

# Business Item

Community Development Committee



Committee meeting date: September 15, 2025

For the Metropolitan Council: September 24, 2025

## Business Item: 2025-235

Livable Communities Act 2026-2027 Fund Distribution Plan

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

**Policy/legal reference:** Minn. Stat. § 473.25

**Staff prepared/presented:** Emily Seddon, Manager, Livable Communities, 651-602-1023  
Hannah Gary, Planning Analyst, Livable Communities, 651-602-1633

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

### Proposed action

That the Metropolitan Council adopt the Livable Communities Act program design presented in [Attachment 1: 2026-2027 Fund Distribution Plan](#) for calendar years 2026 and 2027.

### 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](#); [July 7, 2025](#); and [August 18, 2025](#).

### Overview of the Updated Livable Communities Act Program

**Alignment with Imagine 2050:** Imagine 2050, the Met Council's current regional development guide, 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.

**Focus on outcomes, less on acronyms:** The proposed structure defines grant programs by the type of project and outcomes they seek to achieve, making it more transparent how to apply for LCA funds. By linking funding to project outcomes, the update also provides grantees with important flexibility to determine which eligible costs within the project to seek reimbursement for. Staff will manage the internal assignment of funding sources.

**Recognize that every community is part of a livable region:** The proposed update utilizes a new scoring structure that 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.

### Summary of Proposed Updates

**Single Entry Point Application:** In response to community feedback and recommendations from consultants aimed at simplifying the LCA program processes, the proposal consolidates eight

distinct application processes into a single entry point for all grants awarded using Livable Communities Act Demonstration Account (LCDA) and Tax Base Revitalization Account (TBRA) funds. These funds encompass the current policy, pre-development, LCDA development, transit oriented development (TOD), affordable homeownership, site investigation, cleanup (TBRA), and seeding equitable environmental development funding opportunities. The single entry point application will open twice per year. Local Housing Incentives Account (LHIA) grants will be separate from the single entry point application and continue to be accepted through the [Minnesota Housing Consolidated Request for Proposals](#).

**Scoring process:** In response to community feedback, the proposal aims to simplify the LCA program process and improve competitiveness for small projects and those advancing regional goals in all communities through a new scoring process. Projects will receive an Outcomes score based on what Imagine 2050 goals and priorities the project advances. Projects will be able to self-score this section and determine how many Outcomes points they will receive before applying. Documentation to verify the outcomes will be submitted with the application. Internal and external reviewers will also assign a Quality score to projects, which assesses how effectively the project addresses Imagine 2050 and Council goals.

**Expansion to include small area planning:** The LCA program supports local projects across the development continuum. Since 2022, LCA has successfully operated a policy development program to help cities set the conditions for development that are aligned with regional goals. In response to feedback from cities, this proposal adds small area planning as an eligible project type to enhance the Metropolitan Council's ability to set conditions for development.

**Reduce barriers for emerging and BIPOC developers:** While LCA grants are made to cities, counties, or development authorities, emerging and BIPOC developers are important and underrepresented partners on LCA-funded projects. In alignment with the Metropolitan Council's small business and procurement diversity goals and the Imagine 2050 wealth-building goals, this proposal prioritizes these partners in scoring. Furthermore, in alignment with the Imagine 2050 Housing Policy Plan, when funding projects serving the American Indian community, this proposal prioritizes projects led by American Indian-led organizations. Finally, to reduce barriers to all developers, this proposal recommends continuing to fund project pre-development costs, and, consistent with other Metropolitan Council grants, allows developers to use up to 10% of the grant award for administrative/soft costs that are direct and necessary to complete the project.

### ***Evaluation and Monitoring***

Approval of the two-year (2026-2027) Fund Distribution plan will provide staff with sufficient time and data to analyze changes to the program and begin assessing its impact. While this proposal is the result of years of community engagement and staff analysis, we will continue to learn as we implement the updated program design. The required annual approval of the financial components of the Fund Distribution Plan provides a natural point to make a change if something is not going as planned, like a pressure valve.

