LIVABLE COMMUNITIES GRANT ADMINISTRATION GUIDE

July 2026

METROPOLITAN COUNCIL

The Met Council's mission is to foster efficient and economic growth for a prosperous metropolitan region.

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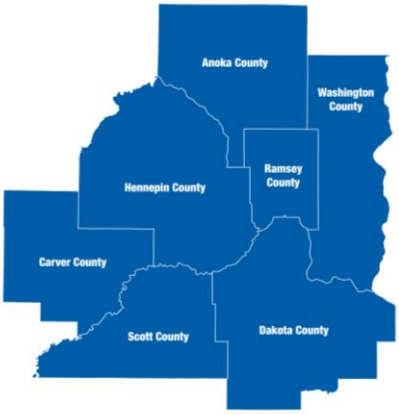


The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Met Council operates the regional bus and rail system, collects and treats wastewater, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that 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.

On request, this publication will be made available in alternative formats to people with disabilities. Call Metropolitan Council information at 651-602-1140 or TTY 651-291-0904.

Contents

2
Metropolitan Council Members 2
Definitions 4
Roles and Responsibilities 6
Who is the grantee? 6
What is the grantee's role? 6
What is the Council's role? 6
Assignment 6
General Information 7
Council Authorized Agent 7
Grant Management Portal 7
What activity must be conducted through the system? 7
Who can access a grant via Fluxx? 7
Initial Grant Set-up 8
Grant agreement 8
Needed Prior to Releasing Payment/Drawdown 8
Compliance Requirements 9
Pre-Award and During Grant Period 9
Fair Housing Policy 9
Affordable and Lifecycle Housing Opportunity Amount (ALHOA) 9
Housing Action Plan 9
Comprehensive Plan 9
After Grant Closure 10
Acknowledging Livable Communities' contributions to a project 10
Reporting Requirements 12
Semi-annual reports 12
Risk Assessments 12
Submitting payment requests 13
General cost eligibility guidelines 13
Required supporting documentation 14
Dealing with ineligible costs 14
Payment schedule 15
Prepayment of Grant Funds 15
Site Acquisition Prepayment 15
Early Stage Prepayment 16
Amendments 16
Grant Amendment Process 16
Amendment Types 17
Budget Change 17
Project Change 17
Extensions 17
Closing a Grant and Final Payment 17
Final Report and Grant Deliverables 18
Records Retention 18
Livable Communities Program Specifications 19
Development Grant Opportunity 19
Fund Source 19
Grant Term 19
Match 19
Using Development Grants as Loans 19

Eligible and Ineligible Expenses 20
Early Stage Expenses 20
Construction Stage Expenses 23
Early Stage and Development Deliverables 25
Livable Communities Grants Awarded Prior to Fiscal Year 2026 27
Policy and Affordable Housing Program Development Grant Opportunity 27
Fund Source 27
Grant Term 28
Acknowledging Policy/Program Grants 28
Match 28
Policy/Program Grant Eligible and Ineligible Expenses 28
HUD PRO Housing Funding Requirements 29
Policy/Program Deliverables 29
Small Area Planning Grant Program 29
Fund Source 29
Grant Term 29
Match 29
Eligible and Ineligible Expenses 30
Small Area Planning Grant Deliverables 30

Definitions

Application: A project request submitted via the Council's grant management system, specific to a grant program.

Approved Budget: The financial plan within the grant agreement detailing the costs associated with each activity.

Authorized Representative/Signatory: The person or position designated by the grantee as the point of contact for a particular grant. This person is responsible for submitting claims and required reports.

Cash Flow Report: Report due from grantees forecasting grant expenditures over a specified time period, due as part of the required semi-annual reports.

Claim/Payment Request: Request made through the Council's grant management system by the grantee for reimbursement of grant funds.

Closeout: The procedure initiated by a grantee to complete a grant project, which generally includes submitting a final report and any deliverables specified in the project summary of the grant agreement. Closeout also includes the Council's review of final project information.

Council Action: The action or decision of the governing body of the Metropolitan Council by which the Grantee was awarded Livable Communities Demonstration Account funds.

Council Authorized Agent: Grant Administration Staff responsible for receiving grant payment requests, written reports, and correspondence submitted to the Council.

Contractor: An external individual or organization that enters into a contract with a grantee to provide goods or services.

Deliverables: Materials or outcomes produced using grant funds.

Eligible Expense: A cost allowed to be charged to a grant.

Effective Date: The date the agreement begins, as stated in the agreement.

Executed Date: The date of the final signature by all parties on an agreement.

Executed Grant Agreement: A grant agreement signed and dated by all parties.

Expiration Date: The end date stated in the grant agreement or the date when all obligations have been satisfactorily fulfilled, whichever comes first.

Fluxx: The Council's official web-based portal used for all grant administration, including applications, payments, and reporting.

Grant Administration: Activities such as grant tracking, grant agreement management, reporting and program management, or oversight of activities.

Grant Agreement: A written or electronic document defining a legal relationship between the Council and a grantee when the principal purpose of the relationship is to transfer cash or something of value to the recipient to support a public purpose authorized by law.

Grant Agreement Amendment: An addition, deletion, or change to a fully executed grant agreement.

Grant Period: The time period between the executed date and expiration date of a grant agreement

Grantee: The party responsible to the Council for implementing the terms of the grant agreement.

Ineligible Expense: A cost that is not allowed for reimbursement with grant funds.

Match: Non-grant resources (services, materials, or cash) contributed to supplement funding. Specific programs may restrict what qualifies as a match.

Monitoring: The process of reviewing and documenting project progress and compliance with grant provisions.

Post-Award: The phase encompassing project implementation, progress reporting, reimbursement processing, and closeout.

Pre-Award: The initial phase of the grant lifecycle, including the announcement of opportunities, application submission, and evaluation.

Progress Report: A summary of grant activities and outcomes for a given period. A progress report may have narrative, data, and/or financial elements.

Project Activity Period: Time period during which expenses incurred are eligible for reimbursement.

Project Summary: Attachment in grant agreement that lists a summary of the project, outcome, grant budget, deliverables, award amounts.

Risk Assessment: Evaluation of a grant recipient's risk of noncompliance with statutes, rules, grant agreements, and policies to determine appropriate monitoring and reconciliation procedures.

