

The Metropolitan Council administers the Livable Communities program, which includes the Local Housing Incentives Account (LHIA).

LHIA helps expand and preserve affordable ownership and rental housing for communities in the Twin Cities 7-County metropolitan region who are enrolled in the Livable Communities Act (LCA) program. For more information on LCA enrollment, visit the Metropolitan Council's website.

Program Details

Available Grant Funding: \$8 million
Local Match: 100%, dollar per dollar
Grant Term: Three years
Award Limit: None
Application Limit: None

Key Dates

April 14, 2021: Consolidated RFP released
July 15, 2021: Applications due
January 2022: Awards made

Application Process

LHIA applications for funding multi-family and single family affordable housing proposals go through the Minnesota Housing Consolidated Request for Proposals (RFP) process. Minnesota Housing is the state's primary affordable housing lender.

To be considered for LHIA, Consolidated RFP applicants can submit an Acknowledgment of Receptivity form, which certifies that the housing development, for which the application is submitted, is located in a municipality that participates in the Metropolitan Council's Livable Communities program. Receptivity forms are provided in Minnesota Housing's applicant portal and on LHIA's Metropolitan Council webpage.

Grantees (LCA participating communities) must match LHIA awards on a dollar-for-dollar basis with a source of funding that is either directly from, or is designated by, the participating city or development authority; sources include CDBG, HOME, TIF, Housing Trust Fund dollars, tax abatements, local housing revenue bonds, and the appraised value of donated land.

LHIA Eligible Costs	
<p>Eligible Costs</p> <ul style="list-style-type: none"> • Gap financing costs*, including land acquisition • Property (structure) acquisition • Demolition • Site preparation (e.g., water, sewer, roads) • General construction/structural additions • Alterations and rehabilitation • Interior and exterior finishing • Roofing • Electrical, plumbing, and/or heating and ventilation 	<p>Ineligible Costs</p> <ul style="list-style-type: none"> • Soft costs, or administrative overhead • Bonds and insurance • Legal fees • Permits • Travel • Grant/bid preparation costs • Cleanup/abatement costs

**For single family awards, development gap funds are limited to no more than half of the difference between the purchase price of the home and the total per-unit hard costs, unless a mechanism is in place to ensure a minimum affordability term of 15 years.*

LHIA

Application Scoring

LHIA applications are scored as a part of a funders collaborative facilitated by Minnesota Housing as a part of their annual Consolidated Request for Proposals. Council staff evaluate projects for LHIA priorities after Minnesota Housing has used their process to evaluate them. While the Council prefers to award LHIA funds to projects that will be made whole with a combination of state resources and LHIA, occasionally projects that are a high priority for the Council will be awarded LHIA even if they do not receive funding requested from Minnesota Housing.

There are two sets of criteria: threshold and competitive. Threshold criteria have to be met for the project to be eligible. Competitive criteria are not required, but meeting more of these criteria will make the project more competitive.

Threshold Criteria

- A significant component of the project must serve households with incomes at or below 60% of Area Median Income (AMI) with a minimum affordability term of 15 years, for rental projects.
- Grantees must have an adopted Fair Housing Policy
- Projects must have affirmative fair housing marketing plans.

Competitive Criteria

- Rental proposals creating or preserving affordability for persons at or below 30% of AMI
- New affordable housing that furthers the City's ability to meet their share of the region's need for affordable housing, considering what the need is across affordability bands OR Preserved/rehabilitated affordable housing, prioritizing communities at highest risk of losing Naturally Occurring Affordable Housing (NOAH) and/or communities with higher rates of housing cost burdened households
- Proposals that serve large families by providing three or more-bedroom units
- Proposals meeting the needs of individuals and households experiencing long-term homelessness
- Proposals that provide a housing type not currently available or serve a population not currently served in or near the project area

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