Information Item

Community Development Committee

Topic
Livable Communities Act Program Update and Alignment with Imagine 2050

District(s), member(s):	All
Policy/legal reference:	Minn. Stat. § 473.25
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Division/department:	Community Development/Regional Planning

Background

The Met Council has been engaged in a multi-year effort to update the Livable Communities Act (LCA) grant program to ensure impact and responsiveness, as well as align with the recently adopted regional development guide, Imagine 2050. Since engaging consultants to advise on how to encourage broad participation from communities in the region and reduce barriers to entry to the grant programs, staff presented information items and held discussions with the Community Development Committee (CDC) on March 18, 2024**;** July 15, 2024; September 3, 2024; October 7, 2024; November 18, 2024; December 16, 2024; April 21, 2025; and July 7, 2025. Since the July update, staff have continued to refine the program design based on partner feedback.

This information item includes the staff's near-final recommendation (90% draft) for the LCA application process, scoring criteria, and award guidance for Council Member feedback, along with additional information that committee members requested at the July 7th meeting in 13Appendix A: Why fund along the housing continuum. Using feedback from the discussion today, staff plan to seek Met Council approval of the final proposed LCA program design in September, to provide staff time for outreach and technical assistance before 2026 grant opportunities open. Specific funding levels for LCA grants in 2026 will be brought to the committee in the annual Fund Distribution Plan in January/February 2026.

Key Themes

The LCA program update seeks to accomplish three goals that Council Members and program partners shared. These themes are unchanged since the July 50% draft presentation.

- **Alignment with Imagine 2050:** Imagine 2050, the Met Council's current regional plan, builds on the outcomes and directions identified in Thrive MSP 2040. Due to this continuity, there are no significant changes to the LCA program goals. However, Imagine 2050 does provide specific policy guidance for LCA programs and Met Council grants more broadly, which are incorporated into this proposal. Imagine 2050 also has a clearer emphasis on wealth-building and regional prosperity. While jobs and commercial projects have always been eligible for LCA grants, the proposed update aims to clarify where LCA grants can advance these goals.

- **Focus on outcomes, less on acronyms:** Current LCA grant programs are defined by their funding source, with carve-outs for specific activities, resulting in a heavy reliance on acronyms and funding account names that are unclear. Despite staff outreach, this presents a barrier to entry for the LCA programs, as local project teams unfamiliar with the fund structure have had to piece together where their project will fit. The proposed structure defines the grant programs by the type of project and outcomes they seek to achieve, making it clearer how to apply for funds. Staff will manage assigning the funding sources internally.
- **Recognize every community is part of a livable region:** Currently, development projects are scored on five criteria, and the more a project does, the higher the score. This created an imbalance where small projects and suburban projects with narrower scopes had a harder time competing for funds. The proposed update seeks to correct that by using a new scoring structure in which a project that meets one Met Council goal well is competitive. The proposed scoring structure focuses on enhancing the qualitative elements of a livable community—safety, ability to meet your needs in your community, and choice in housing and transportation—rather than simply the quantity of housing units or projects.

What's changed since the 50% Draft?

Since the 50% draft presentation on July 7, 2025, staff have updated or prepared the following recommendations, linked and outlined below.

- Modified Scoring Criteria for development projects after conversations with Council Members and external partners and established point recommendations (see page 4)
- Minimum funding amount structure
- Award limits by geography
- Reapplication Policy

Survey Results

In addition to stakeholder conversations, staff published a public survey for partners and community members to share feedback about the proposed updates. The survey was published on July 24, 2025, and was open through August 8, 2025. The survey was advertised in three LCA email newsletters to a list of nearly 1,000 subscribers and shared on the LCA section of the Met Council website. Staff received 68 responses from the survey. Of the respondents, 39 identify as city or county staff, 14 as a developer or development consultant, and 8 identify another role in community development, primarily working with a non-profit.

Responses from the survey echoed the sentiments staff have heard through engagement with government staff, developers, and community organizations over the past several years. Respondents would like to see the development context considered in scoring and noted challenges associated with developing deeply affordable housing.

The survey asked two questions about how respondents would like to see funding allocated between project stages and tenures. Responses showed that there is a preference for more funding for projects in the development stage over the pre-development stage, and a slight preference for funding rental units over ownership units. One respondent did note the specific challenges that emerging developers, particularly emerging developers of color, face in securing funds for the pre-development stage.

Narrative responses illustrate that there is no universal agreement on the vision for LCA programs. Respondents addressed project context with almost an equal number of requests to prioritize projects in dense areas well served by transit and requests not to prioritize transit proximity or density.

Several respondents expressed concern that the scoring criteria will favor affordable housing projects over job projects. While LCA will continue to fund select job creation and mixed-use projects, LCA is primarily designed in statute as an incentive for affordable housing policy

implementation and redevelopment, starting with environmental cleanup. This aligns with the direction in Imagine 2050 and the Council's deep affordable housing work.