Semi-Annual Report: A periodic report submitted by the grantee to provide updates on project milestones and financial status.

Sub-recipient: LCA grants are often a pass-through grant to a developers, the sub-recipient is an entity for whom the grant is pass-through to.

Supporting Documentation: Documentation required to demonstrate the use of grant funds is eligible.

Roles and Responsibilities

Who is the grantee?

Minnesota statute limits Livable Communities (LCA) grants to cities, counties, and their housing, development, or port authorities (Minn. Stat. § 473.252, subd. 1). Individuals and private or nonprofit organizations, including developers, contractors, sub-contractors, and consultants, cannot be grantees. The grantee has a pivotal, primary role in communication and grant-related actions, and project partners can support the grant-related work.

What is the grantee's role?

- Serve as the primary grant contact. The Council will communicate only with the grantee. Developers, contractors, and consultants should direct all project-related communications through the grantee to transmit onward to the Council. The Council is open to including developers, consultants, and project partners in relevant discussions; however, a grantee representative must be included in all correspondence and in any meetings.
- Set roles and permissions for all Fluxx users who have access the grantee's profile, applications, grants, and claims in Fluxx.
- Enter into sub-recipient grant agreements with developers or property owners to complete eligible grant activities
- Understand the grant agreement requirements and ensure compliance by their agency, and within associated sub-recipient grant agreements between the Livable Communities grantee and developers, contractors, and property owners.
- Monitor the project and ensure grant deliverables are met.
- Notify the Council Authorized Agent of any project changes, especially those affecting competitively scored activities.
- Submit semi-annual progress reports, after coordinating with project partners as needed.
- Review and submit payment requests per the approved grant budget. While grantees may collaborate with project partners on draw requests, they must verify documentation before submitting through Fluxx.
- Complete all reporting and close-out requirements as specified in the grant agreement.

What is the Council's role?

- Provide technical assistance to grantees, including answering questions about cost eligibility and other program requirements.
- Work with project partners at the request of the grantee.
- Process payment requests and work with grantees to resolve payment questions.
- Monitor project progress through semi-annual progress reports.
- Process amendment requests.
- Work with grantees as necessary after the final grant payment to close out the grant.

Assignment

Livable Communities grants may not be assigned to any entity, public or private, or to any tier sub-recipient. A general partner may not, for example, assign a grant to a limited partnership.

General Information

Council Authorized Agent

Grantees should direct any grant-related questions to the Council Authorized Agent. The contact information for the Council Authorized Agent, current as of 3/1/2026, is below:

Name	Title	Contact Information
Kelly Nezworski	Livable Communities Grants Administrator (Development, Rental, Ownership grants)	651-602-1757 kelly.nezworski@metc.state.mn.us
Erin Brueggemann	Special Projects Grants Administrator (Policy, Program Development, and Small Area Planning grants)	651-602-1112 erin.brueggemann@metc.state.mn.us

Grant Management Portal

Fluxx is the Council's online grant management system. Fluxx is used for both applying for grants and administering them once awarded. You can access Fluxx here and find Fluxx training materials here to learn more about how to use the grant management software.

What activity must be conducted through the system?

- **Claims.** All grant payment requests must be made through the online system. The system allows uploading as many files as necessary.
- **Semi-Annual Reports.** Semi-annual progress reports are required for all Livable Communities grants. Late and/or incomplete report submissions may delay reimbursement.
- **Grant Amendments.** To initiate a grant amendment, first contact the **Authorized Agent** assigned to the grant for guidance and preliminary approval. A portion of the formal amendment process is managed through the Fluxx system, but it is essential to coordinate with the Authorized Agent before submitting any digital requests.
- **Final Reports.** Final reports are required at the time of the final reimbursement request. If applicable, this report should be filled out in collaboration with any sub-recipient(s), and must include all deliverables or materials created with grant funds. Please see program-specific guidance in the sections below for requirements of each grant type.

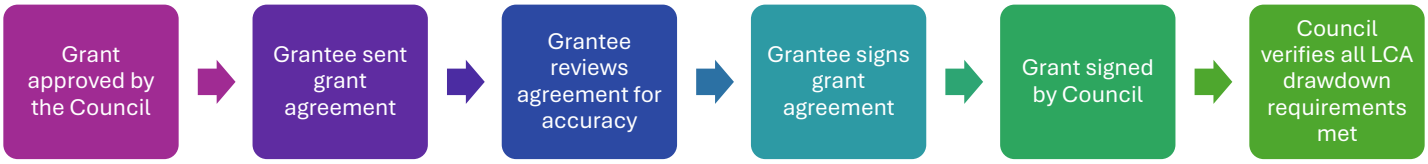
Who can access a grant via Fluxx?

Only registered Fluxx users to whom the grantee has given access to the specific grant can access the grant information in Fluxx. A Moderator will be assigned to each grantee organization in Fluxx. Organizations are responsible for monitoring all users affiliated with their organization. The best recommended practice is for organizations to conduct an annual review of all system users and the roles assigned. Up to five users can access each grant at a time.

Grantees control who can *enter* information for reporting and payment requests. However, *submission* of all grant-related materials will be restricted authorized users employed and designated by the grantee organization as permitted to submit on the grantee's behalf.

Initial Grant Set-up

Livable Communities grant was awarded! What happens next? Below are the primary steps to process the grant agreement and get started with a grant.



Grant agreement

- A grant agreement will be sent electronically through the Council's grants management system, Fluxx, via Adobe Sign. The Council requests that all signatures be provided in Fluxx. It is the Council's preference that Agreements are signed within **1 year of the Council Action date.** Once all parties have signed the agreement, the grantee will be notified that the grant is fully executed and underway.
- Read the entire agreement and Project Summary (Attachment A) carefully. Contact the Council Authorized Agent if there are any questions about the terms of the agreement or details in the Project Summary. The Project Summary is referenced to determine cost and activity eligibility during grant reimbursement and grant closeout. The uses of funds listed, and the project description directly inform reimbursement and reporting requirements.
- A Designation of Signing Authority form will also be sent through Fluxx. Grantees will need to establish who is allowed to sign reimbursement requests and required reporting documents on behalf of the grantee. This needs to be an employee of the grantee organization.
- The Council prefers electronic signatures. If this is not possible, please scan and send the partially executed agreement to the Council Authorized Agent via email. Include the Designation of Signing Authority form (if available).

