

2020 ANNUAL LIVABLE COMMUNITIES FUND DISTRIBUTION PLAN



February 2020

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

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

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2020 Livable Communities Act Fund Distribution Plan

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

The plan:

- Establishes the amount of funding available for 2020 and the limits that apply to individual awards.
- Sets the schedule for submitting grant applications, reviewing them, and awarding the funds.
- Describes the criteria the Metropolitan Council uses in selecting projects for grants.
- Defines who is eligible to apply for the grants.

Livable Communities Grants: Funding Availability and Description

Livable Communities Demonstration Account (LCDA)

\$9 million available in 2020

Up to \$500,000 of which is available for Pre-Development grants

The LCDA supports development and redevelopment projects that link housing, jobs and services and use community and regional infrastructure efficiently. The LCDA is funded by a property tax levy that is distributed among the regular LCDA, the LCDA-TOD and the LHIA.

LCDA – Transit Oriented Development (LCDA-TOD)

\$5 million available in 2020

Up to \$500,000 of which is available for Pre-Development grants

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

Livable Communities Grants: Funding Availability and Description, continued

Local Housing
Incentives
Account
(LHIA)

\$4.5 million available in 2020

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

Tax Base
Revitalization
Account
(TBRA)

\$5.75 million available in 2020

Up to \$250,000 of which is available for Site Investigation grants

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

TBRA Seeding
Equitable
Environmental
Development
(SEED)

\$250,000 available in 2020

Using targeted funds from the TBRA, **SEED** helps clean up contaminated land and buildings in areas of concentrated poverty and doesn't require a future development project.

If significant additional monies accrue to any account during 2020 due to relinquished funds or investment earnings, additional funds may be made available through an amendment to this Plan.

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

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

Who Is Eligible to Apply?

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

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

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

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

More Information

More detailed information and instructions on process, grant terms, eligible and ineligible uses of grant funds and schedules are provided in the program application guides and in the individual grant applications.

LIVABLE COMMUNITIES GRANT PROGRAMS



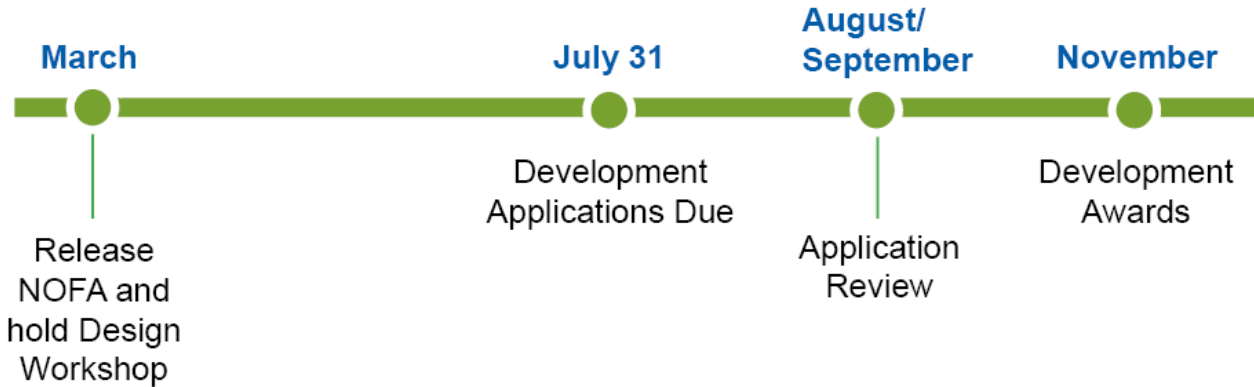
Livable Communities Demonstration Account

2020 Funding Schedule Funding Criteria and Selection Process

Section 1: LCDA and LCDA Pre-Development Funding Schedule

LCDA Development Funding Schedule

\$8.5 million available



LCDA Pre-Development Funding Schedule

\$250,000 available each round



Section 2: Purpose, Program Profile, Award Limits

Purpose of Livable Communities Demonstration Account (LCDA) Grants

LCDA funding assists cities with the implementation of their community development objectives and comprehensive plans in ways that:

1. Interrelate two or more of the following: development or redevelopment, affordable housing, and employment growth;
2. Intensify land uses and lead to more compact development or redevelopment;
3. Achieve a mix of housing opportunities; and
4. Encourage public infrastructure that connects communities, attracts investment, and provides project area residents with expanded opportunities for employment.