Livable Communities Single Entry Point Proposed Program Components

What Livable Communities funds
Based on feedback from cities and partners and forecast data, staff recommend that LCA grant programs continue to fund activities along the development continuum, from policy through construction, and add small area planning as a new eligible use. This will help smaller cities set the conditions for development aligned with regional goals through studies, broader engagement, and plan and policy development. It also builds on LCA's strengths as a flexible tool for the Met Council to incentivize local projects at various stages of development that align with regional goals.

With this scope of eligible activities, staff recommend three main categories for grant opportunities:

- Development Projects, inclusive of current pre-development, Livable Communities Demonstration Account (LCDA), Transit Oriented Development (TOD), Affordable Homeownership, and Tax Base Revitalization (TBRA) projects
- Policy Projects
- Small Area Planning Projects

Funding sources
Development Projects would all be funded through the Livable Communities Demonstration Account (LCDA) and/or the Tax Base Revitalization Account (TBRA), depending on requested activities. Policy Projects and Small Area Planning Projects would only be funded through LCDA, given statutory restrictions on TBRA funds. LCA's third funding account, the Local Housing Incentives Account, will operate independently of the single entry application (see page 11).

When presenting the Fund Distribution Plan recommendation in early 2026, staff will suggest minimum funding allocations for the following types of projects:

- Early stage projects
- Development stage projects
  - Rental projects
  - Ownership projects
- Site investigation & cleanup activities
- Policy & small area planning projects

Setting minimum funding allocations by project type will provide clarity for applicants as they plan their applications. If there are not enough applications to meet the minimum by the second funding round of the year, staff can recommend reallocating the unspent funds to qualifying projects in other categories. The Met Council will maintain the choice not to award all funds.

Staff will recommend award limits within these grant categories with the final draft proposal scheduled for a Community Development Committee meeting in September.

Award limit by geography
Staff recommend keeping the current award limits by geography in place and as described below.
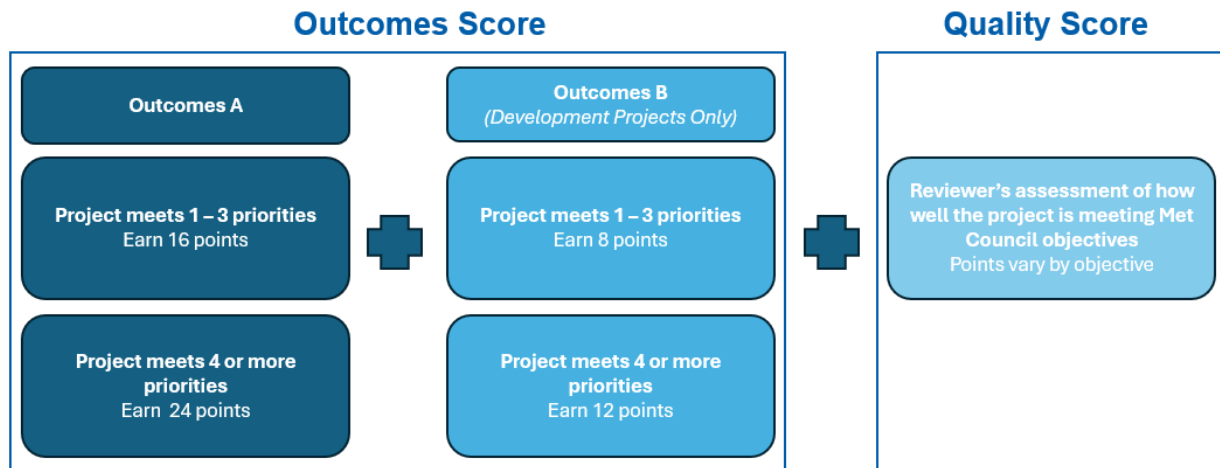
- If the amount of funding requested from the Livable Communities Demonstration Account (LCDA) exceeds the amount of funding available and there are enough eligible applications, no more than 40% of the funding will go to cities of the first class (current Met Council guidance).
- If the amount of funding requested from the Tax Base Revitalization Account (TBRA) exceeds the available funds, no more than 75% of the funding will go to cities of the first class (Minn Stat. 473.252).
- No more than 50% of available funds will be awarded to any one city in any one funding round (Minn Stat. 473.252).

Application process and scoring criteria

Staff recommend simplifying the application process by creating one entry point for applicants, regardless of the LCA funding source that could fund the project. Each opportunity within the funding round would follow the same scoring structure but with specific criteria for each project type (development, policy, and small area planning). Staff recommend two funding cycles per year for all programs with April 15 and October 15 application deadlines.

