

2015 ANNUAL LIVABLE COMMUNITIES FUND DISTRIBUTION PLAN



March 16, 2015

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*The cover illustration shows the architect's rendering for the **Great River Landing** project in the City of Hastings, assisted by Tax Base Revitalization Account and Livable Communities Demonstration Account grants in 2014.*

TABLE OF CONTENTS

2015 Distribution Plan for the Livable Communities Grant Program	2
Grant Programs Strengthen Communities and Region.....	2
Livable Communities Grant Accounts.....	2
Changes to Grants for 2015	3
Funds Available for Award in 2015	3
Who Is Eligible to Apply?	4
Eligible and Ineligible Uses.....	4
Tax Base Revitalization Account	7
Section 1: Purpose, Program Profile, Award Limits	7
Section 2: TBRA changes for 2015.....	8
Section 3: Evaluation Process	8
Livable Communities Demonstration Account	15
Section 1: Purpose, Program Profile, Award Limits	15
Section 2: LCDA Changes for 2015.....	15
Section 3: Evaluation Process	16
Local Housing Incentives Account (LHIA)	21
Section 1: Purpose, Program Profile, Award Limits	21
Section 2: LHIA Changes for 2015	21
Section 3: Evaluation Process	21
Transit-Oriented Development Grants	25
Section 1: Purpose, Program Profile, Award Limits	25
Section 2: LCA-TOD Changes for 2015.....	26
Section 3: Evaluation Process	26
Appendix A. Definitions	33
Appendix B. How the Livable Communities Grant Program Supports Thrive MSP 2040	35

2015 Distribution Plan for the Livable Communities Grant Program

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 the grants during 2015 and the limits that apply to individual awards.
- Sets the schedule for submitting grant applications, reviewing them, and awarding the funds.
- Includes 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.

Grant Programs Strengthen Communities and Region

The LCA grant programs strengthen communities and the Twin Cities region as a whole. The program 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.

The Council's investment of regional dollars in local projects shows a commitment that helps leverage investment of additional public and private dollars. Communities and their residents benefit from local investment and improvements that increase 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

Regular-Program Grants

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 Council has awarded 393 TBRA grants through January 2015, for a total of over \$105 million. The TBRA is funded by a property tax levy established in statute that may not exceed \$5,000,000 annually.

Livable Communities Demonstration Account (LCDA)

The **LCDA** supports development and redevelopment projects that link housing, jobs and services and use infrastructure and regional infrastructure efficiently. The Council awarded 243 LCDA grants through January 2015, for a total of over \$130 million. The LCDA is funded by a property tax levy of \$11.3 million for 2015.

Local Housing Incentives Account (LHIA)

The **LHIA** helps expand and preserve lifecycle and affordable housing, both rented and owned. The Council has awarded 164 LHIA grants totaling \$30.6 million as of December 2014. The LHIA annual funding includes \$500,000 transferred from the LCDA tax levy plus \$1 million from the Council's general fund.

Transit Oriented Development (TOD) Grants

Using targeted funds from TBRA and LCDA 61 awards have been made through the TOD program through January 2015, totaling over \$37 million for transit-oriented development (**TOD**) projects. This program is restricted to high density, generally mixed-use projects that are located within a set of TOD-eligible areas along light rail, commuter rail and bus rapid transit corridors.

Changes to Grants for 2015

- TBRA-TOD are available only in conjunction with a concurrent LCDA-TOD application and award for the same project.
- TBRA Pilot grants will be offered in a new grant category. Funding is available for sites that do not have a planned or identified project at the time of application or grant award. Sites must be located in areas of concentrated poverty.
- Affordable housing units are defined as affordable to households at 80% or less of Area Median Income.
- All Livable Communities Act affordable housing grant applications that include affordable housing must have a minimum 15-year affordability term to be considered as affordable.
- Housing projects funded through the Council's LCA grants must have affirmative fair housing marketing plans.
- Applicants whose projects are unsuccessful in the TBRA-TOD round may reapply for TBRA regular program in the fall round.
- The Livable Communities Advisory Committee will be expanded by adding two members from community-based organizations with expertise in planning, economic and community development/engagement. These members will evaluate LCDA, LCDA-TOD and TBRA-TOD proposals based on how they benefit traditionally underrepresented communities and address local and regional barriers to opportunity.
- In LHIA, the Council will give preference to projects that exceed the current building code requirement for a minimum of 5% of the total units in a development designed and constructed to meet accessibility requirements and the additional 2% of the dwelling units that must be adaptable for the vision/hearing impaired.