The annual financial approval will provide a natural opportunity for staff to share assessments of internal processes and discuss the overall impact of the LCA program. Staff may also share information with the Met Council's Housing Work Group and other work groups or committees as requested.

### ***Next Steps***

Thank you to the Council members and staff from multiple departments who have contributed to the 2026-2027 Fund Distribution Plan. With your help, the program is well-aligned with Imagine 2050 and has responded to many community suggestions for improvement. Key milestones in the next two annual funding cycles include:

- **Fall 2025 and ongoing:** Outreach and technical assistance to partners about the program update and in preparation for the next application cycle.
- **February 2026:** 2026 financial components of the fund distribution plan recommended to Council.



- **Spring 2026:** Met Council transitions to a new grant application and management system.
- **Summer 2026:** First round of awards under the new fund distribution plan recommended to Council. Staff will use this opportunity to share initial, anecdotal feedback on how the program design is working.
- **February 2027:** 2027 financial components of the fund distribution plan recommended to Council. Staff will use this opportunity to share initial, anecdotal feedback on how the program design is working.
- **2028 (in advance of the 2029 Fund Distribution Plan):** Staff will present findings from the evaluation and monitoring efforts and recommendations for program changes (if needed).

## Rationale

The Livable Communities Act ([Minn. Stat. § 473.25](#)) requires that the program “promote the purposes of” the regional development guide. Knowing that the Council would adopt a new regional development guide in 2025, the Council engaged in a multi-year effort to update and align the LCA grant program. The primary goals of this proposed update are:

- **Impact:** Ensure the program continues to be an impactful and tangible way to demonstrate the Council’s priorities.
- **Responsiveness:** Ensure that current and potential grantees’ experience with the program is positive.
- **Alignment:** Align the LCA program with the new regional development guide, Imagine 2050.

The proposed update reflects Imagine 2050 and significant community engagement with council members, cities, counties, developers, and other stakeholders.

The following recommendations are for the Livable Communities Act program design for the years 2026 and 2027. Staff will recommend specific funding levels to accompany this program design at the beginning of each year, once that information becomes available. Taking action to approve the program design before the funding levels are set creates the opportunity for better outreach and technical assistance to applicants ahead of opening the application period. The two-year approval of the program design allows enough time and data to assess the impact of changes before making future updates.

## Imagine 2050 Lens Analysis

On Feb. 12, 2025, the Council adopted Imagine 2050. The Livable Communities Act program is a key housing policy and economic development (via environmental cleanup) tool to advance Imagine 2050 goals. Specifically, the proposed program design will advance the Imagine 2050 goals to:

- Create a **dynamic and resilient region** by helping to expand housing choice and improve the ability of residents to meet their needs in their communities.
- Create an **inclusive and equitable region** by helping improve physical, mental, and cultural safety through intentional, community-driven development projects.
- Create **healthy and safe communities** by helping improve safety and the ability of residents to meet their needs in their communities.

Additionally, the LCA program will have a limited impact on the Imagine 2050 goals to **address climate change** and **protect and restore natural systems** by funding projects that include these goals as part of planning and development projects. See [Appendix A: Imagine 2050 Policy Reference Matrix](#).

## Funding

Minn. Stats. § 473.25 – 473.255 set the annual minimum amounts for each of the funds in the



Livable Communities Act program. Funding allocation recommendations will be presented to the Community Development Committee in early 2026 when financial details are available for the calendar year. The Council will adopt the 2026 funding availability at that time.

### **Attachments**

Attachment 1: 2026-2027 Fund Distribution Plan

Attachment 2: Letter of support from Metro Cities



## Attachment 1: 2026-2027 Fund Distribution Plan

### **General Requirements**

The following apply to all programs in the Livable Communities fund.

