

ANNUAL PLAN FOR DISTRIBUTION METROPOLITAN LIVABLE COMMUNITIES FUND

2026



METROPOLITAN
COUNCIL

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The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Met Council operates the regional bus and rail system, collects and treats wastewater, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that provide housing opportunities for low- and moderate-income individuals and families. The 17-member Council board is appointed by and serves at the pleasure of the governor.

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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

	Max Score
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">• Top 25%: 1 point• 50%-75% Percentile: 2 points• Below 50% Percentile: 3 points	3
Total possible Quality score	15



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"> • Top 25%: 1 point • 50%-75% Percentile: 2 points • Below 50% Percentile: 3 points 	3
Total possible Quality Score	20

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 <i>Meet 1-3 Priorities = 16 pts</i> <i>Meet 4+ Priorities = 24 pts</i>	Outcomes B <i>Meet 1-3 Priorities = 8 pts</i> <i>Meet 4+ Priorities = 12 pts</i>
<ul style="list-style-type: none">• 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 city¹• 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 area²• Create or rehab business incubators and/or small business development spaces• Future site use will add at least 10 living wage jobs and/or provide job training for at least 10 residents annually• Environmental cleanup in Environmental Justice areas³	<ul style="list-style-type: none">• 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 and are affordable to households living at 60% AMI or below for rental units OR all units are 3+ bedrooms and affordable to households living at or below 80% AMI 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, beyond in-unit fixtures and furnishings, that result in decarbonization, water efficiency, or reduced energy costs for cost-burdened residents• Create senior (55+) 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 Americans with Disabilities Act requirements through universal design or similar strategies• Project serves American Indian people and is led by an American Indian organization

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 [Local Planning Handbook Community Pages](#).

² 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.

³ 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
Total possible Quality score without cleanup request	47
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	87

*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 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 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 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)



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, OR 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 OR 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.