The proposed scoring structure is designed to review projects of all sizes equitably, while providing greater transparency in the scoring process.

Figure 1 Proposed Scoring Structure

Outcomes Score   Quality Score

Outcomes A	Outcomes B (Development Projects Only)	Reviewer's assessment of how well the project is meeting Met Council objectives — Points vary by objective
Project meets 1 – 3 priorities — Earn 16 points	Project meets 1 – 3 priorities — Earn 8 points	
Project meets 4 or more priorities — Earn 24 points	Project meets 4 or more priorities — Earn 12 points	

The Outcomes Score reflects how many of the Council's priorities the project meets. Projects that meet one to three priorities earn 16 points, and projects that meet four or more priorities earn 24 points in Outcomes A. In Outcomes B, projects may earn an additional eight or 12 points for meeting up to 3 or four or more goals, respectively. By counting the number of priorities met in each section, the proposed structure gives equal weight to all priorities within a given section. The Outcomes Score reflects statutory guidance as well as Imagine 2050 housing policy priorities (See Appendix B - Imagine 2050 Policy Reference Matrix). To be eligible, projects must meet at least one Outcome.

After receiving their Outcomes Score, projects will be further differentiated using the Quality Score. In this scoring step, internal and external reviewers will assess how well a project meets the needs of the local community and Met Council-identified goals.

Development Projects Proposed Scoring Criteria (90% Draft)
Figure 2 Development Projects Outcome Score

Outcomes A	Outcomes B
Meet 1-3 Priorities = 16 pts *Meet 4+ Priorities = 24 pts*	*Meet 1-3 Priorities = 8 pts* *Meet 4+ Priorities = 12 pts*
• Build housing that is 100% affordable **OR** the income of residents in all units in the project averages to an affordability band needed in the city[1] • Create new affordable homeownership opportunities for households earning 80% AMI or less • Rehab or preserve existing homes affordable to households living at 60% AMI or below for rental projects or 80% AMI or below for ownership projects • Reduce vacant or underutilized land through infill or redevelopment **OR** project is located in an eligible transit area[2] • Support business incubators and/or small business development spaces • Add at least 10 living wage jobs and/or have job training for at least 10 residents annually • Environmental cleanup in Environmental Justice areas[3]	• Build new rental housing with at least 10% of units in the project affordable to households living on 30% AMI or less **OR** the project meets 10% of the city's need for units affordable to households living on 30% AMI • Project includes at least three 3+ bedroom units for families, affordable to households living at 60% AMI or below for rental units **OR** all units are three bedrooms and affordable below for 80% AMI or below for ownership projects • Project includes permanent community space that is accessible, open to the public, and intended to provide gathering space through amenities, community rooms, or other infrastructure that supports community gathering • Energy-saving activities that result in decarbonization, water efficiency, or reduced energy costs for cost-burdened residents beyond in-unit fixtures and furnishings • Create senior or youth-serving (aged 16-24) housing affordable to households living at 60% AMI or below • Build or rehab housing that serves people who have experienced homelessness • Design beyond minimum ADA requirements through universal design or similar strategies

AMI=Area Median Income (30% AMI= $39,700, 60% AMI=$79,440, 80% AMI=$104,200 in 2025)

[1] A city's need by affordability band can be found on the Met Council Community Pages.

[2] See Appendix C: Eligible Transit Areas.

[3] See Appendix D: Environmental Justice Areas (Minnesota Pollution Control Agency).

Figure 3 Development Projects Quality Score

Criteria	MaxScore
How is the project helping the city to meet its identified development needs that are aligned with regional goals?	9
How is the project benefiting people who live on the lowest incomes, are Black, American Indian, or part of another community of color?	9
How does the project improve access and safety in the neighborhood and provide direct, convenient connections to existing or planned transit or trails?	5
Whose perspective is represented in the project through community engagement and/or as part of the development team? And how are their perspectives represented?	9
How does the project maintain residents' and businesses' ability to stay in the community and maintain cultural and social community connections?	9
How ready is the project to begin? Are the team and funding sources identified?	4
Total possible Quality Score without cleanup request	*45*
What is the severity of and risk of exposure to environmental contamination?*	20
What is the impact on the property tax base?*	20
Total possible Quality Score with cleanup request	*85*

Only for projects requesting cleanup funding

Because cleanup and development projects are funded by different LCA sources, the additional possible points for cleanup projects within the Quality Score will not disadvantage development projects that do not request cleanup funds.

Development Project Scoring Scenarios

Staff tested the Development Project Outcomes Scoring on applications from the past several years to ensure that suburban and small projects were competitive. The following show examples of how previous applications would have fared on the Outcomes Score under the proposed scoring criteria. Staff were unable to test the Quality Score system because the new questions had not been previously answered in applications.