#### *Project Eligibility*

- All projects must be located in an [LCA participating city](#) and the city must be consistent with all comprehensive plan requirements.
- Projects located in cities that have a current comprehensive plan amendment under review that would make the city ineligible to apply or draw down funds may not apply until the review is complete.
- Projects must have a funding gap.

Additional eligibility requirements are defined by project type below.

#### *Application Due Dates*

There will be two rounds of funding each year for all types of projects. Applications will be due April 15 and October 15 of each year. In addition, the Metropolitan Council will continue to accept applications for the LHIA (Local Housing Incentives Account) program for rental housing projects through the [Minnesota Housing Consolidated Request for Proposals](#), which typically has a single summer due date.

#### *Application Submission Limit*

There will be no limit to the number of applications an applicant (city, county, development authority) can submit in a given funding round.

#### *Geographic Award Limits*

- 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 from any funding account will be awarded to any one city in any one funding round (Minn Stat. 473.252).

#### *Application Award Limits*

- \$100,000 per application for policy and small area planning projects
- \$500,000 per application for early-stage development projects
- \$2 million per application for construction stage development projects

The Metropolitan Council retains the right to make partial awards.

#### *Reapplication Policy*

Applicants are eligible to apply for the same project again if the project meets one or more of the following:

- 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
- Project budget has increased 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
  - A new phase must be financially independent from earlier phases, and

- Each phase must result in a stand-alone project

After a project has received two awards of the same type, other projects that have not yet received two awards will be prioritized.

### *Match*

There is no required match for Livable Communities grants, unless specified by statute. Currently, only grants made with funds from the Local Housing Incentives Account require a dollar-for-dollar match.



### **Policy Development Grants**

Policy Development grants support cities in setting conditions for dense, connected, and equitable development in alignment with Imagine 2050 goals.

#### **Policy Development Grant Eligibility**

- Proposed projects must meet at least one Outcome defined in the Outcomes Score.
- Policy projects must result in an enforceable policy or ordinance that is adopted by the grantee's regulatory body, such as city council or housing and redevelopment authority board.

#### **Policy Development Scoring Criteria**

*Table 1 Policy Development Outcome Score*

*Meet at least one Outcome = 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

*Table 2 Policy Development Quality Score*

	<b>Max Score</b>
How will the proposed policy support housing stabilization, enabling residents to remain in their homes and communities?	5
How will the city prioritize racial equity when implementing the proposed policy?	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? Of cities in the seven-county metropolitan region, if per capita net tax capacity falls within the: <ul style="list-style-type: none"><li>• Top 25%: 1 point</li><li>• 50%-75% Percentile: 2 points</li><li>• Below 50% Percentile: 3 points</li></ul>	3
<b>Total possible Quality score</b>	<b>15</b>



### Small Area Planning Grants

Small Area Planning grants support cities in establishing conditions for dense, connected, and equitable development in alignment with Imagine 2050 goals.

#### Small Area Planning Grant Eligibility

- The project must meet at least one Outcome defined in the Outcomes score.
- The plan area must be a defined geography that is multiple parcels, a portion of the city, and not exceeding one-quarter of the city's area. Examples include, but are not limited to, former corporate campuses, cultural districts, commercial corridors, and transit station areas.
- Small area planning projects must result in a small area plan that is presented for adoption by the city council and, if approved, included as part of or submitted as an update to the city's comprehensive plan.

