

# Livable Communities Demonstration Account 2008

## Available 2008 Funding for LCDA Demonstration Grants: \$7 Million

Date	Key Dates and Process for Awarding Demonstration Grants
April 9	Metropolitan Council <b>adopts program calendar, available funding and criteria.</b>
April 10	<b>Post grant schedule, funding criteria and application form</b> on <a href="http://www.metrocouncil.org">www.metrocouncil.org</a> ; send e-mail notifying LCA-participating city contacts that these materials are available.
April 22 and 24	<b>Hold workshops</b> for interested applicants
June 16	<b>Pre-application due</b> – a short pre-application must be submitted for each application that will be submitted on July 21
July 21	<b>Applications due</b> , including local resolution of support – no application can be accepted if a pre-application for the proposal was not received on or before June 16.
July – August	Staff conducts <b>technical review of proposals and Step 1 evaluation process</b>
September to November	Livable Communities Advisory Committee conducts <b>Step 2 evaluation process and selection process; recommends funding awards.</b>
November 17	<b>Funding recommendations presented</b> to Community Development Committee
December 1	<b>Community Development Committee recommends grant awards</b>
December 10	<b>Metropolitan Council awards grants</b>

# Livable Communities Demonstration Account Funding Criteria and Selection Process

## ***Funding Available in 2008: \$7 Million for Demonstration Grants***

### **Section 1: LEGISLATIVE AUTHORITY AND PURPOSE**

The Livable Communities Demonstration Account was established by the Livable Communities Act (LCA), Minnesota Statutes section 473.25(b). The Demonstration Account provides funds to development or redevelopment projects that connect development with transit, intensify land uses, connect housing and employment, provide a mix of housing affordability, and/or provide infrastructure to connect communities and attract investment. As the name of the account suggests, Demonstration Account funds are intended to be used for projects that demonstrate innovative and new ways to achieve and implement these statutory objectives, not merely to fill project funding needs.

### **Section 2: ELIGIBLE APPLICANTS**

Application is open to cities participating in the Metropolitan Livable Communities Housing Incentives Program, on behalf of proposals in their communities; metropolitan-area counties or development authorities (e.g., housing and development authorities, economic development authorities, port authorities) on behalf of projects located in LCA participant communities.

### **Section 3: FUNDING GOALS**

The legislative objectives are supported by the *2030 Regional Development Framework* policies. LCDA funding will support projects that demonstrate innovative ways of meeting *Framework* goals and strategies to achieve connected, efficient land-use patterns in communities throughout the region:

- Develop land uses in centers linked to the local and regional transportation systems.
- Efficiently connect housing, jobs, retail centers and civic uses.
- Develop a range of housing densities, types and costs.
- Conserve, protect and enhance natural resources by means of development that is sensitive to the environment.

In Developed Communities, the emphasis of these goals will be consistent with *Framework* direction on maintaining and improving infrastructure, buildings and land to provide developments that integrate land uses.

Projects in Developing Communities will be focused on accommodating growth by means of connected development patterns for new development, supporting activity centers along corridors that encourage the development of communities where shopping, jobs and a variety of housing choices co-exist by design.

## **Section 4: PARTNERSHIPS AND COORDINATION**

Applications for Livable Communities Demonstration Account development grants are reviewed by the 13-member Livable Communities Advisory Committee (LCAC), which makes funding recommendations to the Metropolitan Council. The committee includes members representing six areas of expertise to provide the range of skills and experience important for evaluating the complex development and redevelopment projects for which LCDA funding is requested. Areas of expertise (for which there are two members each) are: local government (planning, economic or community development); development finance (one private finance, one public finance); development (one new development, one redevelopment); transportation; environment; and site design. The advisory committee chair, not representing a specific expertise area, is the 13<sup>th</sup> member. The LCAC membership roster is at [www.metrocouncil.org](http://www.metrocouncil.org).

