

LHIA Pilot

LHIA Affordable Homeownership Pilot

Funding

- Available Funding:** TBD
- Local Match:** Dollar for dollar
- Grant Term:** Three years
- Award Limit:** None
- Application Limit:** None

Key Dates

- Applications Due:** Fall 2022 (Sept/Oct)
- Awards Made:** December 2022

The LHIA Affordable Homeownership Pilot will provide grants to support affordable homeownership development, including acquisition and rehabilitation, for projects that best meet the following two priorities:

- **Racial Equity Priority:** create homeownership opportunities for Black, Indigenous, and other ethnic or racial groups that own homes at disproportionately lower rates than white households in the region; and
- **Geographic Choice Priority:** create affordable homeownership opportunities in parts of the region where it is most challenging to do so.

Affordable Homeownership Pilot Eligibility

Only LCA participating cities will be able to apply for grants through the pilot program.

Additional eligibility criteria includes:

- Ensure a dollar-for-dollar local match
- Provide an affordable homeownership opportunity for a household earning 80% Area Median Income (AMI) or less
- Provide a minimum affordability term of 15 years
- Require Home Stretch or similar homeowner education for first-time homebuyers

Eligible Costs Table

Eligible Costs	Ineligible Costs
<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	<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

LHIA Pilot

Affordable Homeownership Pilot Scoring

Pilot proposals that meet eligibility requirements are reviewed by a team of Metropolitan Council staff and be scored in the following three categories:

- Pilot priorities
- Equitable access
- Unique needs and affordability

The pilot scoring structure includes two steps:

Step 1: Scoring for Pilot Priorities

Scoring in step one evaluates the project location's ability to achieve the pilot program's priorities of racial equity and geographic choice. A minimum score of 5 points, out of a maximum of 17, is required to move forward to Step 2. Council data is available to complete Step 1 scoring internally as long as the project location is known.

Racial Equity		
<i>Criteria</i>		<i>Points</i>
Project is in a city with higher racial disparities in homeownership than the regional average		5
OR	Project is in a census tract with higher racial disparities in homeownership than the regional average	3
Project is in a city with a higher share of Black, Indigenous, and other residents of color than the regional average		3
OR	Project is in a census tract with a higher share of Black, Indigenous, and other residents of color than the regional average	2
Highest possible subtotal for racial equity		8
Geographic Choice		
<i>Criteria</i>		<i>Points</i>
Project is in a city with an average home sale price higher than what is affordable to a household earning 80% AMI		5
OR	Project is in a city with an average home sale price higher than what is affordable to a household earning 60% AMI	3
Project is in a city where the share of single-family housing stock is higher than the regional average		2
Project is in a city with an affordable housing need less than 20 OR more than 50% of their need is in the 51-80% affordability level.		2
Highest possible subtotal for geographic choice		9
Highest possible subtotal for both pilot priorities		17
<i>A minimum of 5 points would be required to ensure the project sufficiently addresses one or both pilot priorities</i>		

LHIA Pilot

Step 2: Scoring for Equitable Access & Unique Needs and Affordability

Step two evaluates the individual project's ability to achieve pilot program goals; ensuring populations with lower homeownership rates than white residents have equitable access to the affordable homeownership opportunity that's being funded, the proposal's ability to meet unique local needs, and the proposal's ability to provide deeper and/or longer affordability.

Equitable Access	
<i>Criteria</i>	<i>Points</i>
Developer or program partner has a demonstrated record of serving Black, Indigenous, and/or other households of color in homeownership at rates equal to or greater than the city and or region's homeownership rates for those same groups	3
Developer or program partner has current waiting list consisting of Black, Indigenous, or other households of color at levels equal or greater to the regional and/or city population	3
Project team includes a lender, realtor, or other homebuyer-facing team member that is reflective of the Black, Indigenous, or other households of color that have disparate homeownership rates in the region	2
Project will be made available to a first-generation homebuyer	2
Marketing efforts for sale of the project affirmatively further fair housing	1
Other efforts as described by applicant that further equitable access to homeownership	Up to 11
Total for Equitable Access	11
Unique Needs and Affordability	
<i>Criteria</i>	<i>Points</i>
Project addresses a need specific to the community in which the project is located, through financing, marketing, design, size or other unique need	3
Project will be affordable to homebuyers earning less than 80% AMI	3
Project will remain affordable upon resale for more than 15 years	3
Project is located in a city with a net fiscal disparity of \$200 or more per household	1
Total for Unique Needs and Affordability	10
Total Step 1 and Step 2	38

Program Coordinator

Ashleigh Johnson

ashleigh.johnson@metc.state.mn.us