

**C** Community Development Committee  
For the Metropolitan Council meeting of April 25, 2012,

Item: 2012-125

**ADVISORY INFORMATION**

Date Prepared: April 18, 2012

Subject: Amendment to the 2011 Annual Livable Communities Fund  
Distribution Plan, Transit Oriented Development Grants

**Proposed Action:**

To approve an amendment to the 2011 Annual Livable Communities Fund Distribution Plan, as amended on December 14, 2011

[http://councilmeetings.metc.state.mn.us/council\\_meetings/2011/121411/1214\\_2011\\_351.pdf](http://councilmeetings.metc.state.mn.us/council_meetings/2011/121411/1214_2011_351.pdf), to increase the amount of funding available for 2011 Livable Communities Demonstration Account Transit Oriented Development funding from \$8 million to \$12,840,000.

**Summary of Committee Discussion / Questions:**

Paul Burns, Livable Communities Manager, presented the recommendation and explained that the applications for that category of funding had come in at almost 2 ½ times the \$8 million that had been made available. He indicated that by increasing the funding level, all of the projects eligible for funding consideration could be funded, which would result in an additional three LCDA development projects with TOD demonstration value and six more pre-development projects shaping the future of TOD could be funded.

The Committee approved the proposed action unanimously.

**C** Community Development Committee  
**Meeting date: April 16, 2012**  
**For the Council Meeting of April 25, 2012**

**ADVISORY INFORMATION**

Date:	April 11, 2012
Subject:	Amendment to the 2011 Annual Livable Communities Fund Distribution Plan, Transit Oriented Development Grants
District(s), Member(s):	All
Policy/Legal Reference:	MN Statutes §473.253
Staff Prepared/Presented:	Paul Burns, Manager, Livable Communities 651-602-1106; Beth Reetz, Director, Housing and Livable Communities 651-602-1060
Division/Department:	Community Development, Housing and Livable Communities Act Communities

**Proposed Action**

To approve an amendment to the 2011 Annual Livable Communities Fund Distribution Plan, as amended on December 14, 2011  
[http://councilmeetings.metc.state.mn.us/council\\_meetings/2011/121411/1214\\_2011\\_351.pdf](http://councilmeetings.metc.state.mn.us/council_meetings/2011/121411/1214_2011_351.pdf), to increase the amount of funding available for 2011 Livable Communities Demonstration Account Transit Oriented Development funding from \$8 million to \$12,840,000.

**Background**

On December 14, 2011, the Council approved an amendment to the 2011 Livable Communities Act Communities Act (LCA) Fund Distribution Plan that created a new category of Livable Communities Demonstration Account (LCDA) and Tax Base Revitalization Account (TBRA) grants, to support Transit Oriented Development (TOD) activities in several identified "TOD areas". These TOD areas consist of Department of Employment and Economic Development (DEED)-designated Transit Improvement Areas (TIAs), and other TIA-eligible station areas not yet designated by DEED, and locations on both high frequency local and high frequency express bus routes. For the initial offering of grant funds, \$8 million in LCDA and \$5 million in TBRA funds were made available. These amounts were identified because they mirrored the typical amounts offered through the regular LCDA and TBRA programs each year, the needs of Cities for projects in the pipeline was unknown, and there was a preference for distributing the funds through multiple grant cycles. Applications were received from 12 communities, for 28 projects on 12 transit lines, requesting a total of \$28,216,847. Applications for the TBRA TOD funds totaled \$3,290,420, which is less than the \$5 million made available. Applications for LCDA TOD funding totaled \$19,460,871, almost 2½ times more than the \$8 million made available. The applications were reviewed and scored according to the approved criteria. According to the adopted criteria, applications must earn 60% of the total points available to be considered for funding. Nineteen (19) applications met the 60% scoring threshold to qualify for funding (these included 6 pre-development, 5 development, 4 clean-up and 4 combination of development and clean-up applications). Nine (9) applications did not meet the 60% scoring threshold and therefore would not be recommended for funding. The \$8 million available for LCDA TOD funding would fully fund just five development grants for projects in four communities, and partially fund a sixth project in one additional community.

## **Rationale**

The Council staff evaluation team reviewed the merit of each application in the criteria categories of transit access/design/ridership impact, housing, jobs, TOD design and proximity/visibility, as well as leverage, readiness, catalyst and demonstration value. The evaluation team is in support of fully funding all 19 of the projects that met the 60% scoring threshold. In addition to fully funding a sixth development application, this would allow for the funding of three additional development projects that have merit as TOD demonstration models, one that highlights high-density affordable senior housing adjacent to a LRT station, one that creates a gateway from a station to the town's main street and another that offers the potential for an additional 500 jobs in a BRT corridor. In addition, six applications for pre-development projects in six cities offer the potential for the Council to provide early assistance to and partner with those communities in shaping future TOD projects being proposed.

Unlike the regular LCDA program where a limit on the amount of funds available annually exists, the TOD LCA category had a total of approximately \$20 million, already previously levied, available to support transit oriented development. The Council received an impressive response from communities for these funds for projects the evaluation team reviewed, scored, determined to be eligible for funding that are good examples of transit oriented development. The projects demonstrate the TOD principles established by the Council to promote residential and commercial centers designed to maximize access by transit and non-motorized transportation, and with other features, to encourage transit ridership. The Cities have indicated the projects are ready to move forward, and funding them now will provide an opportunity to jump-start the projects and avoid a minimum wait of several months before the next round of funding decisions.

## **Funding**

By increasing the amount available for the first round of funding, eight more applications could be funded.

## **Known Support / Opposition**

Staff is unaware of any support or opposition to this recommended amendment.

# Transit Oriented Development Funding Schedule

2011 Available Funding

TBRA TOD Grants: \$5 Million

LCDA TOD: \$812.84 Million

<b>Application Type</b>	<b>Month</b>	<b>Activity</b>
All: TBRA Site Investigation, TBRA Cleanup, LCDA Pre-Development, LCDA Development	December 2011	Notice of Funding Availability
	February 2012	Applications due
	April 2012	Community Development Committee recommends grant awards
	April 2012	Metropolitan Council awards grants