Needed Prior to Releasing Payment/Drawdown

Several requirements need to be met before the Council can release payment.

- ☐ The grant agreement must be fully executed.
- ☐ The Designation of Signing Authority form must be completed and on file with the Council.
- ☐ The grantee must meet Livable Communities Program Requirements for draw down – see Compliance Requirements.
- ☐ Grantee must provide executed loan documents if the grant is used as a loan. This is only an option for projects funded with Low Income Housing Tax Credits (LIHTC).

Compliance Requirements

The following are the eligibility requirements for the Livable Communities grant program. The city in which the project is located must meet the following requirements to be awarded a Livable Communities grant (even if the grant is awarded to a county or development authority). The city must maintain eligibility throughout the term of the grant in order for the grantee to draw down funds. If compliance is not maintained during the grant term, grant funds may be withdrawn from the grantee. Post-award compliance is broken into two categories: during the active grant period and after grant closure.

More detailed information on pre-award and drawdown requirements, as well as each city's status, can be found on the Become a Participating City Page. If there are questions or concerns about compliance, please reach out to a Council Authorized Agent.

Pre-Award and During Grant Period

Fair Housing Policy

Prior to an award, the city must have adopted a Fair Housing Policy. If a Fair Housing Policy is not on file, please email it to the Authorized Contact. If a city needs to adopt a Fair Housing Policy, the Council can help. While unlikely, if a city revokes its Fair Housing Policy after adoption, grant funds will be frozen until a new Fair Housing Policy is adopted.

Affordable and Lifecycle Housing Opportunity Amount (ALHOA)

The city must spend at least 85% of the city's annual required Affordable and Lifecycle Housing Opportunity Amount (ALHOA) on housing activities. This requirement can be met through a levy, staff time, tax increment financing agreements, Local Affordable Housing Aid (LAHA) spending, or other means. Reporting on ALHOA spending happens annually through the required Housing Policy and Production Survey. Because of the timing of reporting, eligibility to apply and draw down grant funds depends on the project city's ALHOA spending from two years prior. For example, project-cities will be eligible to submit grant applications and reimbursement requests in 2026 if they meet their required 2024 ALHOA spending. If a city falls out of compliance with this requirement, grant funds are frozen until the city returns to compliance.

Housing Action Plan

All cities and townships are required to submit an annual Housing Action Plan by completing the Housing Policy and Production Survey. Because of the timing of reporting, eligibility to apply and draw down grant funds depends on responses from the prior year. For example, to apply or request reimbursement in 2026, the city must have completed the Housing Action Plan in the 2025 Survey. In addition to the ability to draw LCA-awarded grant funds, the survey ensures cities earn credit toward their requirements for Land Guided for Affordable Housing requirement (see Comprehensive Plan). If a city falls out of compliance with this requirement, grant funds are frozen until the city returns to compliance.

Comprehensive Plan

The city must be consistent with all comprehensive plan requirements, including having guided sufficient land to meet the city's allocation of future affordable housing need (LGAH). This requirement is met with the city's approved Comprehensive Plan and updated with every

amendment. If a city falls out of compliance with this requirement, grant funds are frozen until the city returns to compliance.

After Grant Closure

- Any homeownership units opportunities and rental units must maintain the affordability described in the Project Summary of the grant agreement for a minimum of 15 years (view current affordability limits). The monitoring of this compliance is the responsibility of the grantee.
- Rental housing projects must accept Housing Choice Vouchers and offer some rents that do not exceed local voucher payment standards for a minimum of 15 years **OR** the entire property must be incompatible with the Housing Choice Voucher program for a minimum of 15 years. Projects that may be incompatible with the Housing Choice Voucher Program include Single Room Occupancy units, assisted living facilities, and projects participating in the Coordinated Entry referral program. Grantees should contact an authorized agent to verify compatibility. Monitoring this compliance is the responsibility of the grantee.
- First-time homebuyers must complete a HUD-approved homebuyer education before purchase. Approved courses can be found at Homebuyer Education | Minnesota Housing.

Acknowledging Livable Communities' contributions to a project

The grant agreement requires grantees to acknowledge the financial assistance provided by the Council in all construction signage, promotional materials, press releases, reports and publications relating to the project activities that are funded in whole or in part with the grant funds. All such acknowledgements should contain the following language:

Financing for this project was provided by the
Metropolitan Council Livable Communities Fund.

Please use the full formal name, *i.e., "*Metropolitan Council," not "Met Council" or "Metro Council."

What kind of acknowledgement is expected?

- If the project will have signage at the project site, the Council must be acknowledged at the same or similar type and visibility as other funders. If, for example, the signage displays the logos of other funding partners, the Council logo should be displayed. If there are statements regarding funding, the above statement should be included.
- When issuing press releases, reports, or publications that address funding in any way, the Council should be included in any discussion of funding partners.
- The Council can provide an electronic version of the Council logo if needed.
- If funding partners are invited to a ceremony, such as a ground-breaking or grand opening, consider inviting the Metropolitan Council Member who represents the district in which the project is located or other Council leader. Please send invitations to the Livable Communities authorized agent (Grant Administrator), who will assist in confirming if a Council representative can be present for the event.

Using Application Images

Using application images: By submitting any renderings, images, perspectives, sections, diagrams, photos or other copyrightable materials (collectively, “copyrightable materials”) with an application, you certify that your organization is the owner of the copyrightable materials or is fully authorized to grant permissions regarding the copyrightable materials and that the copyrightable materials do not infringe upon the copyrights of others. Your organization also agrees that:

1. The Met Council has a nonexclusive royalty-free license and all necessary permissions to reproduce and publish any copyrightable materials for noncommercial purposes, including but not limited to press releases, presentations, reports, and on the internet.
2. Your organization will not hold the Met Council responsible for the unauthorized use of the copyrightable materials by third parties. If your organization desires attribution on copyrightable materials, you may include a discreet transparent watermark.

Reporting Requirements

The Council requires grantees to submit reports at specific times during the lifecycle of a grant award. All reports must be accurate, complete, and submitted on time. Grantees will not be able to submit reimbursement requests if a report is incomplete or overdue.

Semi-annual reports

Grantees are required to report on grant activities twice each year until the grant is closed.

