not share the same regional goals that the LCA was created to fund. The role of the Council is not to shoehorn local jurisdictions' priorities in a funding program for all, but to uphold the very clear goals set forth by this statute and to do so in a way that creates the most opportunity for a breadth of geographic applications. But if certain local governments either choose not to apply because those goals are not aligned with theirs, or apply but are often not competitive because their goals are not aligned with LCA, that does not mean the statute is not working as intended and not providing the desperately needed funding to support the affordable housing, jobs, and TOD that frankly, some communities in the region are simply not interested in.

Saint Paul has many projects cued up for 2024 application cycles of LCDA and LCDA, projects that provide critically needed affordable housing, and equitable economic and transit oriented development. Please don't delay the opportunity for these projects to come to fruition in the name of fair geographic distribution. I support and understand the desire to increase participation in the program, better than most in fact, but to delay much needed funded for growth that benefits the entire region (regardless of exact location) would be devastating to the many communities who share and promote LCA aligned goals. Please trust in the past lawmakers that saw fit to create a program with clear

goals and intentions, and instead of holding much needed funding hostage, encourage cities that don't participate or submit competitive applications to consider the deep cross-sector partnerships, affordable housing, land intensification, transit supporting growth that would make them welcome additions to the list of LCDA and LCDA-TOD awarded Cities.

Thank you so much for hearing these concerns.

Respectfully,
Tara Beard



SAINT PAUL
MINNESOTA

Tara Beard

Housing Director

Planning and Economic Development

1100 City Hall Annex, 25 West 4th Street

Saint Paul, MN 55102

P: 651-266-6636

She/her

Tara.Beard@ci.stpaul.mn.us

www.StPaul.gov

Hoffner, Dawn

From: Melissa Poehlman <MPoehlman@richfieldmn.gov>
Sent: Monday, February 12, 2024 4:09 PM
To: Pacheco, John
Cc: Katie Rodriguez; Barajas, Lisa
Subject: 2024 LCDA Funding

Some people who received this message don't often get email from mpoehlman@richfieldmn.gov. [Learn why this is important](#)

John,

It was nice to meet you at Richfield's Legislative Breakfast last month. I look forward to working with you as our District 5 representative and potentially in your role with the Latino Chamber of Commerce.

I'm writing today to express concern over the recommendation of the Community Development Committee to pause LCDA funding for 2024. I understand that you will be voting on this action on Wednesday. As a participating community, this funding is very important to Richfield. For this particular funding cycle, we have been in discussions with Met Council staff about our intent to apply for Policy Development funds. These funds would allow us to hire a consultant and continue the work to implement our 2040 plan by modernizing our multi-family zoning regulations. The pace of development activity in Richfield over the past decade has put much of our policy work on hold and this temporary slowdown is allowing us a window of time to do this work. Without the LCDA funding, we will not be able to move forward.

Richfield is supportive of the regular review of programs and scoring. We routinely participate in committees with the Council to provide feedback. We believe that the work to evaluate these programs can continue without pausing funding that communities and developers were anticipating access to in 2024.

Thank you for your consideration. Please let me know if you have any questions.

Melissa



Melissa Poehlman, AICP (she/her)
Community Development Director
HRA Executive Director
6700 Portland Avenue, Richfield MN 55423
Tel: (612) 861-9766 | mpoehlman@richfieldmn.gov



City of Brooklyn Park
City Hall
5200 85th Ave. N.
Brooklyn Park, MN 55443
763-424-8000
www.brooklynpark.org

February 12, 2024

Chair Zelle and Metropolitan Council
Metropolitan Council
390 Robert Street North
Saint Paul, MN 55101

Dear Chair Zelle and members of the Metropolitan Council,

The City of Brooklyn Park has been active participant in Metropolitan Council grant programs for many years. We are part of an active suburban entrepreneurial and development community and have applied for and received funding from the Transit Oriented Development (TOD) and the Livable Communities Development Account (LCDA) programs. We are concerned that the Metropolitan Council may move to suspend these programs in 2024, which will negatively impact local programs that rely on these funds to deliver projects that benefit our communities.