Funds Available for Award in 2015

The dollar amounts cited below are the base amounts for grants to be awarded during 2015.

- \$5 million for the TBRA, with up to \$250,000 of that available for Site Investigation grants.
- \$1 million for TBRA Pilot program.
- \$7.5 million for the LCDA.
- \$2 million for the LHIA, which includes an additional \$500,000 from the fund balance.
- \$5 million for LCDA-TOD grants, with up to \$500,000 of that amount for LCDA-TOD Pre-Development awards.
- \$2 million for TBRA-TOD grants. If funds remain after the evaluation of 2015 TBRA-TOD grant applications, the remaining funds will be available for award in the fall round of regular TBRA grants.

The available LCA funding for 2015 may be increased through an amendment to this Plan using fund balances.

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.

LCA Grant Programs



Tax Base Revitalization Account

**2015
Funding Schedule
Funding Criteria
and Selection Process**

Tax Base Revitalization Account 2015 Funding Schedule

2015 Available Funding for TBRA Grants:

\$5 Million, including up to \$250,000 for Site Investigation Grants

\$1 Million for Pilot Program Grants

Application Type	Month	Activity
Round 1: Investigation, Cleanup and Pilot program	April	Notice of funding availability
	May	Applications due
	June	Community Development Committee recommends grant awards
	June	Metropolitan Council awards grants
Round 2: Investigation, Cleanup and Pilot program	August	Notice of funding availability
	November	Applications due
	December	Community Development Committee recommends grant awards
	January 2016	Metropolitan Council awards grants

Tax Base Revitalization Account

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 also create or preserve jobs or affordable housing. Applicants will choose one of the following types of 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.
- *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 Pilot* grants are intended for sites within an area of concentrated poverty that do not yet have a planned or identified redevelopment project. Activities may include site investigation, cleanup, or both.

Funding Profile:

- Environmental 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 Pilot
 - Site within areas of concentrated poverty
 - No identified redevelopment project associated with the investigation and/or cleanup
 - No match requirement for cleanup; 25% match requirement for investigation
 - No cap on request amount
 - 1 year grant term for investigation (no extensions); 3 year grant term for cleanup (2-year extension possible)

- Eligible uses are same as above

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 2015

- A new TBRA Pilot program is being offered for redevelopment sites within areas of concentrated poverty without an identified redevelopment project.

Section 3: Evaluation Process

Site Investigation Applications

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

Investigation	Possible Points
Increase to the Tax Base	5
Increase to the tax base of the recipient municipality based on a redevelopment proposal.	
Access to jobs and/or affordable housing (and economic competitiveness)	5
<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 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 AND • includes federal subsidy (e.g., Section 8) as part of the redevelopment financing. 	
Brownfield clean up/environmental health improvements	15
<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 track record of successful completion of site cleanup with prior Council-funded environmental investigations. 	

Investigation	Possible Points
Orderly and Efficient Land Use	15
<p>Show how the investigation supports the Council’s Thrive MSP 2040 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 and around regional transit through adaptive reuse, infill development or redevelopment. • The Council will give priority to the re-use of vacant or abandoned sites. 	
Readiness/Market demand	15
<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 	
Partnership	5
Demonstrate established financial partnerships. Points are awarded for committing matching funds beyond the required minimum 25% match.	
TOTAL	60
Applications must score 30 points or more out of 60 points to be considered for funding.	

Cleanup Applications

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

Cleanup	Possible Points
<p>Increase to the tax base</p> <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.) 	<p>25</p>
<p>Access to Jobs and/or affordable housing and economic competitiveness</p> <ul style="list-style-type: none"> • Increase or retain the number of permanent jobs in the region; • 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. <p>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 AND • includes federal subsidy (e.g., 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>	<p>25</p>
<p>Brownfield cleanup/environmental health improvements</p>	<p>25</p>
<p>Clean-up of the most contaminated sites to provide the greatest improvement in the environment and the greatest reduction in human health risk.</p>	

Cleanup	Possible Points
Orderly and efficient land use	35
<p>Show how the cleanup and redevelopment project supports Thrive MSP 2040 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. • 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. • 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. • Providing access to regional parks and trails and 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 	
Readiness and market demand	25
<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. 	
Partnership	5
<p>Represent innovative partnerships among various levels of government and private for-profit and nonprofit sectors.</p>	
Community’s Housing Performance Score	10
<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 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.</p>	
TOTAL	150
Applications must score 75 points or more out of 150 points to be considered for funding.	