These grants provide funds for public infrastructure and placemaking improvements that achieve one or more of these objectives in innovative ways that offer demonstration value for other potential projects.

LCDA Program Profile

LCDA Development	
Available Funding	\$8.5 million
Local Match	None
Grant Terms	3 years from date of award
Term Extensions	Up to 2 years
Award Limits	No more than 40% of available funds to projects located in Minneapolis and Saint Paul*
Application Limit	No more than three per city
LCDA Pre-Development	
Available Funding	\$250,000 per round
Local Match	25%
Grant Terms	2 years from date of award
Term Extensions	Not Available
Award Limits	\$100,000 per round, per city
Application Limit	No more than three per city

*The Council reserves the right to consider awarding more than 40% and reserves the right to award less than the amount requested and to award less than the available funding in a funding cycle.

Detailed eligible activities are listed in the program guides for each program.

Section 3: LCDA Evaluation Process and Criteria

LCDA Development Application Process

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

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

Evaluation Criteria for <u>LCDA</u> – Step One	Possible Points	
Efficient Land Use and Site Design		
<ul style="list-style-type: none"> The project’s ability to maximize the potential of the location through intensified land use and increased density The development introduces a diversity of uses to the project area The project includes internal pedestrian circulation which is convenient, efficient, and attractive throughout and around the project site The site is designed to facilitate pedestrian activity and considers first floor activity, parking location, and wayfinding 	15	
Connections		
<ul style="list-style-type: none"> The development project takes advantage of or maximizes connections between or among housing, centers of employment, education, retail, and recreation uses through location or design The development provides convenient, efficient, and attractive access from the project site to the neighborhood or the surrounding community through infrastructure that emphasizes pedestrian and/or bike mobility The development creates opportunities for social interaction, through location, programming or design, to increase community connections 	8	
Environmental Design		
<ul style="list-style-type: none"> The project conserves, protects, and enhances natural resources The project reduces greenhouse gas emissions and carbon use through the application of resilient energy infrastructure, green building design, energy efficiency standards, and/or the inclusion of renewable energy sources The project utilizes sustainable site design and conserves, restores, or protects the region’s water resources through best management practices or innovative design 	7	
Jobs and Housing (Projects will be scored as Jobs or Housing projects, taking the highest score of either category)		
<p>Jobs Projects</p> <ul style="list-style-type: none"> The project’s ability to expand employment opportunities through the creation or preservation of permanent employment opportunities with emphasis on including living wage jobs and increasing diversity of jobs type in the area The creation of jobs in or near Areas of Concentrated Poverty that will be accessible to existing area residents There is an established process to advance and promote the employment of local workers The development prioritizes the preservation of existing small businesses and/or the ability to occupy commercial space with small with local small businesses The applicant’s policies, practices or programs that support Disadvantaged Business Enterprises The project’s proximity and access to employment centers with high job densities and its ability to enhance the local tax base <p>OR</p> <p>Housing Projects</p> <ul style="list-style-type: none"> The project provides or preserves housing types that contribute to a full range of housing choices The addition of affordable housing, or preservation of affordable units The acceptance of Housing Choice Vouchers 		12

<ul style="list-style-type: none"> Housing affordability requirements (i.e. mixed income housing policies implemented by applicant) for development projects assisted with city funds or other fiscal devices 	
Partnerships and Processes	
<ul style="list-style-type: none"> The project team involves partnerships among government, private for-profit and nonprofit sectors, and the local community The project fills an identified and specific community need Community engagement efforts are authentic, initiated early in the planning process, and plan to be maintained throughout the project's duration, especially if project changes occur The planning process is inclusive of and responsive to community participation, vision, and leadership The project's ability to work with community partners to assess displacement risk and implement a displacement prevention strategy if needed 	8
Total	50
Applications must score 25 or more points to advance to the Step Two evaluation process.	

