



Local Housing Incentives Account

Program Details

Available Funding: \$3,500,000
Local Match: 100% dollar per dollar
Grant Term: Three years
Award Limit: None
Application Limit: None

Key Dates

Consolidated RFP Released: April 2022
Applications Due: July 2022
Awards Made: January 2023

Application Process

The Metropolitan Council considers multi-family and single 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: Minneapolis, Saint Paul, Washington County and Dakota County. Projects can apply to the Consolidated RFP requesting only state funds, only LHIA funds, or both.

To be considered for LHIA, Consolidated RFP applicants can submit an Acknowledgment of Receptivity form, which certifies that the housing development, for which the application is submitted, is located in a municipality that participates in the Metropolitan Council’s Livable Communities program. Receptivity forms are provided in Minnesota Housing’s applicant portal and on LHIA’s Metropolitan Council webpage.

Grantees (LCA participating communities) 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 or development authority; sources include CDBG, HOME, TIF, Housing Trust Fund dollars, tax abatements, local housing revenue bonds, and the appraised value of donated land.

Eligible Costs Table

Eligible Costs	Ineligible Costs
<ul style="list-style-type: none"> Gap financing costs*, including 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 	<ul style="list-style-type: none"> Soft costs, or administrative overhead Bonds and insurance Legal fees Permits Travel Grant/bid preparation costs Cleanup/abatement costs

* For single family awards, development gap funds are limited to no more than half of the difference between the purchase price of the home and the total per-unit hard costs, unless a mechanism is in place to ensure a minimum affordability term of 15 years.

Application Scoring

Minnesota Housing and sub-allocators, evaluate development proposals by first conducting a preliminary completeness and eligibility review of funding applications based on internal underwriting standards. In addition to considering the financial feasibility of proposals, both review the proposer’s organizational capacity to deliver the project and how projects align with Agency, or sub-allocator, criteria. Council staff, using the 2022 LCA Fund Distribution Plan (2022 FDP), also evaluates affordable housing projects based on the LHIA criteria below.

While the Council prefers to award LHIA funds to projects that will be made whole with a combination of state resources and LHIA, occasionally projects that are a high priority for the Council will be awarded LHIA even if they do not receive funding requested from Minnesota Housing.

There are two sets of criteria: threshold and competitive. Threshold criteria have to be met for the project to be eligible. Competitive criteria are not required, but meeting more of these criteria will make the project more competitive.

Threshold Criteria	Competitive Criteria
<ul style="list-style-type: none"> • 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, for rental projects. • Grantees must have an adopted Fair Housing Policy in order to receive Livable Communities Act funding. • Projects must have affirmative fair housing marketing plans. 	<ul style="list-style-type: none"> • 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.

Program Coordinator

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