

Committee Report

Community Development Committee



Committee Meeting Date: June 3, 2024

For the Metropolitan Council: June 12, 2024

Business Item: 2024-147

Funding Recommendations for 2024 Round One Livable Communities Act Policy Development Grants

District(s), Member(s): All
Policy/Legal Reference: Livable Communities Act (Minn. Stat. § 473.25)
Staff Prepared/Presented: Hannah Gary, Planning Analyst, Livable Communities (651) 602-1633
Division/Department: Community Development / Regional Planning

Proposed Action

That the Metropolitan Council award three (3) Livable Communities Act Policy Development Grants totaling \$100,000 as shown Table 1 below.

Table 1. Recommended Grant Projects and Funding Amounts

Applicant	Recommended Project	Award Amount
City of Bloomington	Opportunity Housing Ordinance Housing Nexus Study	\$45,000
City of Richfield	City of Richfield Multi-Family (MR-2) and High Density Multi-Family (MR-3) Zoning Code Update	\$35,000
City of Newport	Newport Zoning Ordinance Update	\$20,000

Summary of Community Development Committee Discussion/Questions

Planning Analyst Hannah Gary presented the funding recommendations. Council Members asked about the level of interest from cities in the Policy Development program and expressed support for ongoing staff conversations with cities across the region to better understand funding needs. The motion passed unanimously.

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Background

The Livable Communities Act (LCA) supports Metropolitan Council priorities through the Livable Communities Demonstration Account (LCDA) by funding projects that connect jobs, transit, services, and housing in efficient and effective ways. The Council adopted the 2024 LCA Policy Development guidelines, criteria, schedule, and evaluation process as part of the Annual Livable Communities Act Fund Distribution Plan ([Business Item 2024-41](#)) on February 14, 2024. This program supports locally adopted policies that further LCA goals and have an impact on physical development in the applicant city.

On April 22, 2024, the Council received three applications for Policy Development funding. The City of Bloomington, the City of Newport, and the City of Richfield submitted applications. A staff evaluation concluded that all submitted applications met eligibility requirements. Project details are included in the attached project summaries.

Rationale

As detailed in the Review Process section of this report, the recommended projects and award amounts meet the funding award criteria for the program. As outlined in the 2024 Fund Distribution Plan, the Council has two rounds of LCA Policy Development funding in 2024, with up to \$100,000 available in each round. There is an award limit of \$50,000 per city for Policy Development awards.

Unallocated funds will be available for future programming.

Thrive Lens Analysis

Projects that demonstrate efficient and effective use of public financial resources further the Thrive Stewardship Outcome.

Projects that redevelop and increase density further the Thrive Prosperity outcome of “[e]ncouraging redevelopment and infill development across the region.”

Projects that provide a mix of housing affordability levels further the Thrive Equity outcome of “[c]reating real choices in where we live, how we travel, and where we recreate for all residents, across race, ethnicity, economic means, and ability.”

Projects that introduce more housing types and affordability levels in existing neighborhoods further the Thrive Livability outcome of “[p]roviding housing and transportation choices for a range of demographic characteristics and economic means.”

Funding

Funds are available in the Livable Communities authorized 2024 budget and Livable Communities reserve accounts to award these grants. Reserves may need to be amended into a future annual budget to meet cashflow needs on Livable Communities multi-year grants.

Known Support / Opposition

All applicants have submitted a statement of support from their City Council or other authorizing body.

Review Process

The Council issued a notice of funding availability in February 2024 after adopting the 2024 Annual Livable Communities Fund Distribution Plan. Staff held informational webinars, distributed information about funding availability and met with applicants to discuss the LCA processes, criteria, and best program fit for their policy proposals.

Three applications were submitted, as shown in Table 2. Council staff conducted a preliminary review for completeness and eligibility, then used Council-approved criteria to evaluate each application in the following areas: Policy Development Outcomes, Policy Development Process, and Policy Development Team. The results of the staff evaluation are shown in Table 3.

Table 2. Application Summary

Grant Category	Submitted Applications	Applications Meeting Minimum Score	Applications recommended for funding
LCA Policy Development	3	3	3

Table 3. Scoring Summary

Applicant	Project	Points	Amount Requested	Amount Recommended
City of Bloomington	Opportunity Housing Ordinance Housing Nexus Study	39	\$50,000	\$45,000
City of Richfield	City of Richfield Multi-Family (MR-2) and High Density Multi-Family	35	\$50,000	\$35,000



	(MR-3) Zoning Code Update			
City of Newport	Newport Zoning Ordinance Update	27	\$50,000	\$20,000

Total Recommended **\$100,000**
 Total Available \$100,000
 Total Remaining \$0

Projects Recommended for Funding

A summary of each of the three recommended funding awards is on the following pages.



Livable Communities Project Summary

Grant # SG
Type: LCA Policy Development
Applicant: City of Bloomington
Project Name: Opportunity Housing Ordinance Housing Nexus Study
Council District: 5 – John Pacheo

Project Detail	
Project Overview	The City of Bloomington seeks to conduct a renewed Housing Nexus Study which would inform an update to the ordinance requirements and rates. Updates would also align with the city and region’s goals with regard to increasing housing choice and affordable housing supply.
Use of Funds	
Award Amount	Uses and Deliverables
\$45,000	Consultant time: Update to housing study and updated ordinance to be presented to City Council for approval



Livable Communities Project Summary

Grant # SG
Type: LCA Policy Development
Applicant: City of Richfield
Project Name: City of Richfield Multi-Family (MR-2) and High Density Multi-Family (MR-3) Zoning Code Update
Council District: 5 – John Pacheo

Project Detail	
Project Overview	The proposed project is a re-write of the City’s “Multi-Family” (MR-2) and “High Density Multi-Family” (MR-3) zoning districts to facilitate infill construction and accommodate a diversity of “missing middle” housing types. The intended outcome is to stimulate the development of a wider variety of more attainable housing that serves a greater segment of the population.
Use of Funds	
Award Amount	Uses and Deliverables
\$35,000	Consultant time: Updated zoning code to be presented to City Council for approval



Livable Communities Project Summary

Grant # SG
Type: LCA Policy Development
Applicant: City of Newport
Project Name: Newport Zoning Ordinance Update
Council District: 12 – Sue Vento

Project Detail	
Project Overview	The City of Newport seeks to reevaluate its development procedures and design standards to better facilitate new development of multi-family and missing middle housing in the community. This will allow for increased density, multifamily housing, and update architectural standards to better align with LEED guidelines.
Use of Funds	
Award Amount	Uses and Deliverables
\$20,000	Consultant time: Updated zoning code to be presented to City Council for approval

