

Funding TOD – The Livable Communities Act Experience in the Twin Cities

Guy Peterson

Director, Community Development Division

Metropolitan Council

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The Metropolitan Council

- **Created in 1967 to:**
 - Plan for the orderly and economical growth of the seven-county area
 - Coordinate the delivery of urban services
- **17 members appointed by the governor**
- **Plans for:**
 - Transportation/aviation
 - Water resources
 - Regional parks and open space
 - Affordable housing
- **Builds and operates transit, a wastewater system, and a PHA**

Metropolitan Livable Communities Act - 1995

- **Grants to cities to incent and assist compact, efficient development**
- **To clean up polluted sites for redevelopment**
- **To provide gap financing for affordable housing**
- **Require participating cities to set affordable and life-cycle housing goals**

LCA Statutory Objectives

- **Use funds for projects/development that:**
 - **Change market incentives that adversely affect the creation and preservation of living wage jobs;**
 - **Include a full range of housing opportunities that mix incomes of area residents;**
 - **Preserve & rehabilitate affordable housing;**
 - **Implement compact & efficient development that intensifies land use;**
 - **Interrelate development & redevelopment with transit; and**
 - **Interrelate affordable housing & employment growth areas**

LCA Objectives cont.

- **Encourage public infrastructure that:**
 - **Connects urban neighborhoods & suburban communities;**
 - **Attracts private investment adjacent to public improvements; and**
 - **Expands employment opportunities for area residents.**

The LCDA Program

Livable Communities Demonstration Account

- **Demonstrates innovative land use models;**
- **Implements Metropolitan Council policy to use land efficiently and connect development patterns;**
- **Demonstrates market viability for mixed-use, connected development.**

The TBRA Program

Tax Base Revitalization Account

- **Cleans up contamination to prepare sites for redevelopment;**
- **Facilitates redevelopment, adaptive reuse and infill of sites in the developed and developing communities;**
- **Makes efficient use of infrastructure; and**
- **Revitalizes underproductive land.**

The LHIA Program

Local Housing Incentives Account

- **Helps communities meet their affordable and lifecycle housing goals;**
- **Links affordable housing and employment opportunities;**
- **Partners with communities, that provide matching funds; and**
- **Produces both rental and home ownership opportunities, through new construction and rehabilitation.**

Cumulative Results – 1996-2011

TBRA	LCDA	LHIA
1,948 acres cleaned	Connectivity improvements	900 new & renovated affordable ownership units
\$86M increase Net Tax Capacity	Stormwater, infrastructure, placemaking improvements	2,600 affordable renovated rental units
38,000 jobs	Over 3,000 new housing units	2,600 new affordable rental units
\$91M granted	\$119M granted	\$30M granted
\$5B leveraged	\$4B leveraged	\$750M leveraged

Fund Balances – 2011

- **Livable Communities Demonstration Account (LCDA) \$19.8 million - development**
- **Tax Base Revitalization Account (TBRA) \$12.5 million – clean up**

LCA Transit Oriented Development Funding Categories

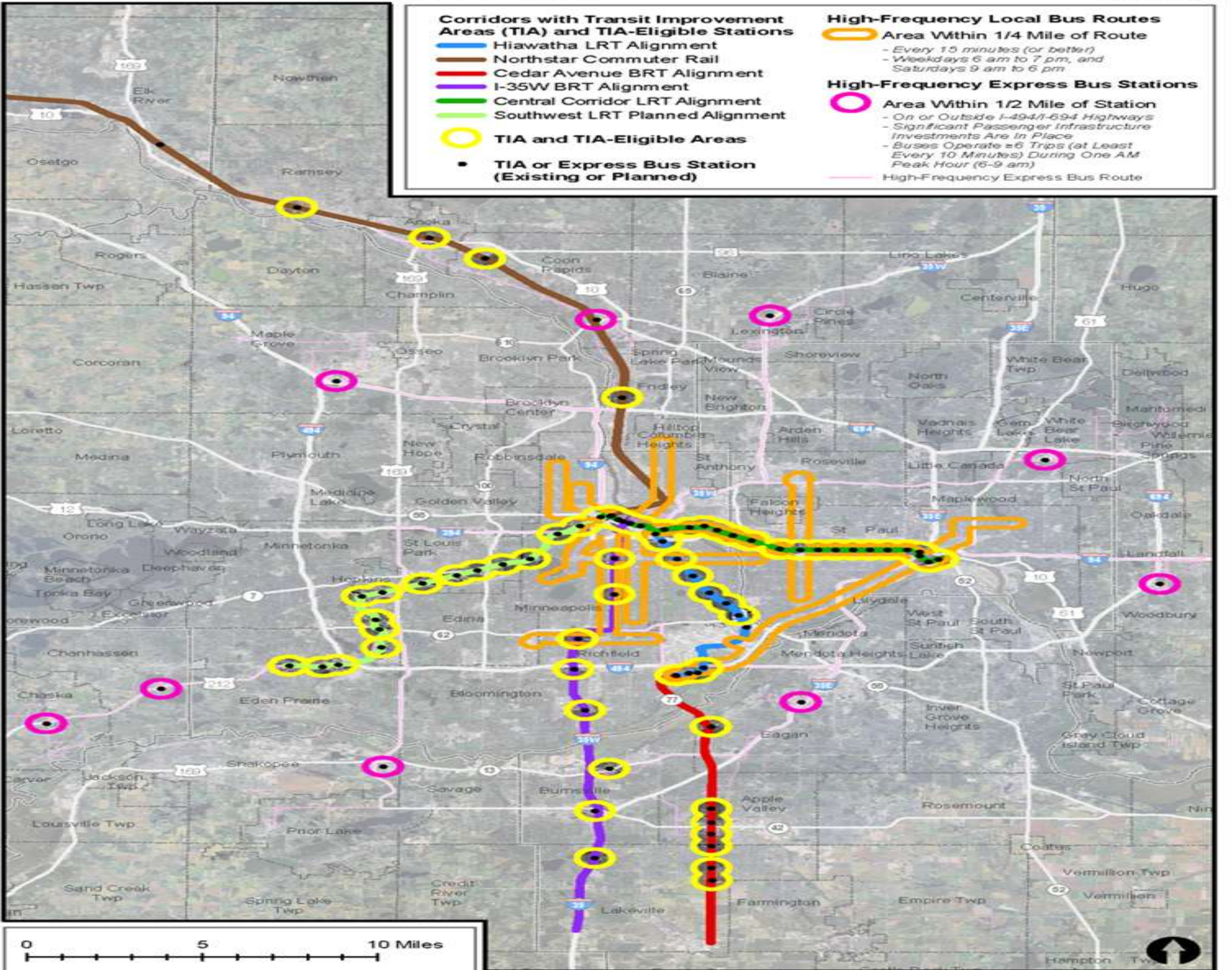
**LCDA – TOD pre-development
TOD development**

