



# Funding Recommendations

Local Housing Incentives Account (LHIA)  
Affordable Homeownership Program



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[metro council.org](https://metro council.org)

# Background



The Livable Communities Act (LCA) includes the Local Housing Incentives Account (LHIA), which provides funds to **help participating communities achieve their affordable housing goals.**

- Baseline from statute of \$1.5M available annually
- Requires a dollar-for-dollar local match
- Homeownership Pilot launched in 2022
- Homeownership Program approved for \$2.9M (2023)

# Today's Presentation



Applications + Scores

Funding Recommendations

Project Summaries

# LHIA Available Funds

**\$5.4 million**

**Five homeownership awards**

**\$2,900,000**

**Five multifamily awards**

**\$2,500,000**

# LHIA Homeownership Priorities

## Geographic Choice

- Cities with a higher share of single-family homes than the regional average
- Cities with a median home sale price more than \$25,000 above the regional average

## Racial Equity

- Cities near or above the regional share of Black and Indigenous residents and residents of color
- Cities with higher homeownership disparities across race than the regional average

# LHIA Homeownership Scoring

## 1. Eligibility

Meets geographic choice eligibility criteria

Meets racial equity eligibility criteria

## 2. Ranking

Homeownership Access

Unique/Contextual Needs

Depth and length of affordability

# LHIA Submitted Applications

	Project	City/Applicant	Homes Proposed	Points	Total Requested	LHIA Funding Recommendation
1	HOPE Round 2	Golden Valley	6	45.5	\$948,000	\$948,000
2	Serenity Townhouses	St. Paul	4	42.5	\$270,000	\$270,000
3	PPL Greenbelt Homes	Minneapolis	5	42.25	\$568,400	\$568,400
4	Affordable Twin Home	Minnetonka	2	40.75	\$228,634	\$288,634
5	Affordable Ownership Preservation	Edina	5	38.75	\$750,000	\$750,000
6	ReFresh Minneapolis	Minneapolis	4	37.5	\$439,999	\$0
7	ARTWorks CDC	Minneapolis	2	33.75	\$150,000	\$0
8	AACDC	St. Paul	2	33.25	\$300,000	\$0
	<b>TOTAL</b>		<b>30</b>		<b>\$3,458,784</b>	<b>\$2,825,034</b>

# LHIA Funding Recommendations

	Project	City/Applicant	Number of Homes	LHIA Funding Recommendation
1	Affordable Ownership Preservation	City of Edina	5	\$750,000
2	Affordable Twin Home Project	City of Minnetonka	2	\$288,634
3	HOPE Round 2	City of Golden Valley HRA	6	\$948,000
4	PPL Greenbelt Homes	City of Minneapolis	5	\$568,400
5	Serenity Townhouses	St. Paul Port Authority	4	\$270,000
	<b>TOTAL</b>		<b>22</b>	<b>\$2,825,034</b>



# 1. City of Edina

## Affordable Ownership Preservation



Recommended Award: **\$750,000**

Project Details	
Development Team	City of Edina Twin Cities Habitat for Humanity (TCHFH) Homes within Reach (HWR)
Development Type	Preservation
Recommended Number of Homes	5
Affordability Area Median Income (AMI)	50-80%
Match Source	City of Edina
Anticipated use of funds	Acquisition, rehabilitation, interior and exterior finishing

# 2. City of Minnetonka

## Affordable Twin Home Project



Recommended Award: **\$288,634**

Project Details	
Development Team	City of Minnetonka, Amani Construction
Development Type	New
Recommended Number of Homes	2
Affordability Area Median Income (AMI)	80%
Match Source	City of Minnetonka
Anticipated use of funds	Construction costs