Reporting Period	Due Date
January 1 – June 30	July 31
July 1 – December 31	January 31

Information required in semi-annual progress reports is specific to the type of Livable Communities grant received. Below are examples of general information that should be included in semi-annual progress reports:

- Grant-funded activities that occurred and progress toward project milestones
- Estimated amount expended for grant-funded activities
- Issues that arose and how they were addressed
- Possible changes required to the grant scope or budget
- Organizational or staff changes related to the grant
- Cash flow estimates for when future grant draws will occur and in what amounts

Semi-Annual Progress reports are required even if expenses have not yet been incurred.

Risk Assessments

Council Grant Administrators perform risk assessments of each grantee. Risk assessments are performed annually. Risk assessments include a financial review and examination of prior grantee performance to determine monitoring expectations.

Factors considered in the risk assessment consist of:

- Review of most recent audit and assessment and impact of any findings
- Financial review using the most current version of both the:
    - Annual Comprehensive Financial Report from the grantee's governing body.
    - Management and Compliance Report from the grantee's governing body.
- Prior performance:
    - Required reports and documents were submitted on time.
    - Required reports and documents provided accurate and pertinent information.
    - Reimbursement requests did not include ineligible activities.
    - Program outcomes were met.
- Staff turnover or grantee systems changes.
- Debarment and suspension of the grantee by the Council, State, or federal government.

Risk assessment findings inform monitoring strategies and the frequency of future risk assessments.

Submitting payment requests

All payments are made on a reimbursement or cost-incurred basis. Grantees must supply adequate supporting documentation to substantiate each individual line item on the payment request form and must clearly tie that documentation to the corresponding claim line item. Lack of clear information and supporting documentation may delay payment processing or cause the payment request to be returned to the grantee for further clarification.

Grant costs may be incurred immediately after the grant is awarded but grant funds will not be paid until the grant agreement has been executed via signature by both grantee and Council representatives.

Grantees are encouraged to submit payment requests (claims) on a consistent and timely basis. To avoid the administrative complexities associated with extended reporting periods, the Council prefers frequent, smaller submissions over infrequent, large-scale requests. While the specific cadence of requests remains at the grantee's discretion, maintaining a regular schedule facilitates a more efficient review process.

All requests must be submitted through the **Fluxx** online grant management system. If your supporting documentation is too extensive for the portal, you may request access to a shared Council folder for digital upload, subject to prior approval. Please contact your **Authorized Council Agent (Grants Administrator)** to coordinate this access.

An **official payment request form** is required for each payment request, which is uploaded to Fluxx along with the supporting documentation. Please do not substitute other reporting formats for any portion of the payment request form, and do not alter the form except to complete the required areas. The Council will not accept a payment request that is unsigned or that has been signed by anyone other than the grantee's authorized signatory, as documented by the *Designation of Signing Authority* form.

Fluxx User Guides

Final claims are required to be submitted no later than 90 days after grant expiration.

Common Claim Issues include:

- Missing Documentation for subcontractors
- Invoice does not match the claim lines
- Costs incurred outside of the grant term
- Claim form is not signed by the authorized signer
- Reimbursement includes ineligible expenses

General cost eligibility guidelines

General lists of allowable costs for each Livable Communities opportunity are included in the Eligible and Ineligible Expenses sections of this document. To be eligible, activities must be listed in the Project Summary of the grant agreement.

To be eligible for payment, costs must be incurred within the grant period stated in the grant agreement and must not exceed the total amount awarded.

- No reimbursements will be made for costs incurred prior to the grant agreement start date – which can be found on the first page of the grant agreement – unless the grant

agreement specifically names eligible activities conducted prior to the agreement start date. Please contact the Council Authorized Agent with any questions.

- Absolutely no reimbursement will be made for costs incurred after the grant expiration date.

Required supporting documentation

Grantees must supply adequate supporting documentation to substantiate each cost claimed for reimbursement. Authorized Council Agent (Grants Administrator) review reimbursement requests for accuracy to ensure expenses align with the grant scope and budget. Each payment request must include a description of the activity, the date of the activity, and the expense. Payment request documentation should be noted on a payment request form and verified by the grantee's Authorized Representative.

Supporting documents include, but are not limited to:

- A copy of the contract/scope of work for the prime contractor and any subcontractors with expenses included in the payment request. If the same contract/scope of work applies to multiple payment requests, it only needs to be submitted once.
- Contractor and/or subcontractor invoices.
    - If invoices include subcontractor expenses, a copy of the subcontractor's invoice(s) must be provided.
    - Pay applications and their line-item details (continuation sheets).
    - Change order details.
- Pay applications and their continuation sheets.
- If the grant requires a match, match documentation must be included with the payment request. See program-specific information below for match-eligible expenses
- Soil remediation expenses must include copies of the load tickets and manifests to support hauling and disposal charges, along with an electronic summary in sortable format, preferably in Excel.
- Land acquisition costs must be supported by a copy of the purchase agreement with the payment request, followed by a settlement statement after closing.
- Documentation of staff time requires:
    - We need a spreadsheet that tracks each staff person's hours being requested for reimbursement, which includes a short description of work performed.
    - A payroll report that occurred for each member of staff during the requested reimbursement period. This should show the breakdown of salary and fringe benefits.

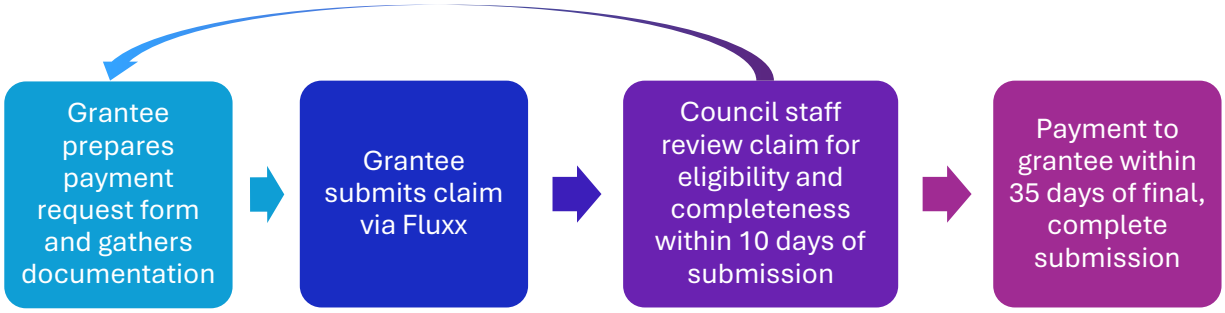
Dealing with ineligible costs

The grantee is responsible for identifying expenses for reimbursement and for excluding ineligible expenses. Lack of clear information and supporting documentation may delay payment processing or cause the payment request to be returned to the grantee for further clarification.