TBRA Pilot Program Applications

The Council will rank applications for the TBRA Pilot program category for sites within an area of concentrated poverty that do not have a specific redevelopment project according to the extent they demonstrate the following:

TBRA Pilot	Possible Points
Increase to the tax base	5
<ul style="list-style-type: none"> 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. 	
Access to jobs and/or affordable housing (and economic competitiveness)	5
<ul style="list-style-type: none"> Potential for adding or retaining new jobs based on adding or preserving affordable, workforce housing choices through adaptive reuse, infill development or mixed use redevelopment based on existing land use designation and proximity to existing employment centers. 	
Reducing contamination risk and making health improvements	15
<ul style="list-style-type: none"> 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. 	
Orderly and efficient land use	15
<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. 	
Partnership	10
<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 	
Readiness	10
<ul style="list-style-type: none"> Readiness to proceed with cleanup site investigation OR readiness to proceed with site cleanup Market demand for redevelopment 	
TOTAL	60
Applications must score 30 points or more out of 60 points to be considered for funding.	

More information on eligible sites, activities or use of grant funds will be provided in the application guides for each grant category.

LCA Grant Programs



Livable Communities Demonstration Account

**2015
Funding Schedule
Funding Criteria
and Selection Process**

Livable Communities Demonstration Account – Regular Program 2015 Funding Schedule

2015 Available Funding for LCDA Grants: \$7.5 Million

Application Type	Month	Activity
LCDA Development	March	Notice of funding availability
	April	Application submittal workshops
	May	Project concept plans due
	July	Full applications due
	August – November	Staff and Livable Communities Advisory Committee review and rank proposals
	December	Community Development Committee recommends grant awards
	December / January	Metropolitan Council awards grants

Livable Communities Demonstration Account

Section 1: Purpose, Program Profile, Award Limits

Purpose of Livable Communities Demonstration Account (LCDA) Grants

LCDA funding helps cities implement 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:**
- No match requirement
 - 3-year grant term (2-year extension possible)
 - No cap on request amount. The Cities of Minneapolis and Saint Paul are limited to 40% of the total available amount.
 - Eligible uses
 - Basic public infrastructure
 - Site improvements and site acquisition
 - Placemaking – public improvements and other public elements that improve the functional connectivity of the project

More details on eligible and ineligible uses can be found in the LCDA 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: LCDA Changes for 2015

Livable Communities Advisory Committee will be expanded by adding two members from community-based organizations with expertise in planning, economic and community development/engagement. These members will evaluate LCDA, LCDA-TOD and TBRA-TOD proposals based on how they benefit traditionally underrepresented communities and address local and regional barriers to opportunity.

Section 3: Evaluation Process

The Council evaluates LCDA applications in a two-step process. A staff evaluation team reviews and scores eligible Development 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 planning, economic and community development/engagement. The LCAC chair, not representing a specific area of expertise, is the 15th member.

Step One Evaluation Criteria for Development Grants: 50 possible points	Possible Points
A staff evaluation team will score eligible proposals using the Step One evaluation criteria and guidelines:	
Orderly and efficient land use	
How well the project will use land efficiently and will achieve: Development that intensifies land use and increases density to a level that maximizes the potential of the location.	8
Development that is designed in relationship to transit and transportation by: <ul style="list-style-type: none"> • Providing internal pedestrian convenience and efficiency through the design, layout and features of the design of the project. • Providing efficient, effective, thoughtful pedestrian access to transit through connections to, and/or integration of transit stops/access points in the design. 	10
Connections between housing and centers of employment, education, retail, and recreation uses; creation or preservation of permanent employment opportunities, including living wage jobs.	8
A developed range of housing densities, types and costs that addresses diversification of the housing stock.	8
Development that is sensitive to the environment and conserves, protects and enhances natural resources and/or incorporates green building design and energy efficiency standards.	8
Tools and processes	
The extent to which the application includes tools and processes appropriate to the project to ensure successful outcomes, including pertinent and effective regulatory tools; use of equitable development strategies; partnerships among government, private for-profit and nonprofit sectors; community participation; local vision and leadership.	8
Total	
50	
Applications must score 25 or more points to advance to the Step Two evaluation process.	