Brooklyn Park, a suburban city with over 86,000 residents, has had multiple projects with a positive community impact supported by the TOD and LCDA programs. With over 7 grants received in the past 5 years, these funds have gone to support challenging projects such as a 71-unit mixed-income apartment community currently under construction and the Small Business Center, a large investment in our business community that currently provides almost 50 small businesses with technical assistance and other valuable services. Funds from the LCDA Pre-Development program have also supported several projects led by emerging developers in Brooklyn Park. This funding has aided emerging developers to complete site planning, visioning, and financial feasibility work on their proposals, promoting equitable development opportunities in our suburban environment.

Additionally, there are several projects in the planning phase that intend to apply for TOD and/or LCDA funding in 2024. Suburban development projects often plan for these funds years in advance and have come to rely on the Metropolitan Council as a valuable partner in delivering projects for community benefit. On such short notice, an action like this could negatively impact multiple large and complicated projects that rely on many sources of funding with long approval timelines.

The Metropolitan Council and its staff have demonstrated a commitment to continuous improvement and have consistently worked to make the TOD and LCDA programs equitable and valuable to projects across the metro area. We support and encourage continued evaluation and consideration of how to implement these programs in the best way possible, but are again concerned at the impact this pause could have on our upcoming projects and the community we serve.

Thank you for your time and consideration and we hope to have the opportunity to continue to support our local projects with Metropolitan Council funds in 2024.



Sincerely,

A handwritten signature in blue ink, appearing to read "Hollies", with a long, sweeping horizontal line extending to the right.

Mayor Hollies Winston
City of Brooklyn Park

City of Brooklyn Park
City Hall
5200 85th Ave. N.
Brooklyn Park, MN 55443
763-424-8000
www.brooklynpark.org

Hoffner, Dawn

From: Lilligren, Robert
Sent: Tuesday, February 13, 2024 10:26 AM
To: Barajas, Lisa
Subject: Fw: 2024 LCDA Program

FYI. Please share with CDC members.

Thanks,
Robert



Robert Lilligren

Pronouns: he/him/his
Metropolitan Council Member | District 6
390 Robert Street North, Saint Paul, MN 55101
P. 612-373-3815



[See District 6 Map & Cities](#) | [facebook](#) | [twitter](#)

From: Steve Minn <Steve.Minn@lupedevelopment.com>
Sent: Tuesday, February 13, 2024 9:38 AM
To: Aaron Diederich <Aaron.Diederich@lupedevelopment.com>
Cc: Zelle, Charles <Charles.Zelle@metc.state.mn.us>; Lilligren, Robert <robert.lilligren@metc.state.mn.us>; Jean Eide () <jeide@rippleyrichard.com>; Cameron Flakne <Cameron.Flakne@lupedevelopment.com>
Subject: Re: 2024 LCDA Program

Some people who received this message don't often get email from steve.minn@lupedevelopment.com. [Learn why this is important](#)



Steve Minn
VP/CFO
Lupe Development

On Feb 13, 2024, at 5:33 AM, Aaron Diederich <Aaron.Diederich@lupedevelopment.com> wrote:

Good Morning Chair Zelle and CM Lilligren,

I am writing to express my concern related to the suspension of the LCDA program for 2024. Our firm has produced thousands of quality affordable units over the last several years and LCDA is a critical component to what we do. Many of our units would not exist without our partnership with Met Council and LCDA awards.

Suspending or even pausing the program will cease production of much needed affordable units, resulting in a greater need for housing to support renters at 60% AMI or below. There are numerous developments in all districts that will be directly impacted. Pausing a year will create a bigger backlog

and make the 2025 cycle even more competitive. Furthermore, pausing the program will put much more stress on the other government funding sources (county, city, DEED etc).

Our firm alone has three projects (over 425 units) that will apply for the 2024 LCDA round. We understand that not all projects get selected, but even if one of our projects is selected, that results in hundreds of units created. Between us and the other developers committed to creating quality units, we rely on LCDA as a potential source, which typically helps catapult the project with other funding sources.

We sincerely ask that you don't vote in favor of this outrageous motion and reach out to your colleagues to do the same. The consequences are too severe.

Thank you.

Aaron

Aaron Diederich

Lupe Development Partners

1801 County Road B West, Suite 201

Roseville, MN 55113

Main: 612-436-3200

Direct: 612-843-4070

Cell: 612-414-7688