Additionally, invoices may contain costs submitted to other grantors. It is the grantee's responsibility to clearly identify and deduct all such ineligible charges directly on the supporting invoices, ensuring the net amount claimed is evident. Failure to provide a transparent calculation of the net amount may result in the Council rejecting the invoice.

Payment schedule

The Council will make payments within 35 days of a complete submission, as required by Minnesota Statutes, section 471.425. The Council will notify grantees within 10 days if it finds substantive errors in the payment request that prevent Council approval. The 35-day period restarts the day the claim is resubmitted. The Council will not make final payments until the grantee meets all reporting requirements.



Prepayment of Grant Funds

Grantees may request prepayment of funds under specific conditions, primarily for **Site Acquisition** or **Early Stage** activities.

Site Acquisition Prepayment

If the grantee and/or subgrantee intends to use Livable Communities funds for site acquisition at closing, the following special instructions and procedures apply:

- Payment Recipient: Site acquisition payments are made only to the grantee. The grantee is responsible for forwarding these funds to the appropriate closing authorities.
- Processing Timeline: To ensure funds are available at closing, please time the request to allow for:
    - At least five (5) business days for Council processing and payment to the grantee.
    - At least two (2) business days for the grantee to transfer funds to the closer.
- Interest & Timing: Grantees must return any interest earned on grant payments to the Council. Therefore, requests must be timed late enough to avoid interest accumulation but early enough to meet the closing date.
    - *Note: If closing is delayed after funds are issued, it may be required to return the payment and re-submit the request once the schedule is firm.*

Required Documentation Site Acquisition Prepayment

The following items must be submitted to the Council to initiate payment:

1. A copy of the purchase agreement.
2. A signed payment request.
3. Executed settlement statement (provided to the Council immediately following the closing).

Early Stage Prepayment

Grantees may request an upfront disbursement for Early Stage activities, subject to the following limits and requirements:

- Prepayment Cap: The Council will provide early disbursement up to $50,000 or 50 percent of the grant amount, whichever is less. Remaining funds are issued on a reimbursement basis.
- Timeline: Payment is typically issued within 35 days of receiving a valid payment request form and the executed subrecipient agreement or contract.
- After the prepayment has been used, the Council will disburse the balance of the grant amount on a cost-incurred basis.
- Final Reporting: Upon completion, the Grantee must provide documentation verifying that the prepaid services were delivered, the final actual costs, and an accounting of any interest income earned on the prepaid funds.

Required Documentation Early Stage Prepayment

The following items must be submitted to the Council to initiate payment:

1. An executed subrecipient agreement that clearly identifies the name of the subrecipient, the date the subrecipient agreement was executed, the grant-eligible activities, a breakdown of cost for grant eligible activities and cost of deliverables.
2. A signed payment request.

Amendments

The terms of the grant agreement may be adjusted under certain circumstances. Some adjustments, such as budget changes, that do not add, remove, or substantively change activities, outcomes, or scored criteria may be made with prior written approval of the Council Authorized Agent. Significant changes to the project that impact outcomes and/or scored criteria require approval by the Council Community Development Committee.

Grant Amendment Process

- Amendment requests must be received three (3) months prior to the agreement's expiration date to be considered. Requests received after that time will be denied.
- The requested changes must be consistent with the scope and intent of the original grant award made by the Council.
- Amendment must be fully executed prior to the agreement expiration date.
- A formal amendment request letter needs to be submitted on the grantee's official letterhead and signed by the grantee's authorized representative. The letter should provide updates on the following:

- the project, the project-specific factors on which the application was scored, and outcomes identified in the grant application, such as affordable housing or jobs
- the reason for requesting an amendment
- the schedule for the completion of the grant-funded activities
- the schedule for completion of the project
- and a revised Project Summary.

Amendment Types

Budget Change

- The grantee may reallocate up to 20% of the grant budget among the listed line items with advance written permission of the Council Authorized Agent; no formal amendment is necessary. A request to reallocate the budget may be submitted via email to the Council Authorized Agent.
- Changes of greater than 20% of the total grant budget require a formal amendment request. Significant changes to the use of funds (additions or deletions of uses) may require approval by the Community Development Committee, which can take several weeks
- The total grant amount cannot be increased.

Project Change

- Grantees are required to notify the Council Authorized Agent if the project associated with their grant changes. This applies even if the activities for which funding was awarded remain the same.
- Significant changes to the project may trigger an amendment review process. If the project change is deemed significant, the grantee will be asked to provide details on the new project. Significant changes require approval by the Community Development Committee. The Council reserves the right to reduce the grant amount or relinquish rescind remaining funds.

Extensions

- An extension may be needed if the grant-funded activities cannot be completed and/or the development project does not commence within the grant term.
- Development and Small Area Planning grants may be extended to a maximum of five (5) years, including the initial three-year term.
- Policy and Program Development grants may be extended to a maximum of 2.5 or 3 years, including the initial two-year term.
- All extension requests must be processed through a formal amendment.

Closing a Grant and Final Payment

Grants are closed no later than the agreement expiration date. Grants may close before the expiration date when reimbursements have been made for all eligible expenses -- resulting in complete expenditure of the grant amount or relinquishment of some grant balance --and when all grant deliverables have been received. Grantees have 90 days after the grant expiration

date to submit final payment requests. Any unspent funds will be relinquished to the Council for future Livable Communities programming.

Final Report and Grant Deliverables

The final report form is listed under the Reports section in Fluxx and must be completed with a final reimbursement request or request to close a grant. Deliverables for each grant are tied to the approved activities. See the Program Specifications below for detailed lists of deliverables required for each grant activity type. If a use of funds results in a digital product, such as a report, the final product must be submitted. If a deliverable results in physical output, such as building construction or a bike rack, photos serve as proof of deliverable. The submission of both the final report and all deliverables is a requirement for grant closure.

