LOCAL HOUSING INCENTIVES ACCOUNT

Program Details

Available Funding: $2,500,000

Local Match: 100% dollar per dollar

Grant Term: Three years

Award Limit: None

Application Limit: None

Key Dates

Consolidated RFP Released: April, 2024

Applications Due: July, 2024

Awards Made: January 2025

Application Process

The Metropolitan Council considers multi-family and single family affordable housing proposals by partnering with Minnesota Housing in their Consolidated Request for Proposals (RFP) process, as well as consulting with cities and counties designated as tax credit suballocators that may have additional recommendations for affordable housing projects eligible for LHIA: Minneapolis, Saint Paul, Washington County and Dakota County. Projects can apply to the Consolidated RFP requesting only state funds, only LHIA funds, or both, however funds must be granted directly to a city or county/port development authority. Funds can then be sub-granted to the project developer.

To confirm this, Consolidated RFP applicants must 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, and that the city or development authority will be the grant recipient. Receptivity forms are provided in Minnesota Housing's applicant portal and on LHIA's Metropolitan Council webpage.

Grantees 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.

Eligible Costs Table

Eligible Costs	Ineligible Costs
• Gap financing costs*, including land acquisition	• Soft costs, or administrative overhead
• Property (structure) acquisition	• Bonds and insurance
• Demolition	• Legal fees
• Site preparation (e.g., water, sewer, roads)	• Permits
• General construction/structural additions	• Travel
• Alterations and rehabilitation	• Grant/bid preparation costs
• Interior and exterior finishing	• Cleanup/abatement costs
• Roofing	• Resident services and/or operations
• Electrical, plumbing, and/or heating and ventilation	

* 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.

Program Coordinator

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METROPOLITAN COUNCIL

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LHIA

Application Scoring

The LHIA helps expand and preserve lifecycle and affordable housing, both rented and owned. The LHIA annual base funding includes $500,000 transferred from the LCDA tax levy plus $1 million from the Council's general fund.

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.
- Grantees must have an adopted Fair Housing Policy in order to receive Livable Communities Act funding.
- 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.