Evaluation Criteria for LCDA – Step Two	Possible Points
Innovation and Demonstration	
<p>The project provides demonstration value for the community and region through:</p> <ul style="list-style-type: none"> New development concepts, strategies, elements, or partnerships in one or more of the scoring areas covered in the Step One evaluation process Being a model of LCDA goals as defined in statute or described in Step One criteria Incorporating equitable development strategies when planning and/or designing the proposed project Ability to glean and share demonstration and/or innovation findings to other communities/projects in the region 	25
Catalyst	
<ul style="list-style-type: none"> The proposed development project will catalyze additional efforts to further community development goals The inclusion of strategies to support wealth building for residents within the community where the project is located 	10
Readiness Assessment	
<p>The development project is ready and able to use awarded grant funds within the 36-month grant term, based on an assessment including:</p> <ul style="list-style-type: none"> The status of implementation tools – for example, zoning codes and other official controls, design standards, or development standards The status of funding commitments and other indicators of readiness Partnerships have been formalized and committed to and roles and contributions have been agreed to The applicant's capacity to manage the grant partnership 	15
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.	

LCDA Pre-Development Application Evaluation Process

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

Evaluation Criteria for <u>LCDA Pre-Development</u>	Possible Points
Livable Communities Act Goals	
<p>The proposed project’s ability to or assess the potential of the project to:</p> <ul style="list-style-type: none"> • Intensify land use, increase diversity of land uses, improve the pedestrian/bicycle environment and encourage community interaction at the site • Connect proposed and existing land uses and increase connections between housing, jobs, services and amenities • Conserve natural resources when feasible and follow sustainable site design practices • Increase housing choice and further City’s ability to meet their affordable housing goals 	11
Readiness	
<ul style="list-style-type: none"> • The project’s or proposal’s alignment with the City’s comprehensive or other local plans • The proposed project is ready and able to use the grant, if awarded, within the 24-month grant term 	17
Demonstration Value	
<ul style="list-style-type: none"> • Project or proposal includes process to share demonstration or innovation findings to other communities in the region • Extent to which the project incorporates or assesses feasibility to incorporate new development strategies to support identified community needs 	10
Catalytic Value	
<ul style="list-style-type: none"> • Extent to which pre-development activities will catalyze the LCA goals described above in the project of which it’s a part, or in the project area • Extent to which the project will support meeting identified community needs 	10
Partnerships and Process	
<ul style="list-style-type: none"> • Proposal provides for meaningful and appropriate public engagement during the pre-development phase and beyond • Proposal works with community partners to implement a displacement prevention strategy if needed • Engagement includes a variety of stakeholders 	12
Total	60
Applications must score 30 or more points to receive funding consideration	

LIVABLE COMMUNITIES GRANT PROGRAMS

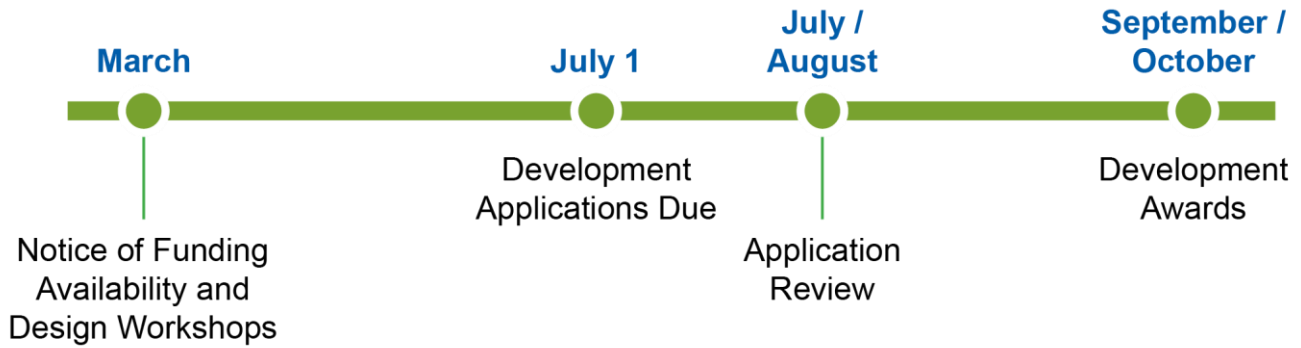
Livable Communities Demonstration Account - Transit Oriented Development