Records Retention

Grantees generally must retain financial and programmatic records, supporting documents, statistical records, and all other records that are required by the terms of the grant, or may reasonably be considered pertinent to a grant, for a period of six (6) years from the date the final report is submitted. Grantees can refer to the applicable grant agreement for additional information about records retention requirements

Livable Communities Program Specifications

There are no State or Federal funds in Livable Communities grants. Livable Communities grants are funded by property taxes and the Council's general fund, criteria and guidelines for the Livable Communities program are defined by Minnesota Statutes 473.25. Below is a list of statutorily determined funding accounts affiliated with each Livable Communities funding opportunity.

Development Grant Opportunity

Fund Source

Livable Communities development grants are funded by three sources: Livable Communities Demonstration Account (LCDA), Tax Base Revitalization Account (TBRA), and Local Housing Incentive Account (LHIA)

LCDA and TBRA funding may be awarded to the same project during the same application period and application. LHIA funding will fund projects that apply through the Minnesota Housing Consolidated Request for Proposals. The distinctions among the funding sources will be delineated in the grant agreement.

Pre-Development, Site Acquisition, Site Preparation, Construction/Rehabilitation, Home Ownership activities are funded through the Livable Communities Demonstration Account (LCDA) under Minnesota Statutes 473.253 or funded through Local Housing Incentive Account (LHIA) under Minnesota Statutes 473.254.

Environment site investigation and cleanup activities are funded through the Tax Based Revitalization Account (TBRA) under Minnesota Statutes 473.252

See Livable Communities program pages for more information regarding the annual announcement of available funding.

Grant Term

The grant term is three years, with a possible two-year extension if needed.

Match

No match is required for TBRA and LCDA funding. LHIA funding, which is awarded to projects that apply through the Minnesota Housing Consolidated Request for Proposals (RFP), requires dollar-for-dollar match. LHIA funding match requirement terms are described in the grant agreement.

The source of match funding is either directly from or designated by the participating city, county, or development authority. Potential match sources include but are not limited to Community Development Block Grant, HOME program funds, Tax Increment Financing, Housing Trust Fund dollars, Local Affordable Housing Aid dollars, tax abatements, local housing revenue bonds, and the appraised value of donated land.

Using Development Grants as Loans

Grantees may deploy their grants as loans to a subrecipient only if the project is the construction and/or rehabilitation of multi-unit affordable housing funded by Low Income Housing Tax Credits (LIHTC). The grantee assumes additional responsibilities if the project

partners would like to structure the grant funds as a loan. Grantees must ensure all requirements are met. Please see the grant agreement for more detailed information.

- The loan must be between the grantee and the property owner. For example, if there is a general partner and a limited partnership involved with the development, the loan must be between the grantee and whichever of the partnership entities owns the project.
- The grantee must provide a copy of the loan agreement to the Council before claim payments are dispersed.
- Grantees must report on grants deployed as loans annually as part of the Housing Policy and Production Survey. When loans are repaid or forgiven (in whole or part), the grantees must report the activity to the Council, detailing the receipt and redeployment of repaid loan principal and interest. This report must outline how repaid funds and interest will be used to support regional affordable and life-cycle housing goals.

Eligible and Ineligible Expenses

Below is a list of eligible and ineligible activities for the Livable Communities Development Project grants. In the grant agreement, use of funds will be listed by the category titles below. The detailed section below each category lists examples of activities in that category that are eligible. All expenses must be clearly related to the project as defined in the Project Summary of the grant agreement.

Early Stage Expenses

Grant Budget Category	**Eligible Description of Use** Soft costs/administrative/legal costs are limited to 10% of the total award across all budget categories.
Developer Navigation Consulting	• Developer personnel costs (subject to overall 10% cap on administrative costs) • Project management for emerging developers* • Development navigation consulting fees for emerging developers* **Eligibility for these expenses will be determined during the application review and will be listed in the Project Summary. An emerging developer is an individual or entity that does not own more than 25 housing units or 15,000 square feet of commercial space in the State of Minnesota AND has not completed more than two (2) development projects in the State of Minnesota.*
Community Engagement	• Historical research to inform equitable project development • Development of community benefits agreements • Community-centered design workshops and engagement (including consultant/participant compensation, childcare, and food)

Building or Site Planning & Design	• Universal Design and accessibility design beyond American with Disabilities Act requirements • Culturally specific design and planning • Architectural design (schematic, design development, construction documents) • Landscaping plans emphasizing natural resource conservation, greenspace, native plants, and pollinators • Public art design processes involving artists/arts organizations • Public Right-of-Way (ROW) Design • Permits and licenses related to the project
Sustainability/Climate Action Design/Impact Studies	• Energy efficient and passive design planning • Travel demand management strategies to reduce emissions • Sustainability and resource conservation planning (stormwater management, heating/cooling systems, waste management) • Sustainability assessments, design, and engineering • Climate resilience planning, including flood mitigation risk and heat island reduction • Impact assessments, including health impact assessments, displacement risk analysis and mitigation plans, equity or impact analyses, and wealth building plans
Appraisals and Assessments for Acquisition or Renovation	• Physical/capital needs assessments • Energy audits • Property appraisals for acquisition • Site selection analysis for multiple locations
Financial Studies	• Financial modeling for development operations • Feasibility studies, housing mix or commercial mix analysis, and market studies • Phasing and staging plans
Conditions Assessments	• Soil testing for feasible land uses • Site plans, public realm plans, outdoor recreation plans • Geotechnical or structural assessments

Environmental Site Investigation	• Creating or updating environmental investigation documents including:
	  ○ Phase I environmental site assessment
	  ○ Phase II environmental site assessment
	  ○ Phase II environmental site assessment work plans
	  ○ Hazardous building materials, asbestos or lead based paint assessments
	  ○ Development of a Response Action Plan (RAP)
	  ○ Abatement plans

