

2011

LCDA Application Guide



Pre-Development Grants

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Livable Communities Demonstration Account Funding

Section 1: General Information for Pre-Development Grants

Purpose

LCDA funding helps applicants implement their community development objectives and comprehensive plans. **Pre-Development grants are intended to assist cities that are in the pre-development phases for a specific development or redevelopment Project.**

A Project eligible for consideration for a Pre-Development award is one that proposes activities necessary to develop project and/or site-specific plans that meet the statutory requirements and policy goals for the program. These include projects that will:

- interrelate development or redevelopment and transit;
- interrelate affordable housing and employment growth areas;
- intensify land use that leads to more compact development or redevelopment;
- involve development or redevelopment that mixes incomes of residents in housing, including introducing or reintroducing higher value housing in lower income areas to achieve a mix of housing opportunities; or
- encourage public infrastructure investments which connect urban neighborhoods and suburban communities, attract private sector redevelopment investment in commercial and residential properties adjacent to the public improvement, and provide project area residents with expanded opportunities for private sector employment.¹

The LCDA legislative objectives are supported by the *2030 Regional Developed Framework* (Framework) policies. LCDA funding will support Pre-Development projects that will demonstrate innovative and new ways of meeting Framework goals, which include:

- 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; and
- conserve, protect and enhance natural resources by means of development that is sensitive to the environment.²

In Developed Communities, the emphasis of LCDA goals will be consistent with Framework direction on maintaining and improving infrastructure, buildings and land to provide developments that integrate and intensify land uses. Projects awarded grants in Developing Communities will be focused on accommodating growth by means of connected development patterns for new

¹ <https://www.revisor.mn.gov/statutes/?id=473.25&year=2010>

² <http://www.metrocouncil.org/planning/framework/Framework.pdf>

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.

Definition of terms

- The *Pre-Development Project* is the set of Grant-Funded Activities for which funding is requested in the application.
- The *Project Area* is the specific geographic area in which LCDA Pre-Development Project activities will be conducted and is the site of the future development or redevelopment Project.
- The *Future Development Project* is the future development or redevelopment that through its design and execution will deliver benefits such as housing, connections, and/or jobs to the region.
- *Affordable Housing* is ownership or rental housing affordable to households earning 60% or less of Area Median Income (AMI).
- *Developed Communities* are cities where more than 85% of the land is developed, infrastructure is well established and efforts must go toward keeping it in good repair.
- *Developing Communities* are cities where the most substantial amount of new growth – about 60 percent of new households and 40 percent of new jobs – will occur.
- *Transit Improvement Areas (TIA)* are specially designated tracts of land that encompass a half-mile radius around transit stations that support bus rapid transit (BRT) light rail transit or commuter rail that have the potential to increase ridership and stimulate new commercial and residential development that have been designated by the Minnesota Department of Employment and Economic Development (DEED). Fifty-three TIAs have been designated along the routes of Northstar Commuter Rail, Hiawatha Light Rail, Cedar Avenue Bus Rapid Transit, I-35W Bus Rapid Transit, Central Corridor Light Rail and Southwest Light Rail Lines.³

Eligible applicants

The following are eligible to apply: statutory or home rule charter cities or towns that are participating in the Metropolitan Livable Communities Housing Incentives Program; metropolitan counties and development authorities (e.g., Housing and Redevelopment Authority, Economic Development Authority or Port Authority).

Pre-Development Project requirements

All of the following are required to comprise an eligible future Project supported by an LCDA Pre-Development grant. The future Project must:

- involve new development, redevelopment or infill development addressing the program goals. Projects involving rehabilitation are eligible if they have other components that address one or more of the program goals;

³ http://www.positivelyminnesota.com/Newsroom/Press_Releases/October-December_2010/Nov._17_-_DEED_Names_Transit_Improvement_Areas.aspx

- be located within a Council-identified developed area, developing area or a rural growth center (urbanized area)⁴. Regional park land is ineligible; and
- be consistent or will be made consistent with the local comprehensive plan that has been reviewed by the Council and be consistent with any area, neighborhood, corridor or other local plan adopted by the municipality in which the Project is located.
- If housing is planned, the Project must help achieve one or more of the affordable and lifecycle housing goals adopted by the applicant city (or the city in which the Project is located if the applicant is a county or a development authority) under the Local Housing Incentives Program of the Livable Communities Act.