2020 Funding Schedule Funding Criteria and Selection Process

Section 1: LCDA-TOD and LCDA-TOD Pre-Development Funding Schedule

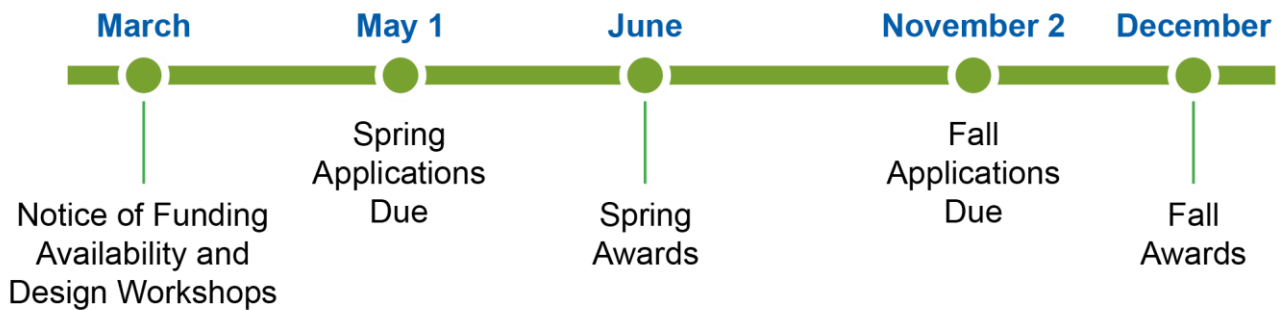
LCDA-TOD Development Funding Schedule

\$4.5 million available



LCDA-TOD Pre-Development and Zoning Funding Schedule

\$250,000 available each round



Section 2: Purpose, Program Profile, Award Limits

Purpose of Transit Oriented Development

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

TOD Program Profile

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

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

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

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

- A ½-mile radius of an existing station on the following transit corridors:
 - LRT: METRO Blue Line and Green Line
 - BRT: METRO Red Line, A Line, and C Line
 - Northstar Commuter Rail Line
- A ½-mile radius of a proposed station on the following planned transit corridors:
 - LRT: METRO Blue Line and Green Line Extensions
 - BRT: METRO Orange and Gold Line, and D 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 and running between 6:00 AM to 7:00 PM on week days and between 9:00 AM and 6:00 PM on Saturdays.

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

- A ½-mile radius of a proposed station on the following planned transit corridors:
 - Rush Line
 - Riverview

Funding Profile

LCDA-TOD Development	
Award Limit	\$2 million per city
Local Match	None
Grant Term	3 years from award date
Term Extensions	Up to 2-year extension possible
Application Limit	No more than three per city
Eligible Uses	
LCDA-TOD Pre-Development and Zoning	
Award Limit	\$100,000 per city, per round
Local Match	25%
Grant Term	2-years from date of award
Term Extensions	None
Application Limit	Three per city combined Pre-Development and Zoning
Pre-Development Eligible Uses	Site plan development, market studies, project-specific stormwater management plans, geotechnical analysis, development staging plans
Zoning Eligible Uses	Development of TOD zoning ordinances

Detailed eligible activities are listed in the program guides for each program.

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 3: LCDA-TOD Evaluation Process and Criteria

LCDA-TOD Development Application Evaluation Process

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

The Council will rank LCDA-TOD Development applications according to the extent they demonstrate the following criteria above and beyond conventional or standard development types:

Evaluation Criteria for <u>LCDA-TOD</u> – Step One	Possible Points
TOD Design:	
<ul style="list-style-type: none"> The intensity of the site’s future land use, increased density, and consistency with the Council’s Housing Policy Plan and Transportation Policy Plan 	20