Figure 4 Development Outcomes Scoring Scenarios

Community Designation	Description	Outcomes A	Outcomes B	Outcomes Score
Suburban	New construction, mixed-income senior housing	1. Affordable housing	1. Affordability @ 30% AMI 2. Senior housing 3. People experiencing homelessness 4. Energy saving	28
Suburban Edge	Mixed-income housing with senior units, public gathering space, and commercial space	1. Affordable housing 2. Business incubator	1. Affordability @ 30% AMI 2. Public gathering space 3. 3+ bedroom units 4. Senior housing	28
Suburban Edge	100% affordable new construction. Units affordable to households living on 31-50% AMI and 51-60% AMI	1. Affordable housing	1. 3+ bedroom units	24
Urban	100% affordable new construction. Units affordable to households living on <30% AMI, 31-50% AMI, and 51-60% AMI	1. Affordable housing 2. In TOD area 3. Cleanup in EJ area	1. Affordability at 30% AMI 2. 3+ bedroom units 3. People experiencing homelessness	24
Urban Core	Job creation and business incubation space with a large public gathering space and gardens	1. TOD Area 2. Business incubator 3. 10+ living wage jobs	1. Public gathering space	24
Suburban	100% affordable new construction senior housing	1. Affordable housing 2. TOD area	1. Senior housing	24
Suburban	Mixed-income housing development as part of a larger planned development with market-rate senior and market-rate townhomes	1. Affordable housing	1. Affordability @ 30% AMI 2. 3+ bedroom units	24

Community Designation	Description	Outcomes A	Outcomes B	Outcomes Score
Urban Core	Food service, training kitchen, and catering, creating 47 living wage jobs	1. TOD area 2. 10+ living wage jobs		16
Urban Center	Development of a new taproom and brewery	1. Infill development		16
Suburban	Office space with loading dock and showroom space	1. 10+ living wage jobs		16
Suburban Edge	Mixed-income housing, 20% of the units are affordable at 31-50% AMI		1. 3+ bedroom units 2. Public gathering space 3. Energy saving	8
Suburban Edge	Mixed-income, mixed-use project. 7.5% of units are affordable at 31-50% AMI		1. Senior housing	8

Policy Project Proposed Scoring Criteria (90% Draft)
Figure 5 Policy Projects Outcome Score

Meet at least 1 priority = 16 pts

- Encourage more development or preservation of affordable housing, both rental and ownership
- Incentivize environmentally sustainable development and green infrastructure
- Mitigate or prevent future displacement of residents and businesses
- Increase housing choice through type, tenure, and/or accessibility

Figure 6 Policy Projects Quality Score

Criteria	Score
How does the policy benefit deeply affordable housing?	5
How will you prevent, mitigate, or repair potential negative impacts of the proposed policy on Black, American Indian, other residents of color, or residents living on the lowest incomes?	5
Do you have a clearly defined work plan/scope? What is it?	2
What is the per capita net tax capacity (NTC) of the city? Projects in cities with lower per capita NTC will be prioritized.	3
Total possible Quality Score	***15***

Small Area Planning Project Proposed Scoring Criteria (90% Draft)
Figure 7 Small Area Planning Projects Outcome Score

Meet 1-3 Priorities = 16 pts
Meet 4+ Priorities = 24 pts

- Situate affordable housing near transportation options and amenities
- Plan for mixed-use areas on infill or redevelopment sites
- Create or improve small-scale commercial spaces and/or commercial corridors
- Establish or improve multi-modal transportation options with housing, jobs, and transit
- Establish or improve a cultural corridor
- Protect areas of ecological significance within planned development areas and/or incorporate strategies to promote public and ecosystem health
- Include public gathering space or incorporate green infrastructure elements

Figure 8 Small Area Planning Quality Score

Criteria	Score
Amenities and connectivity are designed to prioritize serving residents who have been impacted by disinvestment or displacement pressures	5
How will you prevent, mitigate, or repair potential negative impacts on of the plan on Black, American Indian, other residents of color, or residents living on the lowest incomes?	5
Do you have a clearly defined work plan/scope? What is it?	2
Whose perspective is or will be represented in the plan through community engagement and/or as part of the planning team? And how are their perspectives represented?	5
What is the per capita net tax capacity (NTC) of the city? Lower NTC/capita will be prioritized.	3
Total possible Quality Score	***20***

Eligible Activities

Staff recommend aligning eligible activities across funding accounts and with other Met Council grant programs.