Eligible uses

Professional services associated with the following activities for the project area identified in the application:

- conducting design workshops resulting in development alternatives;
- preparing detailed redevelopment plans, corridor or station area plans;
- developing zoning and land use implementation tools such as overlay zones or zoning districts;
- analysis of alternatives for market mix, land use mix, economic feasibility, or for air, water, or energy issues;
- soil testing to determine land uses that are feasible on the site;
- site-specific surface water management;
- development staging plans; and/or
- determining strategies for land banking and land acquisition.

Ineligible uses

Ineligible uses include:

- all costs eligible for LCDA Development grants, including land acquisition, demolition, infrastructure, construction costs;
- applicant's administrative overhead;
- costs for activities conducted prior to the date of the grant award;
- costs associated with preparing comprehensive plans;
- legal fees, local permits, licenses or authorization fees;
- travel expenses, food and beverages;
- costs associated with preparing other grant proposals;
- printing costs;
- salary costs, other than those contributed as part of the applicant's proposed match; and/or
- marketing expenses.

Award limits

Pre-Development Project awards will not exceed \$100,000.

⁴ http://gis.metc.state.mn.us/mapgallery/pdfs/Framework/framework2030_pa_8x11.pdf

Match requirements

A 25% documented local match is required for Pre-Development grants. Matches may be made in cash or in-kind or a combination of the two.

Grant terms

2011 LCDA Pre-Development grant terms will be two years in length. Pre-Development grants may not be amended to extend the grant term.

Section 2: Completing the Pre-Development Project Application

The application is designed to focus on a specific, future development or redevelopment Project that exemplifies LCDA goals and is eligible under the conditions described above. The Grant-Funded Activities of a Pre-Development grant must all directly support the future development or redevelopment Project and are not intended to replace normal planning activities.

Application process

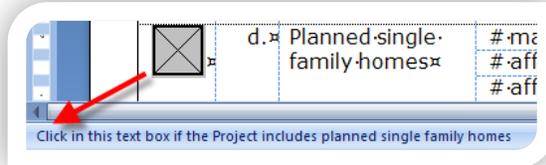
- Download the LCDA Pre-Development Application from http://www.metrocouncil.org/grants/predev/LCDAPreDevApp_2003.doc, complete it, and send it via email to linda.milashius@metc.state.mn.us. Pre-Development Applications are due by 4:00 PM on July 15, 2011. Any questions should be directed to Linda Milashius at 651-602-1541.
- Go to <http://gis.metc.state.mn.us/lca/> to create the required maps. See Appendix 1 for a complete list.
- Each application requires a resolution of support from the City in which the Project is located. Sample resolutions are included as appendices 2 and 3. Applicants submitting one LCDA Development application should use the sample in Appendix 2. Applicants submitting more than one LCDA Development application should use the sample in Appendix 3, which requires the applicant to rank the applications according to the applicant's internal priority.
- Submittal instructions
 - A. No more than six total applications, for Development and Pre-Development grants combined, may be submitted for projects in a single city in any application cycle. The limit of six applications includes those submitted by all entities within the city (i.e., the city, economic development authority, port authority, or other) and projects submitted by counties on behalf of cities. Applicants submitting more than one application per cycle (year) must:
 - prioritize them according to the applicant's internal priorities, prior to submittal; and

- submit the city resolution tailored for multiple applications, which allows the applicant to document its prioritization. The sample resolutions are attached to the application form.
- B. Submit one complete electronic copy of the application and all attachments via email to the address above. Appendix 1 to the LCDA Pre-Development Application contains the list of required and allowed attachments.
- C. Submit the Word and Excel components of the application in their native formats; convert all other attachments to PDF. Note: The Council can accept incoming attachments of up to 10Mb. If the file size becomes too large to email, please split the files among one or more emails.
- D. Submit 20 hard copies on 8½ x 11" 3-hole punched paper. **Do not attach a cover sheet or bind the copies.** Send all copies to:

Linda Milashius
 Metropolitan Council Livable Communities
 390 North Robert Street
 Saint Paul MN 55101

Application guidance

The 2011 application has been created using Microsoft® Word's "form fields" function (the form is compatible with both Word 2003 and Word 2007).



Each question has at least one form field to be completed. The type of information that may be entered in each field is defined and the length of information is limited. The fields will expand to the pre-defined character limit. For help, click in the field provided and check the "status bar" at the very bottom of your screen. *Do not leave any questions blank.*

Questions 1-4: Basic Pre-Development Project information

Please use a descriptive project name (150 characters allowed).

Only cities participating in the Livable Communities Program are eligible to apply, along with their development authorities and counties. **Developers cannot apply and cannot be grantees.** However, developers are encouraged to partner with eligible applicants.