Evaluation Criteria for <u>LCDA-TOD</u> – Step One	Possible Points
<ul style="list-style-type: none"> • The type and diversity of uses within the development project and/or TOD area, how the project fits into the area’s context, and its potential impact on transit service levels • The innovative application of TOD principles and best practices in architecture, urban design, mobility, and equitable development • The use of strategies to create an enhanced human-scale physical environment and street life that establishes a sense of place, fosters social interaction, and connects to the surrounding neighborhood, its public realm space, and its amenities • The use of strategies that promote convenient pedestrian, bicycle, and micro mobility options to access daily needs and essential services between housing, employment, education, retail and recreation • The use of strategies to increase the viability of transit use, car share and other alternative modes of transportation, as well as reducing the need for automobile ownership, vehicular traffic, and parking requirements • The use of strategies to create equitable outcomes in the TOD area and the region • The degree to which proposed development project advances city TOD guidelines, area plans, and/or otherwise identified TOD goals 	
Transit Accessibility, Walkability, & Ridership	
<ul style="list-style-type: none"> • The degree to which the development project makes the TOD Area more transit-oriented OR the degree to which the existing area is already supportive of transit users • The extent and quality of connections from the development project to transit service and other uses in the TOD area • An increase in transit ridership beyond what would be expected from a conventional development 	15
Environmental Design	
<ul style="list-style-type: none"> • Conserving, restoring, or protecting the region’s water resources through best management practices or innovative design • Commitment to reducing greenhouse gas emissions and carbon use through the application of resilient energy infrastructure, green building design, energy efficiency standards, and/or the inclusion of renewable energy sources • The conservation, protection, or enhancement of natural resources 	12
Jobs and Housing: (Projects will be scored as Jobs or Housing projects, taking the highest score of either category)	

Evaluation Criteria for <u>LCDA-TOD</u> – Step One	Possible Points
<p>Jobs Projects</p> <ul style="list-style-type: none"> • The expansion of employment opportunities, emphasizing permanent living wage jobs and diversity of jobs in the area • The creation of jobs within or near Areas of Concentrated Poverty that will be accessible to existing area residents • The use of strategies to advance and promote the employment of local workers • The use of strategies to preserve existing small businesses or provide space for local small businesses • The applicant’s policies, practices or programs that support Disadvantaged Business Enterprises • The project’s proximity and access to employment centers with high job densities and its ability to enhance the local tax base <p>OR</p> <p>Housing Criteria:</p> <ul style="list-style-type: none"> • The creation or preservation of housing types that contribute to a full range of housing choices • The addition of affordable housing, or preservation of affordable units within the station area • The acceptance of Housing Choice Vouchers • Housing affordability requirements for development projects assisted with city funds or other fiscal devices applicable in the TOD Area 	20
Process and Partnerships	
<ul style="list-style-type: none"> • Partnerships have been established among various levels of government, private for-profit and non-profit sectors, and the local community • The project fills an identified and specific community need • Community engagement efforts are authentic, initiated early in the planning process, and plan to be maintained throughout the project’s duration, especially if project changes occur • The planning process is inclusive of and responsive to community participation, vision, and leadership • The use of strategies to assess displacement risk and implement displacement prevention if needed 	8
TOTAL	75
Applications must score 45 or more points to advance to the Step Two evaluation process.	

Evaluation Criteria for <u>LCDA-TOD</u> – Step Two	Possible Points
TOD Innovation and Demonstration	
<p>The project’s demonstration value provided through:</p> <ul style="list-style-type: none"> • New development concepts, strategies, or partnership in one or more Step One scoring area • Modeling LCDA goals as defined in statute or described in Step One criteria • Using equitable development strategies when planning and/or designing project • Ability to glean and share demonstration and/or innovation findings to other communities in the region • The degree to which the development plan demonstrates TOD design principles beyond a conventional project 	20
Catalyst	
<ul style="list-style-type: none"> • The extent to which the proposed project will position the TOD area for further intensification and additional transit-oriented development • The extent to which the proposed project will support wealth building for residents within the community where the project is located 	15
Readiness	
<p>Development can use fund within 3 years, based on:</p> <ul style="list-style-type: none"> • Status of regulatory approvals • Status of other funding commitments • Partnership are formal and committed • Applicant capacity to manage grant partnership 	15
Step Two Total	50
Combined Step One and Step Two Total	125
Applications must score 75 or more points of the total 125 available points from Step One and Step Two combined to be considered for funding.	

