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

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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

<table>
<thead>
<tr>
<th>TBRA</th>
<th>LCDA</th>
<th>LHIA</th>
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</thead>
<tbody>
<tr>
<td>1,948 acres cleaned</td>
<td>Connectivity improvements</td>
<td>900 new &amp; renovated affordable ownership units</td>
</tr>
<tr>
<td>$86M increase Net Tax Capacity</td>
<td>Stormwater, infrastructure, placemaking improvements</td>
<td>2,600 affordable renovated rental units</td>
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<tr>
<td>38,000 jobs</td>
<td>Over 3,000 new housing units</td>
<td>2,600 new affordable rental units</td>
</tr>
<tr>
<td>$91M granted</td>
<td>$119M granted</td>
<td>$30M granted</td>
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<tr>
<td>$5B leveraged</td>
<td>$4B leveraged</td>
<td>$750M leveraged</td>
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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
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?