- The criteria and evaluation process are coordinated with state agency policies and initiatives so that funding consideration is given to projects that include or demonstrate:
- Strategies to provide a continuum of affordable housing (Minnesota Housing).
- Green Communities Criteria for building affordable housing (Minnesota Housing).
- The potential benefit of major state transportation investments (Minnesota Department of Transportation).
- Access management to maintain a safe flow of traffic while accommodating access needs of adjacent development (Minnesota Department of Transportation).
- The Minnesota Sustainable Building Guidelines to encourage more sustainable building practices (Administration and Commerce Departments).
- The land use goals of Project 2030, an initiative that identifies the impact of the aging of the baby boom generation and supports life-cycle housing. (Department of Human Services).
- That the NRI/A, a region-wide database and series of maps that records information about land and water resources developed by the Department of Natural Resources and the Metropolitan Council, is implemented locally and used to plan proposals implemented locally and used to plan proposals.
- Implementation of policies and requirements of the Pollution Control Agency for surface water management.

## **Section 5: PROJECT ELIGIBILITY CRITERIA**

1. The proposal involves new development, redevelopment or infill development addressing the program goals. Proposals involving rehabilitation are eligible when the project has other components that address one or more of the program goals.
2. Proposed project is located within the Council-identified developed area, developing area or a rural growth center (urbanized area).
3. Proposed project is consistent with the local comprehensive plan that has been reviewed by the Metropolitan Council or will be made consistent; and is consistent with any area, neighborhood, corridor or other local plan adopted by the municipality in which the project is located.
4. The proposed project helps achieve one or more of the affordable and life cycle housing goals adopted by the applicant city (or the city in which the project is located if the applicant is a county or county development authority) under the Local Housing Incentives program of the Livable Communities Act.

5. A local resolution from the applicant city, county or development authority 1) authorizing the application for grant funds; 2) identifying the need for LCDA funding, 3) prioritizing applications if the applicant is submitting more than one application; and 4) representing that the applicant has undertaken reasonable and good faith efforts to procure funding for the project components for which LCDA funding is sought, including reasons and supporting facts, is received by July 21, 2008.
6. The application is complete.

## **Section 6: EMINENT DOMAIN**

No applicant for a Metropolitan Council Livable Communities Act (LCA) grant shall be eligible for LCA grant funds from the Metropolitan Council if the project for which an LCA grant is requested requires the exercise of eminent domain authority over private property for purposes of *economic development* as defined by Council policy. The policy is available online at: <http://www.metrocouncil.org/services/livcomm/EminentDomainPolicy.htm> . The policy states that the prohibition regarding the use of eminent domain does not include “acquiring private property to remediate or clean up pollution or contamination that threatens or may threaten public health or safety or the environment, if the Applicant certifies: (i) the property owner is unable or unwilling to pay for appropriate remediation or clean up; (ii) remediation or clean up must occur expeditiously to eliminate or mitigate the threat to public health or safety or the environment; and (iii) no Responsible Party has been identified or is financially capable or carrying out the remediation or clean up.” “[A]cquiring abandoned property or acquiring “blighted” property as that term “blighted” is defined and used in Minnesota Statutes chapter 469 also is an exception to the eminent domain policy.

## **Section 7: NUMBER OF APPLICATIONS**

No more than five applications may be submitted for projects in a single city in any application cycle. Applicants submitting more than one application per cycle (year) must prioritize them according to the applicant’s internal priorities, prior to submittal.

## **Section 8: ELIGIBLE AND INELIGIBLE USES OF FUNDING**

**Eligible Uses of Funds:** Grant funds may be used for basic public infrastructure and site assembly to support development projects that meet the funding goals. Funded elements must directly contribute to completion of built or finished projects that meet the funding goals. Requests will be evaluated in the context of individual projects.

1. Basic public infrastructure items include and are defined as:
  - a) Local public streets
    - new streets, street realignment, reconstruction of existing street grid, street extensions or connections.
    - street lighting and street signs, when requested in conjunction with one of the eligible items in 1(a), or to retrofit an existing street with these elements, as part of a proposal that meets the funding goals.
    - permanent public pedestrian features, including sidewalks and benches, when requested in conjunction with one of the eligible items in 1(a), or to retrofit an existing street with these elements as part of a proposal that meets the funding goals.