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

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

Evaluation Criteria for <u>LCDA-TOD Pre-Development</u>	Possible Points
Applications will be evaluated on the degree to which the proposed activities will enhance the potential for their associated development or redevelopment project to:	
Transit Accessibility, Walkability, and Ridership	
<ul style="list-style-type: none"> • Make or assess potential of the TOD Area to be more transit-oriented OR the degree to which the existing area is already supportive of transit users, considering factors such as: diversity of uses, quality of the pedestrian environment and connections to transit • An increase in transit ridership beyond what would be expected from a more conventional development 	10
TOD Design and Demonstration	
<ul style="list-style-type: none"> • Exemplify TOD design principles and best practices or assess ability of project to do so • Intensify future use of the site or assess ability of project to do so • Incorporate or assess feasibility to incorporate new development strategies to support identified community needs • Project or proposal includes a plan to share findings when applicable and valuable 	15
Housing	
<ul style="list-style-type: none"> • Produce affordable and/or lifecycle housing or assess the ability of the project to do so • Assist the city in meeting its affordable and life-cycle housing goals or assess the ability of the project to do so • Create or preserve a mix of housing types within the station area or assess the ability of the project to do so 	10
Jobs	
<ul style="list-style-type: none"> • Create or preserve, or assesses the project's ability to create or preserve employment opportunities, particularly focusing on retaining or attracting locally owned businesses and providing opportunities to the local community 	5
Catalyst	
<ul style="list-style-type: none"> • Catalyze the implementation of the associated development or redevelopment • Lead to a development project that provides demonstration value and design above and beyond conventional development types • Position the TOD area for further intensification, catalyze additional transit-oriented development in a way that limits or mitigates displacement of existing residents or businesses, and /or further community development goals in the immediate area as well as throughout the region 	15
Partnerships and Readiness	
<ul style="list-style-type: none"> • Pre-development activities provide for meaningful and appropriate engagement with communities most impacted by the project • The city has identified and secured financial commitments to move the pre-development activities forward • The proposed project is ready and able to use the grant within two years 	10
Total	
65	
Applications must score at least 39 of the total 65 available points	

Evaluation Criteria for <u>LCDA-TOD Pre-Development</u> - TOD Zoning	Possible Points
Applications will be evaluated on the degree to which the proposed activities will enhance the potential for zoning changes that:	
Transit Accessibility, Walkability, and Ridership	
<ul style="list-style-type: none"> Improve the pedestrian and bike environment within the station area by addressing such elements as: enhanced circulation networks for all modes of transportation, increased connections and intersection density, public realm requirements, and enhanced public spaces. 	20
TOD Design and Demonstration	
<ul style="list-style-type: none"> Exemplify TOD design by addressing elements such as: land use and built form, design standards, building articulation and orientation, environmental design, pedestrian zones, parking management, and reduced parking requirements Diversification of uses and intensification of future development within the TOD area Potential to lead to a regulatory change that has demonstration value and includes how change will be evaluated and findings shared throughout the region 	25
Catalyst	
<ul style="list-style-type: none"> Position the TOD area for further intensification, catalyze additional transit-oriented development in a way that limits or mitigates displacement of existing residents or businesses, and /or further community development goals in the immediate area as well as throughout the region Lead to development projects that provide demonstration value and design above and beyond conventional development types 	10
Partnerships and Readiness	
<p>Applications will also be evaluated on the degree to which:</p> <ul style="list-style-type: none"> Pre-development activities provide for meaningful and appropriate engagement with communities most impacted by the zoning change The city has identified and secured financial commitments to move the project forward Proposed project is ready and able to use the grant within 2 years 	15
Total	70
Applications must score at least 42 of the 70 available points	