Question 5: Describe the “big picture” for the Pre-Development Project

In this section, describe the Pre-Development Project (560 characters allowed) and the Project Area in which the Future Project will be located (560 characters allowed).

Question 6: Future Development Project Potential

A. Land use: this question has two major sections:

1. How will the future Project intensity land uses? (760 characters)
2. How will the future Project improve the balance between jobs and housing, and establish a connected development pattern between housing and centers of employment, education, retail and recreation uses? (760 characters)
3. How will the future Project diversify housing options within the future development site, neighborhood and community? (760 characters)
4. How will the future Project develop land uses linked to the local and regional transportation systems? For this question, click in all checkboxes that apply, then identify transportation system and elaborate on how the future Project will link to these in the line below. (760 characters)
5. How will the future Project enhance major state transportation investments, such as new interchanges, ramps or major road improvements; or regional investments including transitways? (760 characters)
6. How will the future Project achieve development that provides optimal convenience for pedestrian access to transit? (760 characters)
7. How will the future Project provide opportunities to employ natural resources, where doing so is feasible and appropriate, as community connections, assets and amenities? (760 characters)

B. Local planning and implementation processes

1. How will the future Project help the applicant implement the city’s local comprehensive plan? (570 characters)
2. How will the future Project help the city in which the Project is located achieve its negotiated affordable and lifecycle housing goals? (570 characters)
3. How will the future Project help to implement any redevelopment plans, corridor plans, transit station area plans, or other local plans applicable to the identified Project Area? (570 characters)

Question 7: Pre-Development Grant-Funded Activities

This question further focuses on the LCDA goals by asking the applicant to identify how the requested Grant-Funded Activities will assist the city in achieving the goals listed in the previous question. (760 characters)

Question 8: Innovation and Demonstration

- A. Describe the innovation and demonstration potential either within the Future Development Project or the Pre-Development Grant-Funded Activities. (760 characters)
- B. Describe any circumstances that capitalize on unique development opportunities or advantages offered by the Project Area. (760 characters)
 - 1. Would these opportunities be jeopardized or potentially lost if the applicant does not proceed with the Grant-Funded Activities within the 24-month grant term (570 characters)?

Question 9: Potential for Successful Implementation

This question gives the applicant an opportunity to describe the partnerships and local commitment to the Project and how those elements will contribute to its successful completion. There are 855 characters allowed for each question.

Question 10: Project and Project Area Status

- A. What current activities have been undertaken to prepare the Project Area for the future development or redevelopment? (855 characters)
- B. How will the Grant-Funded Activities being requested in the application fit into the sequence of tasks necessary to implement the future Project. (855 characters)

Section 3: Evaluation process for Pre-Development Project grants

LCDA applications are evaluated in a two-step process. A staff evaluation team will review and score eligible Pre-Development Project grant applications using the Step One evaluation criteria and guidelines. Applications must score 30 or more points to advance to the Step Two evaluation process.

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

Step One Evaluation Criteria for Pre-Development Project Grants - 50 possible points

Applications must score 30 or more points 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:

Land use criteria	Possible points
Applications will be evaluated on the degree to which the proposed activities will <i>enhance the potential for a future development project</i> to:	
Intensify land use by planning to add buildings or other uses and increase density to a level that maximizes the potential of the location	8
Improve the balance between jobs and housing and establish a connected development pattern between housing and centers of employment, education, retail and recreation uses.	8
Diversify housing options within the future development site, neighborhood and community.	8
Develop land uses linked to the local and regional transportation systems. Applications will receive a score from one of the three following categories:	
<ul style="list-style-type: none"> • A TIA designated by DEED (i.e., 53 station areas along the Northstar commuter rail line, Hiawatha LRT, Central Corridor LRT, Southwest Corridor LRT, Cedar Avenue BRT or the I35W BRT); or 	5 or
<ul style="list-style-type: none"> • One half mile radius of a park-and-ride facility on an express commuter bus or express bus route or within a one-quarter mile radius of a fixed stop on a high-frequency bus route; or 	3 or
<ul style="list-style-type: none"> • One-half mile radius of a stop on future arterial BRT corridors, stations under study along the Bottineau, Rush Line or Red Rock transitways; or Potential stations along future transitways where no mode or stations have been identified 	1
Achieve development that is designed in relationship to the regional transit system and transportation by providing optimal convenience for pedestrian access to transit.	5
Provide opportunities to employ natural resources, where feasible and appropriate, as community connections, assets and amenities.	8
Local planning and implementation processes	
<p>The extent to which the proposed activities will enhance the potential for the future development project to:</p> <ul style="list-style-type: none"> • implement the applicant city’s local comprehensive plan; • help achieve the city’s negotiated affordable and lifecycle housing goals; • implement any redevelopment plans, corridor or other local plans applicable to the identified project area; and • the extent to which the proposed grant activities appropriately support the intent of the proposal. 	8

The Livable Communities Advisory Committee (LCAC) will conduct Step Two of the evaluation process for Pre-Development Project grants.

