

The Metropolitan Council

# Local Housing Incentive Account

March 2020



# The Metropolitan Council partners with Minnesota Housing to award Local Housing Incentives Account (LHIA) grants through the Impact Fund and in Multifamily Housing.

LHIA funds are intended to assist Livable Communities Act (LCA) participating communities meet their affordable and lifecycle housing goals through the preservation or expansion of single family and multi-family affordable housing.

- ❖ \$4.5 million available across Impact Fund and Multi-Family Programs
- ❖ A map of LCA participating cities can be found here:  
<https://metro council.org/Communities/Services/Livable-Communities-Grants/LCA/2018-LCA-participants-map.aspx>

# 2020 LHIA Funding

- ❖ LHIA Awards only made to cities, counties, housing/development/port authorities
  - ❖ If developer applies to MN Housing, Acknowledgement of Receptivity Form required from city, county or development/housing/port authority
  - ❖ Project(s) must be located in LCA participating Community
  - ❖ Dollar-for-dollar match required from grantee
  - ❖ Award limit – no more than ½ difference between home purchase price and total per-unit hard costs for single-family projects that do not guarantee minimum 15-year affordability term.
  
- ❖ Eligible costs:
  - ❖ Hard costs
  - ❖ Gap financing, including land acquisition
  - ❖ Demolition
  - ❖ Site preparation
- ❖ Soft costs and cleanup costs are NOT eligible

# 2020 LHIA Funding

## LHIA funding priorities:

- ❖ Rental proposals creating or preserving affordable housing for persons  $\leq 30\%$  AMI
- ❖ Proposals that serve families by providing two or more bedroom units
- ❖ Proposals serving people experiencing long-term homelessness
- ❖ Proposals that consider displacement impact and mitigation strategies
- ❖ Proposals that provide a housing type not currently available or serve a population not currently served in or near the project area

# Staff Contact

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- Website - <https://metro council.org/Communities/Services/Livable-Communities-Grants.aspx?source=child>