Step Two Evaluation Criteria for Development Grants	Possible Points
The LCAC scores proposals according to the evaluation and selection criteria in Step Two.	
Innovation and demonstration	30
<p>The extent to which the project demonstrates for the community and for the region:</p> <ul style="list-style-type: none"> • New development concepts or elements in one or more of the scoring areas covered in the Step One evaluation process; • Other innovation; • Serves as a model of LCDA goals; • Incorporates equitable development strategies when planning and/or designing the proposed project. 	
Catalyst	10
<ul style="list-style-type: none"> • The extent to which LCDA funding-requested element 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. 	
Readiness assessment	10
<p>The extent to which the proposed project is ready and able to use an LCDA grant, if awarded, within the 36-month grant term. The readiness assessment includes:</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. • 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. 	
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	10
<ul style="list-style-type: none"> • 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. 	
Overall Total	110

LCA Grant Programs



Local Housing Incentives Account

**2015
Funding Schedule
Funding Criteria
and Selection Process**

Local Housing Incentives Account 2015 Funding Schedule

2015 available funding for LHIA: \$2.0 Million

Application Type	Month	Activity
Ownership and Rental programs	April	MHFA/MHIG issues notice of funding availability
	May	Application deadline
	June-July	MHFA/MHIG staff review applications
	August	MHIG application evaluation and selection meeting
	September	MHFA board acts on recommendations from MHIG for RFP selections
	November	Community Development Committee recommends grant awards
	December	Metropolitan Council awards grants
	MHFA = Minnesota Housing Finance Agency MHIG = Metropolitan Housing Implementation Group	

Local Housing Incentives Account (LHIA)

Section 1: Purpose, Program Profile, Award Limits

Purpose of the Local Housing Incentives Account (LHIA) grants

LHIA funding helps cities meet their negotiated affordable and lifecycle housing goals. These grants provide funds to construct, rehabilitate, maintain and/or preserve affordable housing opportunities.

LHIA Program Profile

- Funding Profile:**
- A dollar-for-dollar match through expenditure on affordable housing activities within the participating community is required
 - 3-year grant term (2-year extension possible)
 - No cap on request amount.
 - 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 Metropolitan Council reserves the right to award less than the amount requested and to award less than the available funding in a funding cycle. 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.

Section 2: LHIA Changes for 2015

The Council will give preference to projects that exceed the current building code requirement for a minimum of 5% of the total units in a development designed and constructed to meet accessibility requirements and the additional 2% of the dwelling units that 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 service area of Metro Mobility will receive the same preference, even if they do not propose to exceed those minimums.

Section 3: Evaluation Process

To implement the LHIA, the Metropolitan Council partners with the Minnesota Housing, the Family Housing Fund and others—collectively called the Metropolitan Housing Implementation Group (MHIG). Applicants apply for LHIA funds through the Super RFP distributed by the Minnesota Housing (<http://mnhousing.gov>). All applications submitted are reviewed and evaluated as to the extent they address MHIG Shared Evaluation Criteria and Metropolitan Council project eligibility criteria. The criteria set forth in this Fund Distribution Plan are specific to the LHIA. See the program guide for MHIG specific threshold and competitive criteria.

LHIA Threshold and Competitive Criteria

- A significant component of the project must serving households with incomes at or below 80% of Area Median Income (AMI).
- 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 the chronically homeless.

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 project exceeds the current building code requirement for a minimum of 5% of the total units in a development be designed and constructed to meet accessibility requirements, and the additional 2% of the dwelling units that must be adaptable for 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.

