

## Community Development Committee

Meeting date: February 20, 2018

**Subject:** Discussion to Inform the Development of the Livable Communities Act Fund Distribution Plan

**District(s), Member(s):** All

**Policy/Legal Reference:** Minnesota Statutes, Section 473.25

**Staff Prepared/Presented:** Paul Burns, Manager, Livable Communities (651 602-1106)

**Division/Department:** Community Development/Regional Planning

### Proposed Action

None, information and discussion only

### Background

In late March, the Community Development Committee and the full Council will be asked to adopt the 2018 Annual Livable Communities Fund Distribution Plan. This conversation is the first of three opportunities for members of the Community Development Committee to weigh in on the direction of the 2018 Fund Distribution Plan.

As presented at the last Community Development Committee meeting, MetroCities, working with Council staff, has convened three meetings of a work group of city staff to discuss their perceptions of how well the Livable Communities Act programs are meeting their needs. Council Members Wulff, Barber and Elkins are representing the Community Development Committee at these meetings. Eleven communities are represented.

At the first meeting on January 29<sup>th</sup>, Council and Metro Cities staff presented background on the programs and responses to their survey. At the second meeting on February 12<sup>th</sup>, Council staff presented more detail on how the scoring criteria for the various programs are applied and how they adjust for the type of community. Council Members Wulff, Barber and Elkins will be able to describe their take-away messages from the meetings so far.

### Rationale

Council staff will present a summary of the issues raised so far and provide an opportunity for Council Member discussion of issues that could be addressed in this year's Annual Livable Communities Fund Distribution Plan:

1. Pre-development grants/Small area planning grants. Currently, the Council offers Pre-development grants (which require a specific development or redevelopment project) and Zoning Implementation grants through the Livable Communities Demonstration Account-Transit Oriented Development (LCDA-TOD) program.

Options:

- No change
  - Offer these grants through the regular LCDA program
  - Offer small area planning grants:
    - If so, to which set or subset of participating cities?
    - If so, how much of the funding should be reserved?
2. Should we continue to offer Tax Base Revitalization Account (TBRA) TOD grants? This has been somewhat under-subscribed.

Advantages to keeping: LCDA TOD projects that also need cleanup funding only need to apply once. If the money is not needed, the Council has been able to shift it to the regular TBRA awards.

Advantages to eliminating: More certainty of the amount available under the regular TBRA category early in the year.

3. Funding Limits for the LCDA TOD category. The current limit, established through city input when the TOD category was established, is \$2,000,000. This is in contrast to the 40% limit to Minneapolis and Saint Paul in the regular LCDA category.

By the March 5 Community Development Committee meeting, staff will be prepared to offer recommendations on two additional dimensions of the 2018 Fund Distribution Plan:

4. Use of more fund balances to increase the amount of funding available for the LCDA for 2018.
5. Eligibility criteria for areas eligible to apply for the LCDA-TOD and TBRA-TOD programs. Livable Communities staff have been consulting with Metro Transit, the TOD Office, and Metropolitan Transportation Services staff to come to a consensus recommendation of the appropriate criteria.

### **Thrive Lens Analysis**

The Livable Communities Act programs represent one of the Council's primary financial tools to advance and encourage development and redevelopment that advance Livability, Equity and Prosperity.