

# Affordable Homeownership Pilot

Livable Communities Act

Local Housing Incentives Account (LHIA)

November 18, 2021

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



# What will we cover today?

- Brief review of Local Housing Incentives Account (LHIA) Affordable Homeownership Pilot
- Share draft program design
- Answer questions and get input from committee members
- Next steps

# LUAC Presentation Recap (Fall 2020)

- Overview of LHIA
- Shared data comparing LHIA applications with respect to geographic diversity
- Discussed how an in-house LHIA process could increase the diversity of affordable homeownership applications
- Received valuable feedback from the committee

# Questions for the Committee

- Are we using the data effectively to evaluate pilot priorities?
- Does the proposed scoring framework accurately capture the intent of the pilot?
- What haven't we considered?

# Local Housing Incentives Account (LHIA) Affordable Homeownership Pilot

Pilot priorities:

- 1. Geographic choice:** Increase affordable homeownership options in parts of the region that are predominantly single-family and have higher than average median home values
- 2. Reducing racial disparities in homeownership:** Increase affordable homeownership opportunities focused on serving Black, Indigenous, and other ethnic groups that own homes at disproportionately lower rates than white households



*LHIA Project: PPL Greenbelt (2020)*

# Pilot eligibility

- To be considered, projects would have to:
  - Be a participating Livable Communities Act community
  - Have a dollar-for-dollar local match
- Provide an affordable homeownership opportunity for a household earning 80% Area Median Income or less
- Provide a minimum affordability term of 15 years
- Must require Home Stretch or similar homeowner education for first-time homebuyers

# Pilot scoring criteria

Sufficiently addresses one or both pilot priorities

Efforts to target populations with significantly lower rates of homeownership than white households

Considers unique local needs, depth and length of affordability

# Pilot scoring criteria

Pilot Priorities

Equitable access

Unique needs, affordability

## Geographic Equity

Average home sale price is higher than what is affordable to a household earning 60% AMI (more points for average sale prices higher than what is affordable at 80% AMI)

Share of single-family housing stock is higher than the regional average

City is more likely to have their affordable housing needs met through affordable homeownership projects OR more than 50% of their need is in the 51-80% affordability level.

## Racial Equity

City or census tract has higher racial disparities in homeownership than the regional average

City or census tract has higher share of Black, Indigenous, and other residents of color than the regional average

*A minimum score would be required to ensure the project sufficiently addresses one or both pilot priorities.*





# Pilot scoring criteria

Pilot Priorities

Equitable access

Unique needs, affordability

## Equitable access

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

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

Project team includes a lender, realtor, or other homebuyer-facing team member that is reflective of the BIPOC households of color that have disparate homeownership rates in the region

Marketing efforts for sale of the project affirmatively further fair housing

Project will be made available to a first-generation homebuyer

# Pilot scoring criteria

Pilot Priorities

Equitable access

Unique needs, affordability

## Unique needs and affordability

Project addresses a need specific to the community in which the project is located, through financing, marketing, design, size or other unique need

Project will be affordable to homebuyers earning less than 80% AMI

Project will remain affordable upon resale for more than 15 years

Project is located in a city with a net fiscal disparity of \$200 or more per household

# Questions for the Committee

- Are we using the data effectively to evaluate pilot priorities?
- Does the proposed scoring framework accurately capture the intent of the pilot?
- What haven't we considered?

# Next Steps

- Staff will return to CDC in December with:
  - Updated scoring framework and criteria, including point values
  - Recommendations on funding availability
- Goal is to have pilot program ready for approval in early 2022 as a part of the greater LCA Fund Distribution Plan process

# Contact Us

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