#### Small Area Planning Scoring Criteria

Table 3 Small Area Planning Outcome Score

Meet 1-3 Outcomes = 16 pts

Meet 4+ Outcomes = 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 to connect 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

Table 4 Small Area Planning Quality Score

	Max Score
How will future amenities and connectivity be designed to prioritize residents who have been impacted by disinvestment?	5
How will the city prevent displacement or other potential negative impacts of the plan on Black, American Indian, or other residents of color?	5
Do you have a clearly defined work plan/scope? What is it?	2
Whose perspective will be represented in the plan through community engagement and/or as part of the planning team? And how will their perspectives be represented?	5
What is the per capita net tax capacity (NTC) of the city? Of cities in the seven-county metropolitan region, if per capita net tax capacity falls within the: <ul style="list-style-type: none"><li>• Top 25%: 1 point</li><li>• 50%-75% Percentile: 2 points</li><li>• Below 50% Percentile: 3 points</li></ul>	3
<b>Total possible Quality Score</b>	<b>20</b>

### Development Grants

Development grants primarily support projects that plan to build new, rehabilitate, or preserve affordable housing and community-driven commercial spaces. Development grants support projects at all stages of development, from pre-development to cleanup and site preparation, through construction and completion.



### *Development Grant Eligibility*

- The project must meet at least one of the defined Outcomes in the Outcomes score.
- If the project or proposed use requires a comprehensive plan amendment, the amendment must be completed before application.
- Unless the project is *only* requesting pre-development or acquisition funding, the project must have site control or an executed purchase agreement.
- If the project is requesting site investigation or cleanup funds:
  - Sites with a viable responsible party may not be eligible.
  - Sites that will be tax-exempt after redevelopment are not eligible.
- If the project includes housing, the units/homes must remain affordable for a minimum of 15 years, and
  - Rental housing projects must accept housing choice vouchers and offer some rents that do not exceed [local voucher payment standards](#).
  - Homebuyers must complete homebuyer education before purchase.



## Development Grant Scoring Criteria

Table 5 Development Projects Outcome Score

Outcomes A	Outcomes B
<p>Meet 1-3 Priorities = 16 pts Meet 4+ Priorities = 24 pts</p> <ul style="list-style-type: none"> <li>• Build housing that is 100% affordable <b>OR</b> the income of residents in all units in the project averages to an affordability band needed in the city<sup>1</sup></li> <li>• Create new affordable homeownership opportunities for households earning 80% AMI or less</li> <li>• 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</li> <li>• Reduce vacant or underutilized land through infill or redevelopment <b>OR</b> project is located in an eligible transit area<sup>2</sup></li> <li>• Create or rehab business incubators and/or small business development spaces</li> <li>• Future site use will add at least 10 living wage jobs and/or provide job training for at least 10 residents annually</li> <li>• Environmental cleanup in <a href="#">Environmental Justice areas</a><sup>3</sup></li> </ul>	<p>Meet 1-3 Priorities = 8 pts Meet 4+ Priorities = 12 pts</p> <ul style="list-style-type: none"> <li>• Build new rental housing with at least 10% of units in the project affordable to households living on 30% AMI or less <b>OR</b> the project meets 10% of the city's need for units affordable to households living on 30% AMI</li> <li>• Project includes at least three 3+ bedroom units for families and are affordable to households living at 60% AMI or below for rental units <b>OR</b> all units are 3+ bedrooms and affordable to households living at or below 80% AMI for ownership projects</li> <li>• 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</li> <li>• Energy-saving activities, beyond in-unit fixtures and furnishings, that result in decarbonization, water efficiency, or reduced energy costs for cost-burdened residents</li> <li>• Create senior (55+) or youth-serving (aged 16-24) housing affordable to households living at 60% AMI or below</li> <li>• Build or rehab housing that serves people who have experienced homelessness</li> <li>• Design beyond minimum Americans with Disabilities Act requirements through universal design or similar strategies</li> <li>• Project serves American Indian people and is led by an American Indian organization</li> </ul>

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

<sup>1</sup> A city's need by affordability band can be found on the [Local Planning Handbook Community Pages](#).

<sup>2</sup> See [Appendix : Eligible Transit Areas](#). Staff will continue to update eligible transit areas as routes change and new routes are approved, using the same methodology annually.

<sup>3</sup> See [Appendix : Environmental Justice Areas](#) (Minnesota Pollution Control Agency).