LIVABLE COMMUNITIES GRANT PROGRAMS

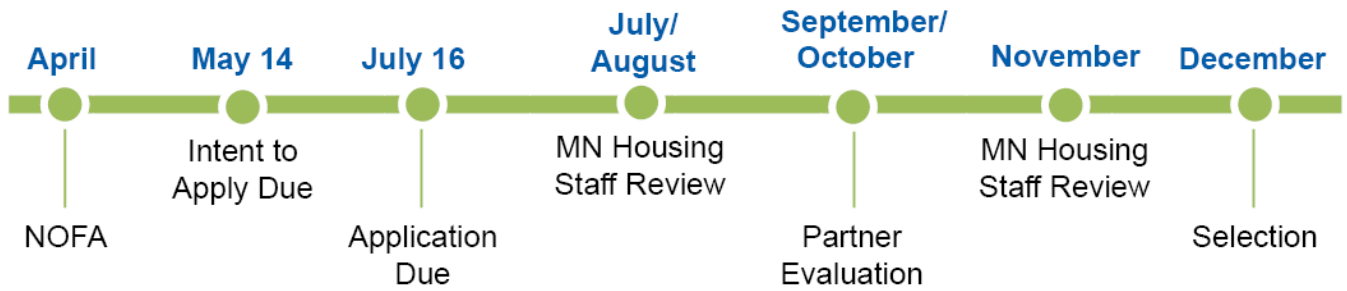


Local Housing Incentives Account

**2020
Funding Schedule
Funding Criteria
and Selection Process**

Section 1: LHIA Funding Schedule

Funding: \$4.5 Million available



Section 2: Purpose, Program Profile, Award Limits

Purpose of the Local Housing Incentives Account Grants

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

LHIA Program Profile

LHIA	
Local Match	Dollar-per-dollar from grantee
Grant Term	3-years

Award Limits

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

Section 3: LHIA Evaluation Process and Criteria

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

LHIA Threshold and Competitive Criteria

- A significant component of the project must serve households with incomes at or below 60% of Area Median Income (AMI) with a minimum affordability term of 15 years, for rental projects.
- Grantees must have an adopted Fair Housing Policy in order to receive Livable Communities Act Funding.
- Projects must have affirmative fair housing marketing plans.
- The Council will give priority to:
 - rental proposals creating or preserving affordability for persons at or below 30% of AMI;
 - proposals that serve large families by providing two or more-bedroom units; and
 - proposals meeting the needs of individuals and households experiencing long-term homelessness;
 - proposals that consider displacement impact and mitigation strategies; and
 - proposals that provide a housing type not currently available or serve a population not currently served in or near the project area.

Other Considerations

The Council will give preference if:

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

LIVABLE COMMUNITIES GRANT PROGRAMS



Tax Base Revitalization Account

**2020
Funding Schedule
Funding Criteria
and Selection Process**

Section 1: TBRA Funding Schedule

Funding: \$5.75 Million available, including up to \$250,000 for Site Investigation
\$250,000 available for TBRA Seeding Equitable Environmental
Development (SEED)

Funding Schedule



Section 2: Purpose, Program Profile, Award Limits

Purpose of the Tax Base Revitalization Account (TBRA) Grants

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

TBRA Program Profile

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

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

Funding Profile:

Site Investigation	
Available Funding	\$250,000
Local Match	25%
Grant Terms	1-year from date of award
Term Extensions	None
Award Limits	\$50,000 per project
Application Limit	None
Eligible Activities	Phase I environmental site assessment, Phase II environmental site assessment, hazardous materials building assessments, development of response action plans
Contamination Cleanup	
Available Funding	\$4.75M
Local Match	None
Grant Terms	3-year from date of award
Term Extensions	2-year
Award Limits	50% of total available funding per city

Application Limit	None
Eligible Activities	Contaminated soil remediation, groundwater remediation, soil vapor mitigation, hazardous building materials abatements
TBRA SEED	
Available Funding	\$250,000
Local Match	25% match requirement for investigation and/or abatement; none for cleanup
Grant Terms	2-years from date of award
Term Extensions	None
Award Limits	\$50,000 for investigation
Application Limit	None
Eligible Activities	Phase I environmental site assessment; Phase II environmental site assessment; Hazardous materials building assessments; Hazardous building materials abatements for all sites within an ACP; Contaminated soil remediation, groundwater remediation, or soil vapor mitigation for sites with an approved cleanup plan and developer site control
Geographic Restriction	Site within areas of concentrated poverty (ACPs) and in areas previously defined as ACPs, and parcels within 150 feet of a current or former ACP
Project Eligibility	No identified redevelopment project associated with the investigation and/or cleanup

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 3: TBRA Evaluation Process and Criteria

Site Investigation Applications

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

Evaluation Criteria for <u>TBRA</u> – Site Investigation	Possible Points
Increase to the Tax Base	
Increase to the tax base of the recipient municipality based on a redevelopment proposal.	5
Access to jobs and/or affordable housing (and economic competitiveness)	
<ul style="list-style-type: none"> Potential to increase or retain the number of new full-time equivalent jobs for the region through adaptive reuse, infill development or redevelopment 	5

