

LOCAL FUNDING RESOURCES TO ADDRESS HOUSING NEEDS

Currently, funding available at the local, state, or federal level to support affordable housing falls short of what is needed to address our region's need for new affordable housing. While the majority of public funding that is available is accessed through Minnesota Housing's [Consolidated Request for Proposals](#), there are a number of ways that local governments can be creative to make resources available, too.

Some communities use innovative strategies to create a [local housing trust](#), providing the ultimate discretion over what housing needs to address. Local housing funds can make a big impact even with relatively small sources of revenue. Local governments can fund a local housing trust in many ways:

- Relatively small contributions from each year's tax levy – these can build quickly over time!
- Tax Increment Finance (TIF) districts may have excess revenue that can be pooled and used for certain housing efforts outside of the TIF district
- A specific fee, such as a demolition fee or hotel tax (including short-term rentals like Airbnb)
- Interest earned on government accounts

In addition to a local fund, the loan and grant programs below may provide the start-up or gap funding necessary to make a project work. While funding amounts and priority criteria may change somewhat over time, the resources below are the most consistent sources of funding available to address housing needs. Including these resources in your implementation program—as well as additional philanthropic or financial intermediary dollars—is a necessary first step toward expanding housing choices in your community.

We encourage your housing implementation program to be as specific as possible about what types of proposals your municipality would support by allocating or applying for any of the local funding sources below. When and where would you support housing affordable at households earning 30% of area median income or below? What about projects expanding housing choices near transit? Projects that are homeownership or rental? Whatever your criteria are, the more specific you can be now, the more likely a proposed project will become a reality.



Livable Communities Demonstration Account (LCDA)

Administered by: Metropolitan Council

Available annual funding (2017): \$7.5 Million

General purpose: To support development and redevelopment that links housing, jobs, and services and demonstrates efficient and cost-effective use of land and infrastructure. Affordable housing is a scoring criterion (though not required).

Livable Communities Demonstration Account – Transit Oriented Development (TOD)

Administered by: Metropolitan Council

Available annual funding (2017): \$5 Million

General purpose: To catalyze development around light rail, commuter rail, and high frequency bus stations. Affordable housing is a scoring criterion (though not required).

Community Development Block Grants - Entitlement Communities

Administered by: Bloomington, Coon Rapids, Eden Prairie, Minneapolis, Minnetonka, Plymouth, Saint Paul, and Woodbury

Available funding (2015): \$18,334,450

General purpose: To develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

Community Development Block Grants - Entitlement Counties

Administered by: Anoka County, Dakota County Community Development Agency, Hennepin County, Ramsey County, and Washington County

Available funding (2015): \$7,103,887

General purpose: To develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons. Entitlement Counties allocate CDBG among partnering non-entitlement communities.

Small Cities Development Program (providing access to CDBG for non-entitlement counties)

Administered by: DEED and/or Minnesota Housing (through the Super RFP) for eligible communities in Scott and Carver County

Available funding: Up to \$1,400,000 per project

General purpose: Rehabilitation of housing and /or public facilities that benefits low- and moderate-income persons.

HOME Investment Partnerships Program

Administered by: Dakota County Community Development Agency, Hennepin County, Minneapolis, Minnesota Housing, and Saint Paul

Available funding (2015): \$6,269,625

General purpose: To build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.

Affordable Housing Incentive Fund

Administered by: Hennepin County

Available annual funding (2017): \$3,900,000

General purpose: To appropriately address the rental housing needs of the households with incomes below 30% of the area median income.

Housing Opportunities Enhancement Program

Administered by: Dakota County Community Development Agency

Available funding (2017): Up to \$500,000 per project

General purpose: To provide a local source of gap financing to encourage and assist in the development and preservation of affordable housing throughout Dakota County.

Gap Financing for Redevelopment and Rental and Owner Occupied Housing

Administered by: Washington County Housing and Redevelopment Authority

Available annual funding (2017): Up to \$250,000 per project

General purpose: to provide financial resources that create or preserve affordable housing for households who incomes are below 80% of the area median income

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