- b) Other infrastructure
    - public parking structures (above- or underground), or the public portion of parking structures that will be for shared public–private use.
    - extensions or modifications of local public sewer and water lines, or telecommunications lines.
  - c) Other public connecting elements
    - Sidewalks and trails connected to transit.
    - Site-integrated transit shelters, permanent bike racks.
    - Bridge construction for vehicle or pedestrian use.
  - d) Storm water management improvements
    - new or expanded stormwater ponds, rain gardens, infiltration swales, pervious pavement, underground stormwater retention/infiltration structures, native vegetation for infiltration and erosion control, that are integral to the development.
  - e) Design and engineering for items listed in 1(a) through 1(d)
2. Site assembly for lands to be used for construction of buildings; streets; sidewalks; parks, plazas and other public spaces; or trails, that are integral to future development. Eligible items are:
- a) Land acquisition.
  - b) Demolition and removal of obsolete structures, pavement, curb and gutter, sewer and water pipes, on sites the city has already acquired or will acquire.
  - c) Site preparation—site grading and soil correction to enable construction.

**Ineligible Uses of Funds:**

1. County road improvements: all items relating to county roads listed in “eligible uses,” Item 1(a).
2. Traffic signals for local and county roads.
3. Private parking structures.
4. Surface parking.
5. Trees, sod, landscape plantings.
6. For parks, plazas and other public areas: lighting; retaining walls, seat walls; sidewalks; paths; furnishings and equipment including but not limited to benches, trash receptacles, bike racks, signs, kiosks; playground equipment; water features; entry features; public art; shelters, gazebos, pergolas, bell towers; recreation buildings, amphitheaters.
7. Site assembly of lands to be used for transit infrastructure or capital investments, e.g. transit stations, station platforms, park-and-ride facilities (unless park-and-ride spaces will be used for shared parking).
8. Building construction.
9. Building rehabilitation and improvements, exterior and interior.
10. Housing “affordability gap” and “value gap” financing.

11. Pollution cleanup and related expenses.
12. Applicant's administrative overhead.
13. Project coordination.
14. Activities prior to the date of the grant award.
15. Architect, developer, legal and other fees.
16. Local permits, licenses or authorization fees.
17. Travel expenses.
18. Costs associated with preparing grant proposals.
19. Operating expenses.
20. Prorated lease and salary costs.
21. Marketing costs.
22. Comprehensive plan preparation costs.
23. Costs associated with master plans or redevelopment plans, design workshops, design standards, market studies, zoning and land use implementation tools.

### **Section 9: AMOUNT OF AWARDS**

No minimum or maximum award levels for projects have been established. The Metropolitan Council reserves the right to award less than the amount requested and to award less than the available funding in the grant cycle.

### **Section 10: DISTRIBUTION OF FUNDS**

The Livable Communities Advisory Committee may recommend up to 40 percent of the total funds available in a grant cycle for projects located in Minneapolis and St. Paul. The Metropolitan Council reserves the right to subsequently consider awarding more than 40 percent of the total available funds in the grant cycle to projects located in Minneapolis and St. Paul, provided these conditions are met:

1. The consideration will adhere to the project evaluation and scoring process outlined in these criteria and to the project rankings; and,
2. Minneapolis and St. Paul projects that, if granted funds, would result in a total that exceeds 40 percent of the available funding in the current grant cycle:
  - a. Are exemplary demonstrations of the program criteria, as measured by these projects having scored 30 of 50 points in the Step Two advisory committee evaluation process; and
  - b. Have satisfactorily met the evaluation assessment for readiness, as determined in the advisory committee evaluation.