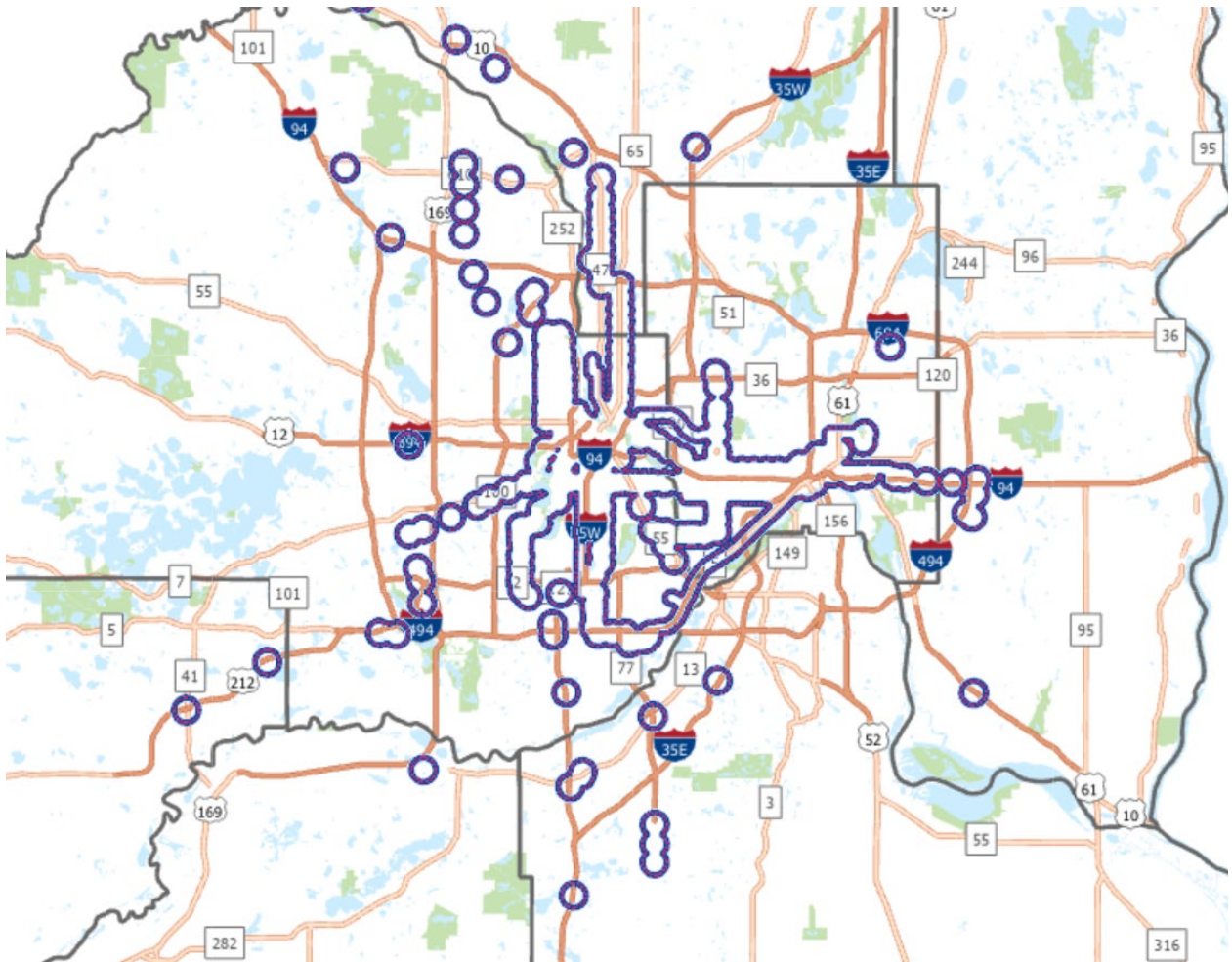
Appendix B: Eligible Transit Areas

Scoring Criteria: Projects may select “Reduce vacant or underutilized land through infill or redevelopment **OR** project is located in an eligible transit area” as one of the project outcomes if the project is located 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.

Staff will update the map annually using the same methodology. The map is available publicly on our [website](#) (select the TOD grant areas layer).

Figure 1 2025 Livable Communities eligible transit areas



* Council staff will assess eligibility as replacement transit plans for the Northstar corridor are finalized. Eligibility will be updated annually using the same methodology.