LCA Grant Programs

Transit-Oriented Grant Category for the Tax Base Revitalization and Livable Communities Demonstration Accounts

**2015
Funding Schedule
Funding Criteria
and Selection Process**

Transit-Oriented Development 2015 Funding Schedule

2015 Available Funding for LCA-TOD Grants:

TBRA-TOD Grants: \$2 Million, including up to \$250,000 of that amount available for TBRA-TOD Site Investigation 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
	June	Round 1 applications due
	July	Community Development Committee recommends grant awards
	July	Metropolitan Council awards Round 1 grants
	September	Notice of Funding Availability
	November	Round 2 applications due
	December	Community Development Committee recommends grant awards
	December / January	Metropolitan Council awards Round 2 grants
TBRA-TOD Cleanup LCDA-TOD Development	March	Notice of funding availability
	May	Project Concept Plans due
	May	Design workshops
	July	Applications due
	October	Community Development Committee recommends TOD Development grant awards
	October / November	Metropolitan Council awards grants

Transit-Oriented Development Grants

Section 1: Purpose, Program Profile, Award Limits

Purpose of Transit Oriented Development (TOD)

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, restaurants, shops, and entertainment and is oriented to the transit stop. These development projects offer people of all ages, backgrounds and incomes abundant, convenient and affordable transportation choices and the opportunity to live active lives.

TOD Program Profile

LCA-TOD grants are a category within the TBRA and LCDA grant programs intended to catalyze TOD along transit corridors throughout the metropolitan area. (See introduction section for definition of [TBRA](#) and [LCDA](#) programs.) Proposed projects must be located within a TOD Area, described as:

- Areas within ½-mile of light rail, commuter rail, bus rapid transit stations operational by 2020
- Areas within ¼-mile linear buffer along high frequency local bus routes
- Areas within ½-mile of Park & Ride stations

Funding Profile:

- LCDA-TOD Development
 - No match requirement
 - No cap on request amount
 - Award limits: combined total of \$2,000,000 per city
 - 3 year grant term (2-year extension possible)
 - Eligible uses same as *regular program* [LCDA Development](#)
- LCDA-TOD Pre-Development
 - 25% match requirement
 - Award limit: \$100,000 per city, per round
 - 2 year grant term (no extensions)
 - 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
- 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
- TBRA-TOD Cleanup
 - No match requirement
 - Award limit: \$1,000,000
 - 3 year grant term (2-year extension possible)
 - Eligible uses: same as regular program [TBRA Cleanup](#) and [TBRA Site Investigation](#)

- Special note: available only in conjunction with concurrent LCDA-TOD application and award.

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: LCA-TOD Changes for 2015

- TBRA-TOD grants will be available only in conjunction with LCDA-TOD grants: to qualify for TBRA-TOD funds, an applicant must apply for and be awarded an LCDA-TOD grant *and* demonstrate sufficient contamination and cleanup benefits for a TBRA-TOD award.
- The Livable Communities Advisory Committee will be expanded by adding two members with community-based organization expertise in planning, economic and community development/engagement.. These members will evaluate LCDA, LCDA-TOD and TBRA-TOD proposals based on how they benefit traditionally underrepresented communities and address local and regional barriers to opportunity..

Section 3: Evaluation Process

The Evaluation Process includes both Threshold Criteria and Ranking Criteria.

Threshold Criteria:

To compete in the TBRA-TOD Cleanup and LCDA-TOD Development grant categories, **all** threshold criteria must be met at the time of the application; if not already met, the applicant must agree it will fulfill all threshold criteria within one year of completion of preliminary engineering for the station's transit line.

LCA-TOD Threshold Criteria		
A staff evaluation team will review the application to determine if the proposal meets the threshold criteria. Only proposals that have met all threshold criteria will move on to the Ranking Criteria process.		
Transit-Oriented Development Design Features in the TOD Area		
The development project must comply with an approved station area plan or small area plan that demonstrates the following TOD design features: <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
Housing and Economic Diversity Considerations within the TOD Area		
City has adopted a policy/plan/guideline or other official local control to:		
Address both the preservation of existing subsidized and naturally occurring affordable housing units in the TOD Area and <ul style="list-style-type: none"> The addition of affordable housing units in the TOD Area or <ul style="list-style-type: none"> The addition of higher-value housing in lower-income areas to achieve a mix of housing opportunities. 		
Address how the applicant will proactively and intentionally address gentrification		

Ranking Criteria for LCA-TOD Development and Cleanup Proposals

The Council evaluates these LCA-TOD applications in a two-step process. A staff evaluation team reviews and scores eligible applications using the Step One evaluation criteria and guidelines (see below). Step Two of the evaluation process is conducted by members of the Livable Communities Advisory Committee (LCAC).