### **Section 11: LOCAL RESOLUTION**

A resolution from the applicant city, county or development authority in support of the applications(s) submitted must be included with the application, no later than July 21, 2008. The resolution must 1)

authorize the grant applications(s); 2) identify the need for LCDA funding, such that the project could not occur in the foreseeable future without LCDA funds; 3) prioritize the applications according to the applicant's internal priorities, if an applicant is submitting more than one application; and 4) represent that the applicant has undertaken reasonable and good faith efforts to procure funding for the project components for which LCDA funding is sought, including reasons and supporting facts. Applications submitted by counties and development authorities on behalf of projects located in LCA-participating cities must also be supported by a resolution in support of the application from the city in which the project is located, as well as the resolution from the applicant county or development authority.

## **Section 12: APPLICATION PROCESS**

1. Applicants are strongly encouraged to attend one of the workshops offered the week of April 21, 2008. Email notification of workshop dates and locations will be sent to all LCA-participating cities, and workshop information will be posted on the Council's website at <http://www.metrocouncil.org/services/livcomm/LCAresources.htm#LCDA>
2. **Submit a pre-application** for each proposal for which you intend to submit a full application. Send it by email by 4:30 PM on **June 16, 2008**, to [joanne.barron@metc.state.mn.us](mailto:joanne.barron@metc.state.mn.us)
3. **Submission of application:**
  - a. **Submit 20 copies of the application** and required attachments by 4:30 PM on **July 21, 2008** to:

Linda Milashius  
Metropolitan Council  
390 North Robert Street  
St. Paul, MN. 55101
  - b. Submit one copy of the application via **email** to [linda.milashius@metc.state.mn.us](mailto:linda.milashius@metc.state.mn.us) (no need to include attachments). Staff will send confirmation of application's receipt. The application is available at [www.metrocouncil.org/grants/lcda/demoapp.doc](http://www.metrocouncil.org/grants/lcda/demoapp.doc)

Sample sources and uses pages and a sample resolution of support are provided with the application form.

**Questions?** Please direct questions related to the application and review process to Joanne Barron, LCDA program coordinator ([joanne.barron@metc.state.mn.us](mailto:joanne.barron@metc.state.mn.us), 651.602.1385), or Linda Milashius, LCDA program support ([linda.milashius@metc.state.mn.us](mailto:linda.milashius@metc.state.mn.us), 651.602.1541).

## **Section 13: PROJECT EVALUATION PROCESS**

### **Step One Evaluation Criteria -- 50 possible points**

Applications must score 20 or more points of a possible 50 points, as described in Step One criteria A (items 1-5) and B, below, to advance to the Step Two evaluation process.

A staff evaluation team will review and score eligible proposals using the Step One evaluation criteria and guidelines:

## **A. Land Use Criteria**

**The extent to which the proposal will address or shows potential to address the following criteria**, as applicable to the site location, geographic location and the community context. Proposals will be evaluated according to the appropriate developed or developing context of the project itself, not its developed or developing community classification.

1. **Use land efficiently** 0-8 points – How well the project will achieve development that intensifies land use (adding buildings or other uses) and increases density to a level that maximizes the potential of the location.
2. **Develop land uses linked to the local and regional transportation systems** 0-10 points –  
0-3 points: Location within one-half mile of a transitway in the 2030 Transitway System – Northstar, Northwest, Cedar Avenue, I-35W, Central, Red Rock, Rush Line, Southwest, I-394, Hiawatha; or within one-half mile of a local bus route; or within one-half mile of a park-and-ride facility on an express commuter bus or express bus route.  
0-7 points: How well the project will achieve development that is designed in relationship to transit and transportation: provides optimal convenience for pedestrian access to transit, and for relationships of development to the regional transit system (if the proposed project has no transit access, the proposal will be “held harmless” by using the average score of four points); implements access management policies.
3. **Connect housing and centers of employment, education, retail, recreation uses** 0-8 points -  
How well the project will achieve development that provides a diverse variety of uses (within the project area or when added to adjacent land uses) with improved jobs-housing balance, and access to a variety of destinations in a connected development pattern both within the project area and to adjacent neighborhoods.
4. **Develop a range of housing densities, types and costs** 0-8 points - How well the project will achieve development that:
  - provides life-cycle housing that includes a wide variety of housing types and prices or rents, by integrating new housing into existing neighborhoods through redevelopment, infill development, adaptive reuse; or through new development in developing communities – within the project or when added to the housing in adjacent neighborhoods; diversifies housing in the community; helps achieve the city’s affordable housing goals;
  - uses Green Communities criteria, Minnesota GreenStar or other accepted green building system; and
  - addresses one or more of Minnesota Housing’s goals.
5. **Conserve, protect and enhance natural resources through development that is sensitive to the environment** 0-8 points – How well the project will achieve development that optimally integrates natural resources, including best management practices that incorporate water resource management into project design to maximize development