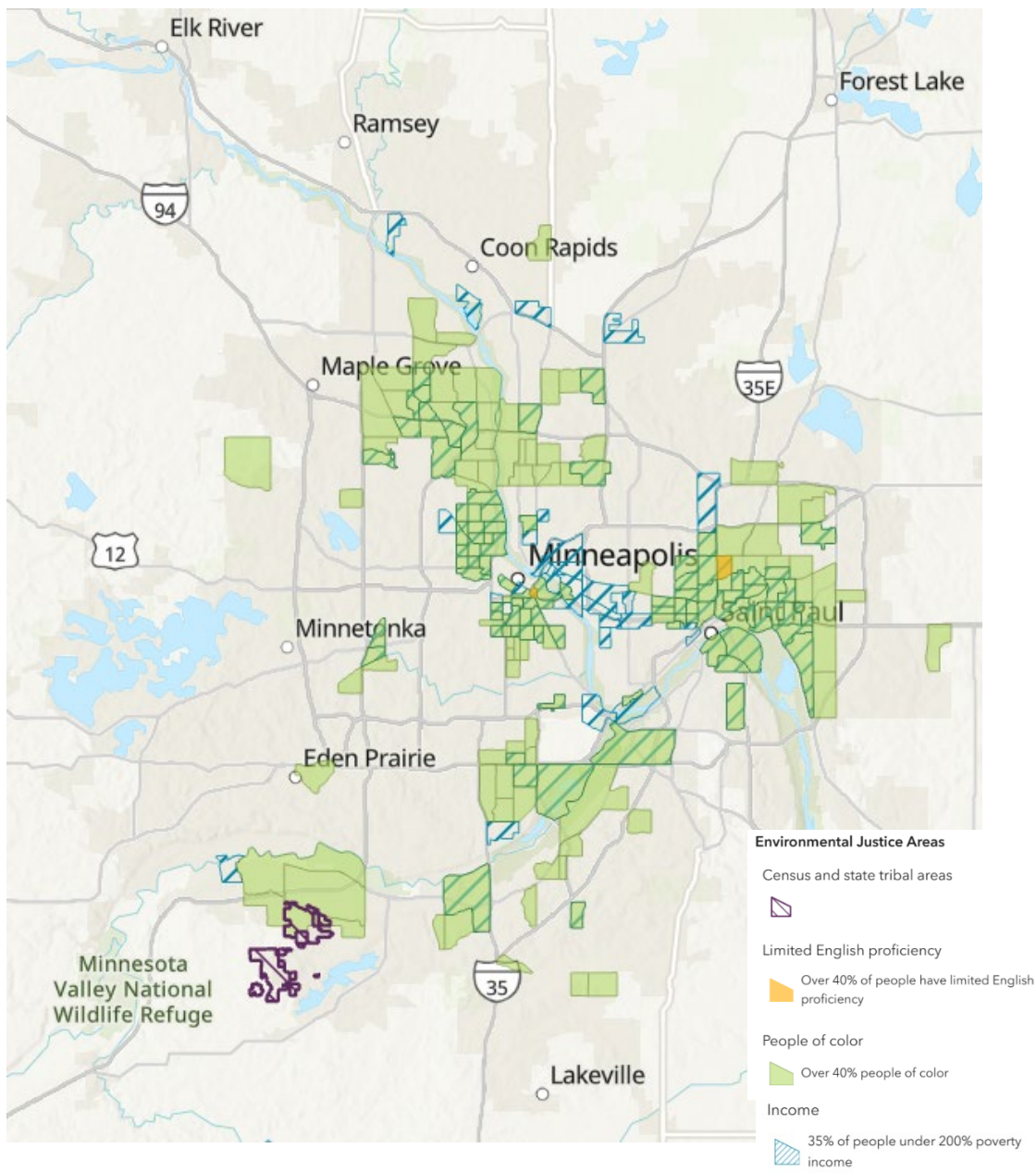
Appendix C: Environmental Justice Areas

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](#))



Attachment 1: FY2026 Livable Communities Fund Availability

The Metropolitan Council approved the 2026-2027 Livable Communities Fund Distribution Plan in the fall of 2025 (Business Item [2025-235](#)). It will approve specific funding available to implement the plan each fiscal year.

The Metropolitan Council will make the following funding sources available for FY2026 Livable Communities programming, as described in Table 5.

Table 5. Sources: FY2026 Livable Communities Funding Available by Account

Livable Communities Funding Account	FY2026 Funding
Tax Base Revitalization Account	\$5,000,000
Tax Base Revitalization Account Restricted Reserve	\$1,000,000
Local Housing Incentives Account	\$1,500,000
Livable Communities Demonstration Account	\$15,000,000
Livable Communities Unrestricted Reserves	\$5,000,000
TOTAL	\$27,500,000

The Metropolitan Council will designate the use of the above funds for the following outcomes, as described in Table 6.

Table 6. Uses: FY2026 Livable Communities Funding Available by Outcome

Livable Communities Outcome	FY2026 Funding
Policy Development	\$200,000
Small Area Planning	\$400,000
Early Stage Development: Environmental Site Investigation	\$500,000
Early Stage Development: Pre-Development	\$1,500,000
Construction Stage Development: Environmental Cleanup	\$5,500,000
Construction Stage Development: Homeownership	\$3,500,000
Construction Stage Development: Rental, Mixed-Use, Commercial	\$12,400,000
Construction Stage Development: Multi-Family Rental Housing funded through the Minnesota Housing Consolidated Request for Proposals	\$3,500,000
TOTAL	\$27,500,000

Award Cycles: The 2026-2027 Fund Distribution Plan establishes two Livable Communities funding rounds annually, with applications due April 15 and October 15, for all outcomes except “Construction Stage Development: Multi-Family Rental Housing funded through the Minnesota Housing Consolidated Request for Proposals,” which is awarded once annually through the Consolidated Request for Proposals (RFP).

For the outcomes awarded twice per year, half of the available funding will be allocated per outcome in the first funding round. The second half of the available funding, plus any unawarded funds from the first round, will be made available in the second funding round.

Demand: If, in the second funding round, the Met Council has received fewer eligible requests



than funds available, unawarded funds may be used to fulfill any eligible, unfunded request, in whole or part, that is allowed by the funding source (account).

Partial Awards: The Met Council may make partial awards.





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