

City Council Item

June 24, 2024



Item	Adopt Local Housing Incentive Account Deferred Loan Program	
File No.		Item No: E.13
Agenda Section	<u>CONSENT AGENDA</u>	
Prepared By	Sam DiMaggio, Economic Development Manager	
Reviewed By		

SUGGESTED ACTION

Staff recommends that the City Council adopt the policy as presented.

Motion Type	Simple Majority Vote of members present
Strategic Priority	Development & Redevelopment

SUMMARY

The City of Chanhassen was awarded \$300,000 in Local Housing Incentive Account (LHIA) Funds in 2006. These funds were originally awarded to Sand Companies for their development of a residential property that provided affordable housing. In 2023, Sand Companies sold the property before the resale limitation was met, which then required them to repay the funds to the City of Chanhassen. With the assistance of the Metropolitan Council, staff has developed the attached program and compliance criteria which would establish the ways in which the \$300,000 which was repaid to the city could be redeployed within the community.

The Economic Development Commission reviewed the policy during their June 11, 2024 meeting and is recommending approval of the program as outlined.

BACKGROUND

Local Housing Incentive Account (LHIA) grants support the production and preservation of affordable rental and ownership housing to help municipalities meet their negotiated Livable Communities Act

(LCA) housing goals. Grant funds cover gap financing costs such as land/property/structure acquisition, demolition, site preparation (such as water, sewer, roads), general construction/structural additions, alterations and rehabilitation, interior and exterior finishing, roofing, electrical, plumbing, heating, and ventilation. Soft costs, such as architect's fees and travel expenses, are ineligible.

DISCUSSION

BUDGET

N/A

RECOMMENDATION

The EDC reviewed the proposed Local Housing Incentive Account Deferred Loan Program and recommended approval as proposed.

ATTACHMENTS

[LHIA Deferred Loan Program 2024](#)