Table 6 Development Projects Quality Score

	Max Score
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 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 multi-use 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/or businesses' ability to stay in the community and maintain cultural and social community connections?	9
Are the project team and funding sources identified?	4
Is the project led by an emerging developer of color?	2
<b>Total possible Quality score without cleanup request</b>	<b>47</b>
What is the severity of and risk of exposure to environmental contamination?*	20
What is the impact on the property tax base?*	20
<b>Total possible Quality score with cleanup request</b>	<b>87</b>

\*Only for projects requesting cleanup funding

### Local Housing Incentives Account (LHIA) Grants

Grants made from the Local Housing Incentives Account (LHIA) are a subset of Livable Communities development grants. LHIA funds are awarded in partnership with Minnesota Housing through the [Multi-Family Consolidated Request for Proposals](#) (Consolidated RFP). Applications are accepted annually through the Consolidated RFP process. Applications are evaluated using the same scoring criteria as development projects submitted through the Metropolitan Council's Livable Communities single entry point application process (see [Development Grant Scoring Criteria](#)), with one additional "Quality" criterion: Cities that have contribution net tax capacities that exceed their distribution net tax capacities by more than \$200 per household will earn an additional two (2) points. This prioritization is required by the [LHIA enabling statute](#).



## Appendix A: 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 provide specific direction to LCA programs and those that are 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, and 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.

*Table 7 Matrix of Imagine 2050 Policy References for Policy Development Outcomes Score*

Policy Development 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

*Table 8 Matrix of Imagine 2050 Policy References for Policy Development Quality Score*

Policy Development Quality Score	Housing Policy Plan	Land Use Policy Plan	MN Statute
How will the proposed policy support housing stabilization, enabling residents to remain in their homes and communities?	Objective 5, p. 55	Objective 6, Policy 27, p. 38	
How will the city prioritize racial equity when implementing the proposed policy?	Equity Framework	Equity Framework	
Do you have a clearly defined work plan/scope? What is it?			
What is the per capita net tax capacity (NTC) of the city?			



Table 9 Matrix of Imagine 2050 Policy References for Small Area Planning Projects Outcomes Score

Small Area Planning Outcome Score	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 a cultural corridor		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	

Table 10 Matrix of Imagine 2050 Policy References for Small Area Planning Quality Score

Small Area Planning Quality Score	Housing Policy Plan	Land Use Policy Plan	MN Statute
How will future amenities and connectivity be designed to prioritize residents who have been impacted by disinvestment?	Objective 6, p. 56*	Objective 6, Policy 27, p. 38	
How will the city prevent displacement or other potential negative impacts of the plan on Black, American Indian, or other residents of color?	Objective 5, p. 55*	Objective 6, Policy 28, p. 38-39	
Do you have a clearly defined work plan/scope? What is it?			
Whose perspective will be represented in the plan through community engagement and/or as part of the planning team? And how will their perspectives be represented?	Objective 6, p. 56* Equity Framework	Objective 6. Policy 26, p. 37	
What is the per capita net tax capacity (NTC) of the city? Projects in cities with lower per capita NTC will be prioritized			



Table 11 Matrix of Imagine 2050 Policy References for Development Projects Outcomes A Score

Development Projects Outcomes A	Housing Policy Plan	Land Use Policy	MN Statute
Build housing that is 100% affordable <b>OR</b> 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 in an eligible transit area	Objective 2, p. 27	Objective 1, Policy 2, p. 24 Objective 1, Policy 4, p. 27 Objective 2, Policy 7, p. 29	§473.25
Create or rehab business incubators and/or small business development spaces		Objective 8, Policy 40, p.44	
Future site use will add at least 10 living wage jobs and/or provide job training for at least 10 residents annually		Objective 8, Policy 39, p. 43	§473.25
Environmental cleanup <a href="#">in Environmental Justice areas</a>		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)