Step One Evaluation Criteria for LCA-TOD Applications: 75 possible points	
Criteria category	Possible points
Housing:	20
<ul style="list-style-type: none"> • The proposal's ability to produce affordable housing. • The city has adopted affordability requirements for housing assisted with city funds or other fiscal devices applicable in the TOD Area. 	
Transit Accessibility, Walkability, & Ridership	16
<ul style="list-style-type: none"> • The degree to which 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. • The project's ability to increase the share of transit ridership to a level above what would be expected from a more traditional development. 	
Jobs & Economic Competitiveness	15
<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. 	
TOD Design:	14
<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 that promote walking, bicycling, recreation, and the use of transit. 	
Environmental Design	6
<ul style="list-style-type: none"> • The project's ability to minimize stormwater runoff, filter sediments, and promote infiltration; • Integrate native vegetation; • Incorporate green building design and energy efficiency standards; and • Clean contaminated land. 	
Leverage/Partnerships:	4
<ul style="list-style-type: none"> • Partnerships have been established to advance the proposal and leverage other resources 	
TOTAL	75
Applications must score 45 or more points to advance to the Step Two evaluation process.	

Step Two Evaluation Criteria for LCA-TOD Applications: 45 possible points	
The LCAC scores proposals according to the evaluation and selection criteria in Step Two.	
TOD Model/Demonstration Value	20
<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 features as listed under the threshold criteria • How well the application addresses four criteria categories from the Step One process: transit access/design/ridership impact, housing, jobs, and TOD design. • The degree to which the equitable development strategies were incorporated when planning and/or designing the proposed project. 	
Catalyst	10
<ul style="list-style-type: none"> • The extent to which LCA-TOD funding-requested element(s) 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. 	
Readiness	15
<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). 	
Step Two Total	45
Combined Step One and Step Two Total	120
Applications must score 72 or more points of the total 120 available points from Step One and Step Two combined to be considered for funding.	
Housing Performance Score	10
<ul style="list-style-type: none"> • 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. 	
Overall Total	130

Ranking Criteria for LCDA-TOD Pre-Development Applications

Applications seeking funding pre-development activities may apply for funds in two LCDA-TOD Pre-Development funding rounds. The process for evaluating applications seeking **only** LCDA-TOD Pre-Development is conducted by the staff evaluation team in a single step.

Threshold Criteria:

To be considered in the LCDA-TOD Pre-Development grant category, **all** threshold criteria must be met at the time of application. If not already met, the applicant must agree it will fulfill all threshold criteria within one year of completion of preliminary engineering for the station's transit line.

LCDA-TOD Pre-Development Threshold Criteria		
A staff evaluation team will review the application to determine if the proposal meets the threshold criteria. Only proposals that have met all threshold criteria will move on to the Ranking Criteria process.		
Transit-Oriented Development Design Features in the TOD Area		
The development project must be comply with an approved station area plan or small area plan that demonstrates the following TOD design features: <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
Housing and Economic Diversity Considerations within the TOD Area		
City has adopted a policy/plan/guideline or other official local control to:		
Address both the preservation of existing subsidized and naturally occurring affordable housing units in the TOD Area and <ul style="list-style-type: none"> The addition of affordable housing units in the TOD Area. or The addition of higher-value housing in lower-income areas to achieve a mix of housing opportunities. 		
Address how the applicant will proactively and intentionally address gentrification.		

Evaluation Criteria for Pre-Development with an Identified Future Development Project - 100 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:	Possible Points
Transit Accessibility, Walkability, and Ridership:	15
<ul style="list-style-type: none"> • 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. • Provide ridership impact. 	
Housing:	15
<ul style="list-style-type: none"> • Produce affordable housing. • Assist the city in meeting its affordable and life-cycle housing goals. 	
Jobs:	15
<ul style="list-style-type: none"> • Create or preserve employment opportunities. 	
TOD Design:	15
<ul style="list-style-type: none"> • Demonstrate TOD design features. • Intensify future use of the site. 	
Partnerships and Readiness:	10
<ul style="list-style-type: none"> • The potential for meaningful and appropriate public involvement in carrying out the activities funded by an LCDA Pre-Development grant. • Financial commitment for the pre-development and/or site investigation activities. • Political commitment for the future development or redevelopment project. • The extent to which the proposed project is ready and able to use a LCA-TOD grant, if awarded, within the 24-month grant term. (Higher points will be given for more advanced projects on the pre-development continuum.) 	
TOD Model/Demonstration Value:	15
<ul style="list-style-type: none"> • The ability of the proposed pre-development activities to evolve into a future development or redevelopment project that could be a model of TOD, highlighting TOD design features. 	
Catalyst:	5
<ul style="list-style-type: none"> • The extent to which LCA-TOD funding-requested element 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. 	
Total	90
Applications must score a combined 54 or more points of the total 90 available from Step One and Step Two to be considered for funding.	
Housing Performance Score	10
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.	
Overall Total	100