Evaluation Criteria for <u>TBRA</u> – Site Investigation	Possible Points
<ul style="list-style-type: none"> • Potential to add affordable rental or ownership housing units for households with incomes at or below 80% of Area Median Income (AMI) OR • Preserve existing affordable housing if <ul style="list-style-type: none"> ○ the building undergoes substantial rehabilitation ○ ensures the extension of long-term affordability with income restrictions on tenants with incomes at or below 80% of Area Median Income (AMI) AND ○ includes federal subsidy (e.g., project-based Section 8) as part of the redevelopment financing 	

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

Contamination Cleanup Applications

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

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

Evaluation Criteria for <u>TBRA</u> – Contamination Cleanup	Possible Points
Orderly and efficient land use	
<p>Show how the cleanup and redevelopment project supports <i>Thrive MSP 2040</i> goals by:</p> <ul style="list-style-type: none"> • Supporting growth in the region and around regional transit through adaptive reuse, infill development or redevelopment to make the best use of public and private investment • Support for private investment in Areas of Concentrated Poverty particularly investment related to wealth-building strategies such as new micro-enterprise or new small business • Accommodating growth through increased redevelopment density • Providing or preserving housing choices to give people in all life stages and of all economic means viable choices for safe, stable and affordable homes including the willingness to accept Housing Choice Vouchers • Conserving vital regional natural resources features and functions • Conserving, restoring or protecting the region’s water resources through environmentally sound opportunities for recharging groundwater with best management practices for stormwater • Commitment to resilient energy infrastructure through the use of renewable energy sources • Providing access to regional parks and trails and the transit network using a variety of modes of travel • Showing consistency of proposed use with regional highway system and investments in the regional transit system and showing potential for growth in transit service 	35
Readiness and market demand	
<ul style="list-style-type: none"> • Demonstrate readiness to proceed with project site cleanup • Demonstrate market demand for proposed redevelopment elements in the project area and demonstrate readiness to promptly implement the proposed project if/when TBRA funding is provided, including identifying an end-stage developer and commitments by occupants 	25
Partnership	
Represent innovative partnerships among various levels of government and private for-profit and nonprofit sectors	5
TOTAL	
140	
Applications must score 70 points or more out of 140 points to be considered for funding.	

TBRA Seeding Equitable Environmental Development Program Applications

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

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

Appendix A. Definitions

- **Affordable housing, for all Livable Communities Act programs except Tax Base Revitalization Account (TBRA)**, is ownership or rental housing affordable to households with incomes of 60% or less of Area Median Income (AMI). For TBRA, that threshold is 80% AMI. Units indicated as affordable must have a minimum 15-year affordability term, and a mechanism to ensure the affordability for that period of time.
- **Fair Housing Policy** A written statement regarding the local municipality's commitment to fair housing, typically including the policy's purpose, procedures for complaint identification and referral, designating a fair housing officer, and outlining internal and external actions the municipality will undertake to advance fair housing. A best practices guide, as well as a copy of a model local fair housing policy can be found here: <https://metro council.org/Handbook/Files/Resources/Best-Practices/Fair-Housing-Policy-Guide.aspx>
- A **Living Wage** is 130% of the poverty guideline for a family of four within the 48 contiguous states established annually by the U.S. Department of Health and Human Services.
- **Micro-Enterprise** is a business with 5 or fewer employees including the owner.
- **Small Business** is a business that have been operating for at least 1 year with more than 5 employees and less than 50 employees, less than \$10 million in revenue, and faces barriers to survival and growth.
- **Transit-Oriented Development (TOD)** is moderate to higher-density development located within easy walking distance of a major transit stop, generally with a mix of residential, employment and shopping opportunities designed for pedestrians. (Additional information about transit-oriented development can be found in the Council's online handbook, the Guide for Transit-Oriented Development.)
- The **criteria to determine areas eligible for TOD funding** is as follows:
 - LCDA-TOD Development – The transit project has completed environmental review or received a Record of Decision.
 - LCDA Pre-Development – a project is in environmental review and included in the Transportation Policy Plan Current Revenue Scenario or the lead agency has adopted the Final Corridor Plan for bus rapid transit.



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