Table 12 Matrix of Imagine 2050 Policy References for Development Projects Outcomes B Score

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, <b>OR</b> the project meets 10% of the city's need for units affordable to households living on 30% AMI	Objective 1, p. 25*		§473.25
Project includes at least three 3+ bedroom units for families and are affordable to households living at 60% AMI or below for rental units <b>OR</b> all units are 3+ bedrooms and affordable to households living at or below 80% AMI for ownership projects	Objective 1, p. 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, beyond in-unit fixtures and furnishings, that result in decarbonization, water efficiency, or reduced energy costs for cost-burdened residents	Objective 7, p. 57*	Objective 7, Policy 32, p. 40	
Create senior (55+) or youth-serving (aged 16-24) housing affordable to households living at 60% AMI or below	Objective 4, p. 44	Objective 1, Policy 4, p. 27	§473.25
Build or rehab housing that serves people who have experienced homelessness	Objective 3, p. 43*		§473.25
Design beyond minimum Americans with Disabilities Act requirements through universal design or similar strategies	Objective 4, p. 44*	Objective 3, Policy 16, p. 32	
Project serves American Indian people and is led by an American Indian organization	Objective 3, p. 43*	Objective 6, Policy 29, p. 39	

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



Table 13 Matrix of Imagine 2050 Policy References for Development Projects Quality Score

Development Projects Quality Score	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 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 multi-use 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* Equity Framework	Objective 6, Policy 26, p. 37	
How does the project maintain residents' and/or businesses' ability to stay in the community and maintain cultural and social community connections?	Objective 5, p. 55*	Objective 6, Policy 28, p. 38	
Are the project team and funding sources identified?			
Is the project led by an emerging developer of color?*	Equity Framework	Objective 8, Policy 39, p. 43-44 Objective 8, Policy 40, p. 44	
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

\* This criterion also supports the Metropolitan Council Strategic Plan goals to increase procurement spending with underutilized businesses and eliminate the racial disparity gap in procurement spending.

\*\* Criteria for site investigation and cleanup grants only.