# 3. City of Golden Valley HRA

## Home Ownership Program for Equity (HOPE)

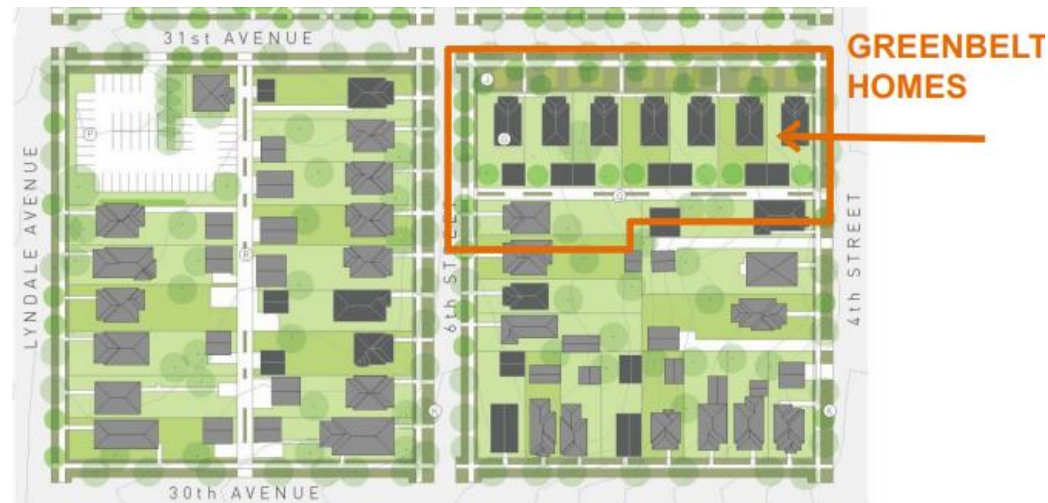


Recommended Award: **\$948,000**

Project Details	
Development Team	City of Golden Valley Magnolia Homes Greater Metropolitan Housing Corporation (GMHC)
Development Type	New
Recommended Number of Homes	6
Affordability Area Median Income (AMI)	60%
Match Source	City of Golden Valley HRA
Anticipated use of funds	Site preparation, general construction, interior and exterior finishing, roofing, electrical, plumbing, and/or heating

# 4. City of Minneapolis

## PPL Greenbelt Homes



Recommended Award: **\$568,400**

Project Details	
Development Team	City of Minneapolis Project for Pride in Living (PPL)
Development Type	New
Recommended Number of Homes	5
Affordability Area Median Income (AMI)	80%
Match Source	City of Minneapolis
Anticipated use of funds	Construction cost gap which includes site preparation and grading, general construction, roofing, electrical, plumbing, heating and ventilation, and interior and exterior finishes.

# 5. St. Paul Port Authority

## Serenity Townhouses



Recommended Award: **\$270,000**

Project Details	
Development Team	St. Paul Port Authority Amani Construction Rondo Community Land Trust
Development Type	Preservation
Recommended Number of Homes	4
Affordability Area Median Income (AMI)	80%
Match Source	St. Paul Port Authority
Anticipated use of funds	Construction costs

# Affordability & Costs

Requested Information (Nov. 20)	Summary of Proposals
<b>Affordable Price Range for Homebuyers</b>	\$192,800-\$304,700
<b>Affordability Terms</b>	3 proposals: 99 years 1 proposal: 30 years 1 proposal: 15 years
<b>Affordability Mechanisms</b>	Community Land Trust Restrictive Covenant Second Mortgage
<b>Marketing or Sales Partner(s)</b>	Homes Within Reach Project for Pride in Living Amani Construction Rondo Community Land Trust
<b>Targeted AMIs</b>	3 proposals: 80% 1 proposal: 60% 1 proposal: 50-80%
<b>Range of Total Development Costs</b>	\$500,000-678,198
<b>Range of LHIA Requests (per home)</b>	\$67,500-158,000

# Funding Recommendation

That the Metropolitan Council:

1. Award five homeownership Local Housing Incentives Account (LHIA) grants, totaling \$2,825,034.
2. Authorize its Executive Director of Community Development to execute the grant agreements on behalf of the Council.



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