Figure 9 Eligible Activities by Project

Type of Project	Budget Line Item	Notes on Changes
Policy and Small Area Planning	• City staff time spent directly on developing the policy or small area plan • Consultant time spent developing the policy or small area plan • Community engagement to develop the small area plan	Maintains current eligible expenses for policy grants, and adds community engagement as an eligible expense within small area planning
Early Stage Development Projects	• Condition assessments • Impact studies • Financial studies • Environmental site investigation • Building or site planning & design • Sustainability/Climate action design • Community engagement • Project management (up to 10% of grant award) • Development navigation consulting	Maintains current eligible expenses for pre-development grants and allows for up to 10% of the grant award to reimburse project management
Development Stage Projects	• Land and property (structure) acquisition with a two-year look back period • Demolition • Site preparation • General construction/structural additions • Environmental cleanup • Developer administrative costs direct and necessary to the project (up to 10% of grant award)	Maintains current eligible expenses within the LCDA and TBRA programs and allows for up to 10% of the award to reimburse developer administrative costs that are direct and necessary for the project in alignment with other Federal, State, and Met Council grant programs

Reapplication Policy

Staff recommend implementing a reapplication policy to ensure that Met Council resources are available to serve a broad range of projects. Staff propose:

Applicants are eligible to apply for the same project again if:

- Project has drawn down at least 50% of the funds previously awarded at the time they reapply
- Project has relinquished 50% or more of the earlier Met Council grant. For example, if activities in a previous grant were not as costly as initially estimated, the grant may be completed and unneeded funds relinquished; or, if there is a significant scope change, staff may recommend relinquishing remaining grant funds and reapplying, rather than pursuing an amendment.
- Project budget has increased by more than 20% since the prior grant award
- Project did not receive an award for the previous application, or received a partial award and has remaining eligible costs
- Project is applying for a different phase of the project

After a project has received two awards of the same type (early stage, development stage, policy or small area plan), future applications will be deprioritized relative to projects that have not yet

received two awards.

Local Housing Incentives Account

Staff recommend that the LCA's third funding account, the Local Housing Incentives Account (LHIA), continue to fund affordable rental housing development projects through the Minnesota Housing Consolidated Request for Proposals (RFP), thereby separating it from the proposed single-entry point structure and maintaining its current process. In this process, there is only one application cycle per year, which is typically due mid-year. LHIA projects would be assessed using the same scoring system as development projects that apply through the single-entry point, ensuring consistency with Imagine 2050 goals. The eligible activities would be the same as development projects in the single-entry point process.

Evaluation and monitoring

In September, staff will request that the Met Council approve this program design for two years so that there is enough time to analyze changes and begin to assess impact. This stability will also help partners who are often planning projects years in advance to anticipate how the Met Council may help them complete their projects. While the staff proposal is the result of ample community engagement and staff analysis, we know we will learn new things when we begin to implement this change. While staff will request a two-year approval for the program design, the annual approval of the Fund Distribution Plan (FDP) will provide a natural point to make a change if something is not going as planned, acting like a pressure valve.

In 2026, staff will focus on assessing the new internal processes and setting the groundwork to track project outcomes and impacts using both quantitative and qualitative data. Going forward, the annual FDP approval will be a natural time for staff to share assessments of internal processes and information about the impact of the LCA program as a whole. Staff may also share information with the Met Council's Housing Work Group and other work groups or committees as requested.

The monitoring and evaluation framework will assess both outcomes and impacts from individual projects as well as the internal process through which applicants apply and administer grants. The four primary categories of indicators are:

- Applications and Awards: Where projects are located, applications compared to awards, developers receiving funding, and the type of projects being awarded.
- Project Outcomes: Primarily quantitative outcomes of projects like number of housing units created or rehabbed and the number of jobs and workforce development opportunities created.
- Project Impacts: Longer-term assessment of the correlation between LCA awards and changes in development. This will include changes in development patterns after a policy or small area plan is adopted or assessing the reduction in utility costs for residents in affordable housing units that were rehabbed with LCA support.
- Internal Process: How easy it is for potential applicants to submit applications and understand how their proposals will be evaluated. Staff will also collect data on draw requests, amendments, and other elements of the grants administration process to continue to identify areas for improvement at all stages of the grant lifecycle.

In addition, staff will monitor if the new program design is helping projects in areas of systemic disinvestment and emerging developers access funding for projects aligned with Met Council goals.

Staff are working to ensure that we do not overburden grantees with data and reporting requests. As such, staff plan to use external data sources like CoStar and existing processes like closeout reports and interviews with project teams to collect data. The evaluation and monitoring framework will support staff in making more data-driven decisions and improving program operations.

Next Steps

Staff will bring all non-financial program elements to the Community Development Committee (CDC) for approval on September 15, 2025. Program plans have historically been approved by the

Council in February as part of the larger Fund Distribution Plan for the current grant year. Staff are requesting approval of the new program design in September to allow for additional time to do outreach and technical assistance with developers and city staff across the region. Council staff will return in February to work with the Committee on setting funding levels for the 2026 funding year.