	○ Asbestos emissions control plans (ECP) • Limited demolition (as necessary to assess contamination only) • Environmental oversight • *Environmental Cleanup activities that occurred prior 6 months to the grant award may be eligible if your project has already received a previous LCA grant. These expenses are occasionally allowed and are approved at the time of award. This exception is detailed within the Project Summary of the grant agreement*
	Ineligible expenses include, but are not limited to:
	• Legal fees not tied to eligible activities • Bonds and general insurance • Grant proposal or bid preparation costs • Lobbying • Environmental assessment (Environmental Assessment Worksheet/EAW or Environmental Impact Statement/EIS) • Environmental investigation outside the project site/target area • Public meetings required by law • Engineering/architecture fees not tied to eligible work • City grant administration fee • Costs incurred prior to the date of award, unless approved by the Met Council • Costs incurred after the expiration date of the grant agreement • Costs associated with the exercise of eminent domain • Advertising or marketing costs (except for community engagement) • Food and refreshments (except for community engagement) • Administrative and soft costs not directly related to an awarded grant activity • Contractor markups for subcontractor costs are eligible but limited to 10% or less

Construction Stage Expenses

Grant Budget Category	Eligible Description of Use Soft costs/administrative/legal costs are limited to 10% of the total award across all budget categories.
Development Navigation	• Developer personnel costs (subject to overall 10% cap on administrative costs) • Project management for emerging developers* • Development navigation consulting fees for emerging developers* **Eligibility for these expenses will be determined during the application review and will be listed in the Project Summary. An emerging developer is an individual or entity that does not own more than 25 housing units or 15,000 square feet of commercial space in the State of Minnesota AND has not completed more than two (2) development projects in the State of Minnesota.*
Site Acquisition	• Acquisition (if completed within 24 months prior to date of application or after grant award) • Holding costs [maintenance, insurance, interest (up to 5% of award or $100k) whichever is lower] • Administrative or Soft Costs (subject to overall 10% cap on administrative costs)
Demolition	• Demolition
General Construction & Site Preparation	• General construction • Dewatering • Structural additions • Site preparation (water, sewer, roads, utility extensions, district energy systems) • Grading and soil correction • Geotechnical work, including soil stabilization • Roofing, windows, siding • Electrical, plumbing, HVAC • Interior/exterior finishing • Permanent outdoor resident amenities • Landscaping, sidewalks, paths, shared parking • Infiltration swales or tanks • Geothermal heat pumps, fuel cells, wind turbines, solar panels, electric vehicle charging stations • Public art design & fabrication

	• New or extended local public streets, trails, and bike facilities. • Site-integrated transit shelters • Bike facilities • Broadband connection for affordable housing • Public restrooms (excluding Sewer Availability Charges) • Permits and licenses related to the project • Legal, design, engineering fees related to the project (subject to overall 10% cap on administrative costs)
Environmental Clean-Up	○ Phase I environmental site assessment ○ Phase II environmental site assessment work plans ○ Phase II environmental site assessment ○ Hazardous building materials assessment ○ Development of a Response Action Plan ○ Abatement plans ○ Asbestos emissions control plans (ECP) • Contaminated soil remediation, including clean fill of matching volume to eligible contaminated soil amounts. • Fill Soils • Groundwater remediation • Soil vapor mitigation • Hazardous building materials abatement or mitigation (asbestos and/or lead-based paint only), including ○ Abatement area containment ○ Implementing asbestos emissions control plan ○ Asbestos removal or encapsulation ○ Lead-based paint removal or stabilization ○ Loading, transport and disposal of asbestos and/or lead-based paint wastes ○ limited demolition (as necessary to access contamination only) • Environmental oversight • *Environmental Cleanup activities that occurred prior 6 months to the grant award may be eligible if your project has already received a previous LCA grant. These expenses are occasionally allowed and are approved at the time of award. This exception is detailed within the Project Summary of the grant agreement*
	Ineligible expenses include, but are not limited to:
	• Administrative overhead in excess of the allowable 10% of the total award • Legal fees not tied to eligible activities • Bonds and general insurance • Grant proposal or bid preparation costs • Lobbying

	• Pro-rated lease • Environmental work outside the project site/target area • Furniture and furnishings • Non-permanent appliances • Park-and-ride facilities • County road improvements • Utility expansions not tied to the project • Regional parks or trails • Roads/trails not supporting the project • Public meetings required by law • Engineering/architecture fees not tied to eligible work • Sites purchased >24 months before application due date • Sites bought by partners who financially benefit • Site assembly for transit infrastructure • Stored Materials/Deposits for Materials • Resident relocation costs • Resident services and/or operations • City grant administration fee • Costs incurred prior to the date of award, unless allowed by the Livable Communities grant program and included in the Project Summary, or otherwise approved by the Met Council • Costs incurred after the expiration date of the grant agreement. • Costs associated with the exercise of eminent domain. • Advertising or marketing costs • Contractor markups for subcontractor costs are eligible but limited to 10% or less.

Early Stage and Development Deliverables

This summary outlines the documentation required to confirm project milestones and ensure the successful close-out of grant funds. Grantees must submit at least one deliverable for every budget category and project use identified in the grant agreement, **including but not limited to** the examples provided below. Projects involving environmental cleanup & site investigation must provide documentation for each individual use of funds, **including but not limited to** site assessments and remediation reports.

Early Stage Category	Deliverable
Developer Navigation Consulting	No additional deliverable required
Community Engagement	• Summary/Report of Community Engagement Outcomes • Listing of Community Engagement Events • Promotional material for Community Engagement Activities

Building or Site Planning & Design	• Architectural Plans • Landscaping Plans • Public Art Designs
Sustainability/Climate Action Design/Impact Studies	• Energy efficient and passive design plans • Stormwater management plans • Sustainability assessments, designs, and engineering
Appraisals and Assessments for Acquisition or Renovation	• Energy audits • Property appraisals • Capital needs assessments
Financial Studies	• Proformas • Feasibility Studies • Phasing and staging plans
Conditions Assessments	• Soil testing report • Outdoor recreation plans • Geotechnical or structural assessment
Environmental Site Investigation Note: a deliverable is required for each named use of funds	**Investigation documents, including but not limited to:** • Phase I Environmental Site Assessment (ESA) • Phase II ESA work plan • Phase II ESA or Limited Site Assessment • Response Action Plan (RAP) or Development Response Action Plan DRAP plan and addenda (if any) and focused feasibility study (if more than one remedy proposed) • Asbestos or hazardous materials survey and asbestos or hazardous wastes management plan and approval of RAP or DRAP