The 13-member LCAC then makes funding recommendations to the Council. The committee includes members representing six areas of expertise to provide the range of skills and experience necessary 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 member in private finance, one in public finance); development (one member in new development, one in redevelopment); transportation, environment; and site design. The LCAC chair, not representing a specific area of expertise, is the 13th member.

Step Two Evaluation Criteria for Pre-Development Project Grants – 50 possible points

The LCAC will score proposals according to the evaluation and selection criteria in Step Two. **To be considered for funding, proposals must score 30 or more points of a possible 50 points in the Step Two evaluation** or be supported by a majority of the advisory committee members' votes.

Innovation and demonstration

The extent to which the proposed activities will enhance the potential for the future development project to **demonstrate new development concepts or elements** in one or more of the scoring areas:

- use land efficiently to maximize the potential of the project location;
- link land uses to transportation and transit, where available, and maximize major state transportation investments;
- connect housing and centers of employment, education, retail, civic uses and recreation;
- provide a range of housing densities, types and costs;
- conserve, protect and enhance natural resources through development that is sensitive to the environment;
- utilize tools and processes to develop and implement the project, including consistency with area, neighborhood, corridor or other plans adopted by the municipality;
- represent a model, in whole or in part, for the community it is located in and for the region; or
- represent other innovation not covered in the above categories.

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LCDA funding as a catalyst

The extent to which the LCDA funding will be a catalyst to implement development in the project area.

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Other criteria

- Local leadership, political commitment and community involvement to date.
- The potential for meaningful and appropriate public involvement in carrying out the activities funded by an LCDA Pre-Development grant.
- The potential for a project implementation process that includes appropriate partners and coordination to ensure successful project implementation.
- The degree to which the project presents an opportunity to capitalize on unique opportunities offered by the project area. Additionally, would opportunities presented by the project area be jeopardized if the applicant does not act in a timely way to direct the development process?
- The potential to enhance major regional investments.
- The potential for replication of the project, key elements of the project, or the project type.

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Section 4: Awards

The LCAC will recommend awards to the Council's Community Development Committee (CDC) in November 2011. Awards are expected to be considered by the full Council in December 2011 or January 2012.

Section 5: Appendices

Appendix 1: Required submittals

1. Maps and plans (up to 11x17", folded to 8½ x11" **and** electronic copies in PDF format). Go to <http://gis.metc.state.mn.us/lca/> to create the required maps. Contact Len.Kne@metc.state.mn.us for assistance with map creation.
 - a. An aerial map, with project site boundaries clearly marked.
 - b. A land use map, with existing and planned project parcels clearly marked.
 - c. If available, a site plan showing any or all of the following:
 1. adjacent land uses and connections (roads, sidewalks, etc.);
 2. location and identification of existing and planned buildings;
 3. existing and planned streets;
 4. transit stops within or adjacent to the development;
 5. sidewalks and trail routes;
 6. open and/or public spaces; and
 7. proposed phases, if applicable.
2. The Sources and Uses Excel[®] file.
3. The applicant's financial analysis for the project, if one has been completed.
4. Local resolution of support from the city in which the project will be located (required wording attached). Note there are two forms of resolution: one for those cities submitting a single grant application for a single project and a second for those cities submitting multiple grant applications covering multiple projects. The resolution may be submitted with the application OR by August 15, 2011.

Appendix 2: Submittal instructions

- Submit one complete electronic copy of the application and all attachments via email to linda.milashius@metc.state.mn.us. Appendix 1 to the LCDA Pre-Development Application contains the list of required and allowed attachments. Select the sample resolution of support appropriate to the number of applications being submitted. The resolution may be submitted with the application OR by August 15, 2011.
- Submit the Word and Excel components of the application in their native Word and Excel formats; convert all other attachments to PDF. Note: The Council can accept incoming attachments of up to 10Mb. If the file size becomes too large to email, please split the files among one or more emails.
- After the application has been reviewed for completeness and found to be acceptable for submittal, the applicant will be notified to submit 20 hard copies on 8½ x 11" 3-hole punched paper. **Do not attach a cover sheet or bind the copies.**

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Linda Milashius
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