While the LCA goals are remaining largely unchanged, the application and scoring process are significantly different. The additional time of early approval will allow staff to conduct an extensive campaign to support potential applicants in understanding the changes and how LCA can support their communities.

Appendix A: Why fund along the housing continuum

In July, Council Members requested more information on the need for Livable Communities grants and the success of projects along the housing continuum. Both Thrive MSP 2040 and Imagine 2050 name the Metropolitan Council's role in creating housing choice, meaning people in all stages of life and of all economic means have options for where they live and the type of home they live in. Affordability is a key component of choice.
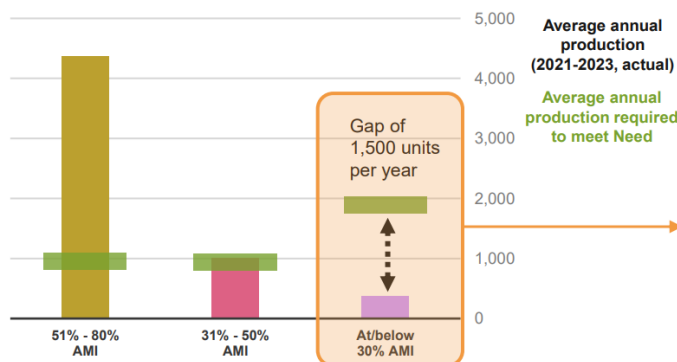
Need for deeply affordable rental housing

The LCA enabling statute and the Imagine 2050 Housing Policy Plan specifically name LCA's role to incentivize the development of affordable housing because that is where there is the greatest gap between what the market provides and the region's need. Between 2030 and 2040, the region is projected to need to add 39,700 affordable housing units, in addition to the affordable housing that the region is behind on building for the current decade (Imagine 2050, Housing Policy Plan p. 23).

Housing is considered affordable if a household spends no more than 30% of their annual income on housing costs. Imagine 2050 defines affordable housing as units/homes affordable to households living on 80% of the area median income (AMI), or $104,200 in 2025, for homeownership and 60% AMI, or $79,440 in 2025, for rental units.[4] The Imagine 2050 Housing Policy Plan explicitly directs LCA to prioritize projects that create deeply affordable housing that is affordable to households living on 30% AMI ($39,700 in 2025) or less, as this is where the largest supply gap exists across the region.

Figure 10 Need and production of affordable rental housing 2021-2023 (from 2024 Housing Trends Presentation)
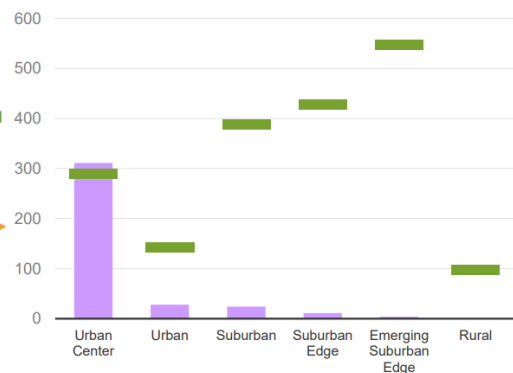
Source: Metropolitan Council's Annual Building Permit Survey & Allocation of Affordable Housing Need (2021-2030).

Once projects are built, demand for deeply affordable housing remains high. Of all vacancies in the Twin Cities, homes affordable to households living on 30% AMI or less ($39,700 in 2025) make up only 4% of total vacancies. Homes affordable to households living on 60% AMI ($79,440 in 2025) make up 41% of all vacancies (Housing Link). Among LCA-funded projects, buildings that are

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[4] This is comparable to how the legislature defined and prioritized affordability for the Local Affordable Housing Aid program in 2023, in which households earning 80% AMI ($104,200 in 2025) or below are prioritized for homeownership opportunities and households earning 50% AMI ($66,200 in 2025) or below are prioritized for rental opportunities.

affordable to households living on 30% AMI commonly have near-zero percent vacancy rates (CoStar). While some properties may have higher vacancy rates during a specific point-in-time snapshot, this is typically because there are additional restrictions on the units and not a long-term challenge. For example, a property may only serve seniors or may be housing people through Coordinated Entry (the federally mandated system that helps prioritize the most vulnerable people for housing first).

Need for affordable homeownership opportunities
In addition to providing a safe, stable place to live, homeownership is a common tool to build wealth for American households. LCA launched its affordable homeownership program in 2022 to help close the racial homeownership gap, which is one of the worst in the nation (see more in the Imagine 2050 Housing Policy Plan p. 14-17). The Imagine 2050 Housing Policy Plan continues this commitment by directing LCA programs to invest more in affordable homeownership opportunities.