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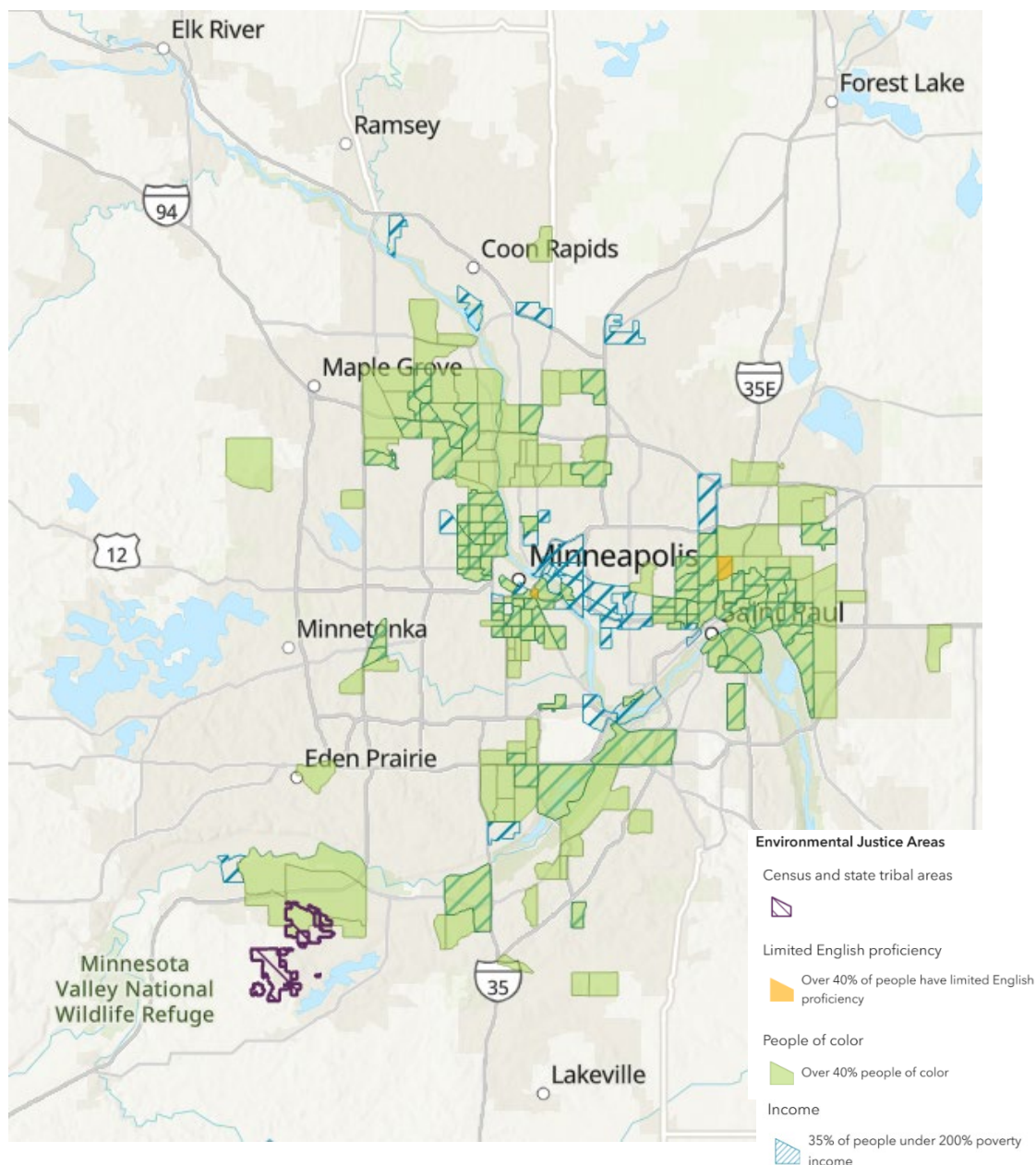
## Appendix C: Environmental Justice Areas

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 2 Minnesota Pollution Control Agency Environmental Justice Area Map ([view the interactive map online](#))





September 4, 2025

Dear Chair Zelle and Members, Metropolitan Council:

Metro Cities appreciates the opportunity to comment on proposed changes to the Metropolitan Council's Livable Communities Program (LCA). Metro Cities has met with Council LCA staff, and the association convened two meetings with city officials and Council staff and consultants in 2024, to gather city perspectives and feedback on the programs as a review of programs was undertaken by the Council.

Those meetings provided an opportunity for cities to share their experiences with LCA programs, and to identify what works well and what might be considered for improvement. Generally, cities are very complimentary of the assistance provided by Council LCA staff. They also articulated the need for programs to continue to support a range of projects and to be reasonably accessible to cities across the region. Metro Cities has long supported the Livable Communities programs and supports program objectives and criteria that are sufficiently flexible to accommodate statutory directives as well as regional and varying local priorities, needs and circumstances.

Metro Cities supports the general direction of changes as outlined for the program. A stated emphasis on program outcomes as well as the direct recognition that all cities contribute to a livable region, are important areas of emphasis, and consistent with Metro Cities' legislative policies on the programs.

Metro Cities further supports changes that seek to simplify the LCA application process and to reduce barriers for cities in applying for funds, particularly cities applying for funding for the first time.

Metro Cities recognizes and supports a focus on housing in the LCA programs and supports focusing additional LCA resources to address this need. Metro Cities also supports the affordable homeownership program started in 2022 under the LCA.

Metro Cities will continue to closely monitor the LCA programs and may provide additional feedback as specific changes are implemented. Thank you again for the opportunity to comment.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Patricia Nauman', written over a light blue rectangular background.

Patricia Nauman  
Executive Director