Evaluation Criteria for Pre-Development TOD Implementation Zoning Ordinances Applications – 100 possible points

Applications will be evaluated on the degree to which the proposed activities will enhance the potential for the TOD Area to:	Possible Points
Transit Accessibility, Walkability, and Ridership:	20
<ul style="list-style-type: none"> • 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. • Provide ridership impact. 	
TOD Design:	25
<ul style="list-style-type: none"> • Demonstrate TOD design features. • Intensify future use of the site. 	
Partnerships and Readiness:	15
<ul style="list-style-type: none"> • The potential for meaningful and appropriate public involvement in carrying out the activities funded by an LCDA-TOD Pre-Development grant. • Financial commitment for the pre-development and/or site investigation activities. • Political commitment for the future development or redevelopment project. • The extent to which the proposed project is ready and able to use a LCA-TOD grant, if awarded, within the 24-month grant term. (Higher points will be given for more advanced projects on the predevelopment continuum.) 	
TOD Model/Demonstration Value:	20
<ul style="list-style-type: none"> • The ability of the proposed pre-development activities to evolve into a future development or redevelopment project that could be a model of TOD, highlighting TOD design features. 	
Catalyst:	10
<ul style="list-style-type: none"> • The extent to which LCA-TOD funding-requested element(s) 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. 	
Total	90
Applications must score a combined 54 or more points of the 90 points available in Step One and Step Two 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	100

Appendix A. Definitions

- **Affordable housing** 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 must have a minimum 15-year affordability term 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** means making public and private investments in neighborhoods to truly support those most in need and that takes into account past history and current conditions, so that future outcomes are equitably distributed, both for the people currently living and working there, as well as for new arrivals moving in.
- The **Future Development Project** is the development or redevelopment project that provides the deliverables upon which the TOD Site Investigation or Pre-Development grant application is scored. These criteria apply only to LCA-TOD Pre-Development and TBRA-TOD Site Investigation 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.
- 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 95 Twin Cities communities participating in LCA programs.
- **Placemaking** elements are those functional improvements that serve to create an identity, a focal point of, or gateway to the development *and* that attract other investment. These may include lighting, seating, sidewalks, paths, and furnishings and equipment for parks, plazas and other public areas provided they are an integral part of and contribute to the placemaking component of the project. Placemaking activities should promote walkability and the use of transit, set the stage for interaction among users of the site, enhance or reinforce the urban qualities of the site and surrounding neighborhood, and play a key role in catalyzing additional private investment.
- 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; grading and soil correction to prepare a site for construction.

- **Transit-Oriented Development (TOD)** is high-density, mixed-use development adjacent to transit stations or stops using pedestrian-friendly design standards.
- An **LCA-TOD-Eligible Area** is:
 - A DEED-designated Transit Improvement Area (TIA) or TIA-eligible station area located along fixed transitways operational by 2020 (Blue Line LRT, Northstar Commuter Rail, Green Line LRT, Green Line Extension LRT, Orange Line BRT, Red Line BRT, and the A-Line BRT). TIAs are special tracts of land designated by DEED that encompass a half-mile radius around transit stations that support bus rapid transit, light rail transit or commuter rail and that have the potential to increase ridership and stimulate new commercial and residential development. Fifty-seven TIAs have been designated; and/or
 - The area within a linear zone one-quarter mile either side the length of high frequency local bus lines , which are defined as having bus service running at least every 15 minutes between 6:00a.m. and 7:00 p.m. on weekdays and 9:00 a.m. to 6:00 p.m. on Saturdays; and/or
 - The area within a one-half mile radius of bus stops/stations on high-frequency express bus routes where significant passenger infrastructure is in place. High frequency bus routes are those running a minimum of six trips during at least one hour of the morning peak hours between 6:00 a.m. and 9:00 a.m. and every ten minutes during the morning peak hours.

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 and Regional Parks Policy Plans. The Water Resources Policy Plan is also scheduled to be adopted in 2015. 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 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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