While the LCA Affordable Homeownership grant program is too new to report outcome statistics (most projects are still under construction), the need for affordable homeownership opportunities is well documented. The [Minnesota Homeownership Center](#) estimates that there are 61,000 Minnesota households of color who are income-qualified for homeownership but continue to rent because of the lack of entry-level ownership opportunities. Furthermore, there are 27,000 Minnesota households living in affordable rental housing that are income-qualified for homeownership. When households transition from affordable rental housing to homeownership, it has the added benefit of opening up a rental unit for another household. The Met Council plans to release additional information on affordable homeownership needs as part of the 2050 comprehensive planning process later this year.

As an incentive program, LCA grants are designed to advance projects that either would not happen or would be detrimentally slow without Met Council funds. LCA grants have supported nearly every deeply affordable housing project built in the region in the last decade because these projects are not feasible without our investment; affordable homeownership opportunities are another housing choice that needs the Met Council's investment.

Appendix B - Imagine 2050 Policy Reference Matrix

With limited funding, Livable Community Act (LCA) programs cannot address every goal and objective in Imagine 2050. In the program design, staff focused on incorporating the Imagine 2050 policies that provided specific direction to LCA programs and those that were most aligned with the LCA enabling statute (Minn. Stat. §473.25).

Imagine 2050 Policy Plans are mutually reinforcing. The following matrices indicate primary policy guidance supporting scoring criteria, but may not reference all mentions of the policy goal included within Imagine 2050. LCA programs are most directly related to the Housing Policy Plan and Land Use Policy Plan. While LCA programs reinforce goals in the Parks and Trails, Water, and Transportation Policy plans, they are not included in this appendix.

Plan references marked with an * are specific directions to the Livable Communities Act Programs in Imagine 2050.

Figure 11 Matrix of Imagine 2050 Policy References for Development Projects Outcomes A Criteria

Development Projects Outcomes A	Housing Policy Plan	Land Use Policy	MN Statute
Build housing that is 100% affordable **OR** the income of residents in all units in the project averages to an affordability band needed in the city	Objective 1, p. 25		§473.25
Create new affordable homeownership opportunities for households earning 80% AMI or less	Objective 2, p. 26*		§473.25
Rehab or preserve existing homes affordable to households living at 60% AMI or below for rental projects or 80% AMI or below for ownership projects	Objective 1, p. 25*		§473.25
Reduce vacant or underutilized land through infill or redevelopment, OR project is located near eligible transit.	Objective 2, p. 27	Objective 1, Policy 2, p. 24 Objective 1, Policy 4, p. 27 Objective 2, Policy 7, p. 29	§473.25
Support business incubators and/or small business development spaces		Objective 8, Policy 40, p.44	
Add at least 10 living wage jobs and/or have job training for at least 10 residents annually		Objective 8, Policy 39, p. 43	§473.25
Environmental cleanup in Environmental Justice areas		Objective 1, Policy 4, p. 27 Objective 6, Policy 27, p. 38	§473.252

AMI=Area Median Income (30% AMI= $39,700, 60% AMI=$79,440, 80% AMI=$104,200 in 2025)

Figure 12 Matrix of Imagine 2050 Policy References for Development Projects Outcomes B Criteria

Development Projects Outcomes B	Housing Policy Plan	Land Use Policy Plan	MN Statute
Build new rental housing with at least 10% of units in the project affordable to households living on 30% AMI or less, **OR** the project meets 10% of the city's need for units affordable to households living on 30% AMI	Objective 1, Pg 25*		§473.25
Project includes at least three 3+ bedroom units for families, affordable to households living at 60% AMI or below for rental units or all units are three bedrooms and affordable	Community Feedback, Pg 10 Objective 1, Pg 25		
Project includes permanent community space that is accessible, open to the public, and intended to provide gathering space through amenities, community rooms, or other infrastructure that supports community gathering		Objective 3, Policy 13 & 14, Pg 31-32 Objective 6, Policy 27, p. 38	
Energy-saving activities that result in decarbonization, water efficiency, or reduced energy costs for cost-burdened residents beyond in-unit fixtures and furnishings.	Objective 7, Pg 57*	Objective 7, Policy 32, p. 40	
Create senior or youth-serving (aged 16-24) housing affordable to households living at 60% AMI or below	Objective 4, Pg 44	Objective 1, Policy 4, p. 27	§473.25
Build or rehab housing that serves people who have experienced homelessness	Objective 3, Pg 43*		§473.25
Design beyond minimum ADA requirements through universal design or similar strategies	Objective 4, Pg 44*	Objective 3, Policy 16, p. 32	

AMI=Area Median Income (30% AMI= $39,700 and 60% AMI=$79,440 in 2025)

Figure 13 Matrix of Imagine 2050 Policy References for Development Projects Quality Criteria