**TBRA - TOD site investigation
TOD clean up**

TOD Areas

- **Transit Improvement Areas (TIAs)**
 - **2008 legislation established TIAs (MN Stats. §469.35 & 469.351) gives authority to award TIA designation to specially-designated tracts of land near transit stations. (71 TIAs and TIA-eligible station areas)**
- **High-frequency local bus (1/4 mile buffer along the route)**
- **High-frequency local bus areas w/significant station or park-and-ride infrastructure in place**

LCA TOD Eligible Areas



Program Criteria/Requirements

In applicant city TOD Areas

TOD standards in place or under development consistent with the Metropolitan Council's *Guide for TOD*, such as:

- **Residential density: 30-75 units/acre (LRT) or 15-50 units/acre (BRT/commuter rail)**
- **50-200/acre employees per acre**
- **Floor Area Ratios of 1.5-3 (LRT) and .5 to 3 (BRT/commuter rail)**

Program Criteria/Requirements

- **Pedestrian-favored building design**
 - **Pedestrian-scaled building setbacks**
 - **Short blocks/pedestrian connections between adjacent buildings**
 - **Limited parking or structured parking not adjacent to platform areas**
- **Mixed uses in close proximity**
- **Walkability / bikeability**

Equity Considerations Required

Corridor strategy/planning:

- **In residentially-oriented TOD Areas:**
 - Create/retain a mix of affordability & tenure
 - Preserve and/or develop affordable housing
 - Manage and address gentrification
 - Recognize the jobs and employment opportunities available throughout the transit corridor
- **In employment-oriented TOD Areas:**
 - Expectations regarding employment type and totals

Equity Considerations, cont.

- **For all TOD Areas:**
 - **Recognition of local hiring goals, activities, procurement practices and monitoring processes that advance opportunities for minorities, women, the disabled & disadvantaged businesses;**
 - **Existence of a plan, policy or similar guidance in the application of Equitable Development principles in the TOD Area's development.**

Other considerations

- **Consistency with the local comprehensive plan**
- **Consistency with a larger transit corridor investment strategy or corridor plan**
- **For grants to acquire land:**
 - **Proof of cost (appraisals, market valuations)**
 - **Proof of landowners willingness to sell**

Evaluation Process

- **Inter-divisional team evaluates applications regarding:**
 - **Transit**
 - **Housing**
 - **Jobs**
 - **TOD design**
 - **Leverage / readiness**
 - **Catalytic and demonstration value**
 - **Site acquisition**

Year One Grants

- **\$16M (\$13M development, \$3M clean up) to 11 communities for 19 projects on 10 transit corridors proposing to yield:**
 - **\$240M in private investment**
 - **\$32M in other public investment**
 - **Nearly \$400M increase in taxable market value**
 - **653 affordable housing units**
 - **593 market rate housing units**
 - **11.6 acres of cleaned contaminated sites**
 - **1,093 construction jobs**
 - **826 full time jobs**
 - **214 part time jobs**

Year Two Proposals

- **\$9M available - \$6M development, \$3M cleanup**
- **23 applications from seven communities for projects in 16 “TOD Areas” that would yield:**
 - **\$275M in private investment**
 - **\$39M in other public investment**
 - **604 affordable housing units**
 - **1,246 market rate units**
 - **91 units per acre average density**
 - **6.82 acres of cleaned contaminated sites**
 - **2,602 construction jobs**
 - **416 full time jobs**
 - **1,531 part time jobs**

LCA TOD Going Forward

- Increase LCA property tax levy to fund
- Anticipate annual \$4/5M effort
- Continue to augment with other LCA grant relinquishments
- Narrow the focus of eligibility and targeted TOD projects
 - geographically
 - project readiness criteria
- Increase role of the practitioner-led Livable Communities Advisory Committee in evaluation of applications
- Encourage broader use of regular LCA funding – \$8M LCDA, \$5M TBRA, \$1.5 LHIA, for development, clean up and housing gap – on TOD

Questions?



METROPOLITAN
C O U N C I L

guy.peterson@metc.state.mn.us