

Funding

Available Funding: \$3 million

Local Match: None

Grant Term: Three years (with an option to extend two years)

Award Limit: 50% of eligible project gap costs

Application Limit: None

Key Dates

Applications Due: October 1st, 2024

Awards Made: December 2024

The Affordable Homeownership program 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 Eligibility

Only LCA participating cities will be able to apply for grants through the affordable homeownership program. Additional eligibility criteria includes:

- 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

- 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

Ineligible Costs

- Soft costs, or administrative overhead
- Bonds and insurance
- Legal fees
- Permits
- Travel
- Grant/bid preparation costs
- Cleanup/abatement costs
- Resident services and/or operations

Program Coordinator

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Affordable Homeownership Scoring

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

- Program priorities
- Equitable access
- Affordability

The scoring structure includes two steps:

Program Priorities

Scoring in this section evaluates the project location’s ability to achieve the program’s priorities of racial equity and geographic choice. A minimum score of 5 points, out of a maximum of 18, is required in this section. Council data is available to complete this scoring internally as long as the project location is known.

RACIAL EQUITY		
Criteria		Points
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
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		
Criteria		Points
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
Project is located in a city with a net fiscal disparity of \$200 or more per household		1
Highest possible subtotal for geographic choice		10
Highest possible subtotal for both program priorities		18
<i>A minimum of 5 points would be required to ensure the project sufficiently addresses one or both program priorities</i>		

Equitable Access and Affordability

This section evaluates the individual project’s ability to achieve 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	
Criteria	Points
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 homebuyers	2
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 incorporates marketing efforts to affirmatively further fair housing	1
Other efforts as described by applicant that further equitable access to homeownership	Up to 11
Total for Equitable Access	25
AFFORDABILITY	
Criteria	Points
Project will be affordable to homebuyers earning less than 80% AMI	3
Project will remain affordable upon resale for more than 15 years	3
Total for Affordability	6
Total possible points	57