potential; implementation and use of a local Natural Resources Inventory and Assessment (NRI/A) to plan the project; and employs natural resources, where feasible and appropriate, as community connections, assets and amenities.

## **B. Tools and Processes**

The extent to which the proposal includes tools and processes to ensure successful outcomes, as appropriate to the project, including appropriate and effective regulatory tools; partnerships among government, private for-profit and nonprofit sectors; community participation, local vision and leadership – 0-8 points. How well the project achieves development that incorporates appropriate and effective regulatory tools to implement the project, such as zoning codes, design standards, development standards; strong and effective public-private partnerships; a meaningful local role to ensure that the project meets community needs and goals; and local vision and leadership.

### **Step Two Evaluation Criteria – 50 possible points**

The Livable Communities Advisory Committee will score proposals according to the evaluation and selection criteria in Step Two.

## **A. Innovation and Demonstration**

**The extent to which the project demonstrates innovative elements and demonstrates or shows potential to demonstrate new development concepts or elements in one or more of the scoring areas, for the community in which it is located and for the region. 0-30 points**

Scoring is based on the extent to which the proposal:

- uses land efficiently to maximize the potential of the project location;
- links land uses to transportation and transit where available; maximizes major state transportation investments;
- connects housing and centers of employment, education, retail, civic uses and recreation;
- provides a range of housing densities, types and costs;
- conserves, protects and enhances natural resources through development that is sensitive to the environment and incorporates the Minnesota Sustainable Building Guidelines;
- other innovation not covered in the above categories; and
- utilizes tools and processes to develop and implement the project, including consistency with area, neighborhood, corridor or other plans adopted by the municipality.

## **B. How LCDA Funding is a Catalyst**

**The extent to which the element for which funding is requested will be a catalyst to implement the project of which it is a part. 0-20 points**

**Proposals will be evaluated in the context of the site, geographic area and community. This will recognize the unique and diverse characteristics of projects' location and geographic location in the region.**

**To be considered for funding and advance to the Step Three evaluation process, proposals must score 30 or more points of a possible 50 points in the Step Two evaluation** or be supported by a two-thirds vote of the advisory committee. Housing incentive points as described below in "housing performance scoring" will be applied separately.

### **Step Three Selection Criteria — Readiness**

The readiness assessment includes:

- A. The status of implementation tools** – e.g., zoning codes and other official controls, design standards, or development standards.
- B. The status of funding commitments to ensure construction starts** for funded element(s) or further progress within a year from the date of the grant award (December 2009), and other indicators of readiness.
- C. Whether grant funds been expended for or progress** made on a prior LCDA development or opportunity grant for the same project or a related project.

### **Housing Performance Scoring**

Following evaluation and scoring of proposals, up to ten additional housing incentives points will be assigned to each applicant's score. The housing incentives points are determined by converting a community's housing performance score from a 100-point scale to a ten-point scale. Project rankings may change as a result of adding the housing incentives points. However, the funding recommendations do not necessarily directly correspond to the numerical rankings.

A proposal will be 'held harmless' in the ranking process (the proposal will either improve its ranking or will not be lowered in the rankings) if the proposal includes or proposes new affordable housing, or if affordable housing is located within the project site/area.

The definition of affordable housing used to determine housing performance scores is consistent with how the Council has defined affordable ownership and rental housing in negotiating housing goals to implement the Livable Communities Act. Ownership housing is that which is affordable to households at 80 percent of area median income, and rental housing is that which is affordable at 50 percent of area median income.