

LIVABLE COMMUNITIES GRANT PROGRAMS

LOCAL HOUSING INCENTIVES ACCOUNT

The Local Housing Incentives Account (LHIA) supports the expansion and preservation of lifecycle and affordable rental housing.

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 9, 2025

Intent to Apply Due: May 8, 2025 at noon

Applications Due: July 10, 2025 at noon

Decisions: January 2026

Application Process

The Metropolitan Council considers multi-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. Projects apply to the Consolidated RFP to request LHIA grants; however LHIA funds must be granted directly to a city, county, or 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 is located in a municipality that participates in the Metropolitan Council's Livable Communities program and that the city, county, 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, county, or development authority. Potential match sources include CDBG, HOME, TIF, Housing Trust Fund dollars, tax abatements, local housing revenue bonds, and the appraised value of donated land.

LHIA Eligible Costs Table**Eligible Costs**

- 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

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LHIA Application Scoring

The LHIA helps expand and preserve lifecycle and affordable rental housing. Applicants must meet the threshold criteria to be eligible.

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.