Construction Stage Category	Deliverable
Capacity Building	No additional deliverable required
Site Acquisition	Settlement Statement
Affordable Homeownership	Documentation of program used to meet affordability standards (community land trust, first time homebuyer program, restrictive covenant.) 1-3 Photos of Construction/Rehab project Home sales listing Settlement Statement

Demolition, General Construction & Site Improvements	1-3 Photos of Construction Project at time of close
Environmental Cleanup	**Hazardous waste or substance contamination** • Certificate of Completion issued by Minnesota Pollution Control Agency (MPCA); or • No Further Action Letter issued by MPCA **Asbestos contamination** • Statement from the licensed asbestos abatement contractor that the project-specific project plan has been completed according to rules of the MN Department of Health; or • Final asbestos abatement implementation report **Petroleum contamination** • Copy of the site closure letter issued by the MPCA **Lead abatement** • Copy of the contractor firm certification to conduct lead based paint activities in residential or child-occupied facilities; and • Statement or other documentation from the certified contractor that the lead abatement had been completed according to the applicable regulations • Annual report for up to 4 years after a grant expires to ensure cleanup compliance.

Livable Communities Grants Awarded Prior to Fiscal Year 2026

Refer to the grant agreement for uses and deliverables. Also, please reference the grant year's Program Essential Guide for details regarding eligible and ineligible activities and other program specific information.

Previous Years Program Essentials

Policy and Affordable Housing Program Development Grant Opportunity

Fund Source

All activities for the Policy/Program grant program are funded through one of these sources:

- The Livable Communities Demonstration Account (LCDA) under Minnesota Statutes 473.253, or

- The United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383 through the US Department of Housing and Urban Development's Pathways to Removing Obstacles to Housing (HUD PRO) program.

Your grant agreement will specify your funding source.

Grant Term

The grant term is two years, with a possible six-month or one-year extension if needed.

Acknowledging Policy/Program Grants

The grant agreement requires grantees to acknowledge the financial assistance provided by the Council and the Federal Government on all promotional materials, press releases, reports and publications relating to the project activities.

If the project was funded using Livable Communities funds, please refer to the Acknowledging Livable Communities' contributions to a project section above the section above for acknowledgement requirements. If the project was funded by the federal HUD PRO Housing funds, the acknowledgement should contain the following or similar language:

Funding support for this project was provided by the U.S. Department of Housing and Urban Development and the Metropolitan Council.

Use the full, formal name, *i.e., "*Metropolitan Council," not "Met Council" or "Metro Council."

Match

No match is required for Livable Communities Policy and Affordable Housing Program Development Grants.

Policy/Program Grant Eligible and Ineligible Expenses

Below is a list of eligible and ineligible activities for the Livable Communities Policy and Affordable Housing Program grants. All expenses must be clearly related to the project as defined in the Project Summary of the grant agreement.

Grant Budget Category	Policy/Program Eligible Description of Use
Consultant Time or **Staff Time**	• Community Engagement Activities • Feasibility and Impact Modeling • Legal and Regulatory Review • Policy drafting and technical writing • Project Management • Data Collection
	Ineligible expenses include, but are not limited to:
	• Work done before the grant was awarded • General staff time not directly related to policy, program, or partnership development • Grant administration, grant proposal, or bid preparation

	• Seed funding for resources (i.e. investment in an affordable housing trust fund or downpayment assistance program) • Program or partnership operating costs • Costs related to an existing policy or program • Administrative or enforcement costs of a policy

HUD PRO Housing Funding Requirements

For grantees whose grant is funded through the HUD PRO Housing, there are additional legal requirements included in your grant agreement. While most activities will match what is described in this Guide, federally funded grants will be reported to the Department of Housing and Urban Development as a subrecipient, and must remain in compliance with federal requirements, including CFR 200.

As a federal subrecipient, HUD PRO-Housing-funded grantees will have some additional requirements around procurement. Here is a resource about federal subrecipient procurement requirements that may be helpful as you're putting an RFP together. Additionally, here is a reference about small purchase thresholds.

Policy/Program Deliverables

This summary outlines the documentation required to confirm project milestones and ensure the successful close-out of grant funds. Policy and Affordable Housing Program Development grantees must submit the listed deliverable(s) at time of the final claim.

- Policy or program materials created with grant funds
- Proof of the policy or program will be or was presented to grantee's governing body for adoption or implementation (i.e. City Council minutes or agenda)

We understand that not all policies will be adopted by the City Council or grantee's governing body. We expect staff to build support for the proposed policy before bringing it to the City Council or governing body.

Small Area Planning Grant Program

Fund Source

All activities for this program are funded through the Livable Communities Demonstration Account (LCDA) under Minnesota Statutes 473.253.

Grant Term

The grant term is three years, with a possible two-year extension if needed.

Match

No match is required for Livable Communities Small Area Planning Grants.

Eligible and Ineligible Expenses

Below is a list of eligible and ineligible activities for the Livable Communities Small Area Planning Grants. All expenses must be clearly related to the project as defined in the Project Summary of the grant agreement.

Grant Budget Category	Small Area Planning: Eligible Description of Use
Consultant Time or **Staff Time**	• Community Engagement Activities • Feasibility and Impact Modeling • Legal and Regulatory Review • Policy drafting and technical writing • Project Management • Data Collection • Inter-Department Coordination
	Ineligible expenses include, but are not limited to:
	• Work done before the grant was awarded • General staff time not directly related to policy, program, or partnership development • Grant administration, grant proposal, or bid preparation • Seed funding for resources (i.e. investment in an affordable housing trust fund or downpayment assistance program) • Program or partnership operating costs • Costs related to an existing policy or program • Administrative or enforcement costs of a policy

Small Area Planning Grant Deliverables

This summary outlines the documentation required to confirm project milestones and ensure the successful close-out of grant funds. Grantees must submit the listed deliverable(s) at time of the final claim.

- Small area plan created with grant funds
- Proof that the plan will be or was presented to the grantee's governing body, and if approved, included as part of or submitted as an amendment, attachment, or addendum to the city's comprehensive plan (i.e., City Council minutes or agenda), or, if the grantee is a county or development authority, an equivalent process.

We understand that not all small area plans will be adopted by the City Council/governing body. We expect staff to build support for the proposed plan before bringing it to the City Council.

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