Development Projects Quality Criteria	Housing Policy Plan	Land Use Policy Plan	MN Statute
How is the project helping the city to meet its identified development needs that are aligned with regional goals?			§473.25
How is the project benefiting people who live on the lowest incomes, are Black, American Indian, or part of another community of color?	Objective 6, p. 56*	Objective 6, Policy 27, p. 38	
How does the project improve access and safety in the neighborhood and provide direct, convenient connections to existing or planned transit or trails?		Objective 2, Policy 7, p. 29	§473.25
Whose perspective is represented in the project through community engagement and/or as part of the development team? And how are their perspectives represented?	Objective 6, p. 56*	Objective 6, Policy 26, p. 37	
How does the project maintain the ability for residents and businesses to stay in the community and maintain cultural and social community connections?	Objective 5, p. 55*	Objective 6, Policy 28, p. 38	
Are the team and funding sources identified? Does the project have site control for development activities (cleanup–construction)?			
What is the severity of and risk of exposure to environmental contamination?*			§473.252
What is the impact on the property tax base?*			§473.252

* For site investigation and cleanup grants funded through the Tax Base Revitalization Account only.

Figure 14 Matrix of Imagine 2050 Policy References for Policy Projects Outcomes Criteria

Policy Projects Outcomes Score	Housing Policy Plan	Land Use Policy Plan	MN Statute
Encourage more development or preservation of affordable housing, both rental and ownership	Objective 1, p. 25* Objective 2, p. 26*	Objective 5, Policy 22, p. 35	§473.25
Incentivize environmentally sustainable development and green infrastructure	Objective 7, p. 57*	Objective 3, Policy 14, p. 32	
Mitigate or prevent future displacement of residents and businesses		Objective 6, Policy 28, p. 38	
Increase housing choice through type, tenure, and/or accessibility	Objective 1, p. 25		§473.25

In addition to Housing Policy Plan Objective 1, the Policy Projects Quality Score is related to project readiness and feasibility; therefore, it is not included in this matrix.

Figure 15 Matrix of Imagine 2050 Policy References for Small Area Planning Projects Outcomes Criteria

Small Area Plan Projects Baseline Criteria	Housing Policy Plan	Land Use Policy Plan	MN Statute
Situate affordable housing near transportation options and amenities		Objective 2, Policy 7, p. 29	§473.25
Plan for a mix of housing types on infill or redevelopment sites	Objective 2, p. 27	Objective 1, Policy 4, p. 27	§473.25
Create or improve small-scale commercial spaces and/or commercial corridors		Objective 8, Policy 37, Action 2, p. 43	
Establish or improve multi-modal transportation options to connect housing, jobs, and transit		Objective 5, Policy 24, Action 4, p. 36	
Establish or improve cultural corridors		Objective 8, Policy 40, p. 44	
Protect areas of ecological significance within planned development areas and/or incorporate strategies to promote public and ecosystem health		Objective 1, Policy 5, p. 27	
Include public community gathering space and/or incorporate green infrastructure elements		Objective 3, Policy 13 & 14, pp. 31-32 Objective 6, p. 36	

In addition to Housing Policy Plan Objective 5 and Land Use Policy Plan Objective 6 on anti-displacement actions, the Small Area Plan Quality Criteria assess project readiness and feasibility. Therefore, it is not included in this matrix.

Appendix C: Eligible Transit Areas

Staff recommend maintaining the current LCA definition of an eligible transit area. Eligible areas are updated annually based on projects reaching approval stages. Project must be within:

- A ½-mile radius of an existing or proposed station on LRT, BRT, or Northstar* corridors.
- A ½-mile radius of a bus stop or station with significant infrastructure on high-frequency express routes. High-frequency express service is defined as bus service providing either six or more trips during at least one of the peak morning hours between 6:00 AM and 9:00 AM, or every 10 minutes during the peak morning hour.
- A ¼-mile radius of a bus stop along high-frequency local bus lines, defined as those routes providing service at least every 15 minutes between 6:00 AM to 7:00 PM on weekdays and between 9:00 AM and 6:00 PM on Saturdays.

The map is available publicly on our website (select the TOD grant areas layer).

Figure 16 2025 LCA Eligible Transit Areas

* Council staff will assess eligibility as replacement transit plans for the Northstar corridor are finalized. Eligibility may change prior to the Council adoption of scoring criteria.

Appendix D: Environmental Justice Areas

Minnesota statute defines environmental justice areas as census tracts:

- in which at least 40% of the population is people of color
- in which at least 35 percent of households have income at or below 200 percent of the federal poverty level
- in which at least 40 percent of the population has limited proficiency in English
- which are located within Indian Country, which is defined as federally recognized reservations and other Indigenous lands

Census tracts need to meet only one of these criteria to be considered an environmental justice area.

Figure 17 Minnesota Pollution Control Agency Environmental Justice Area Map (view the interactive map online)