



## The Metro Area Sales and Use Tax

In 2023, the Minnesota Legislature approved new tax revenues to fund the new Local Affordable Housing Aid (LAHA) program and appropriations to fund the new Statewide Affordable Housing Aid (SAHA) program.

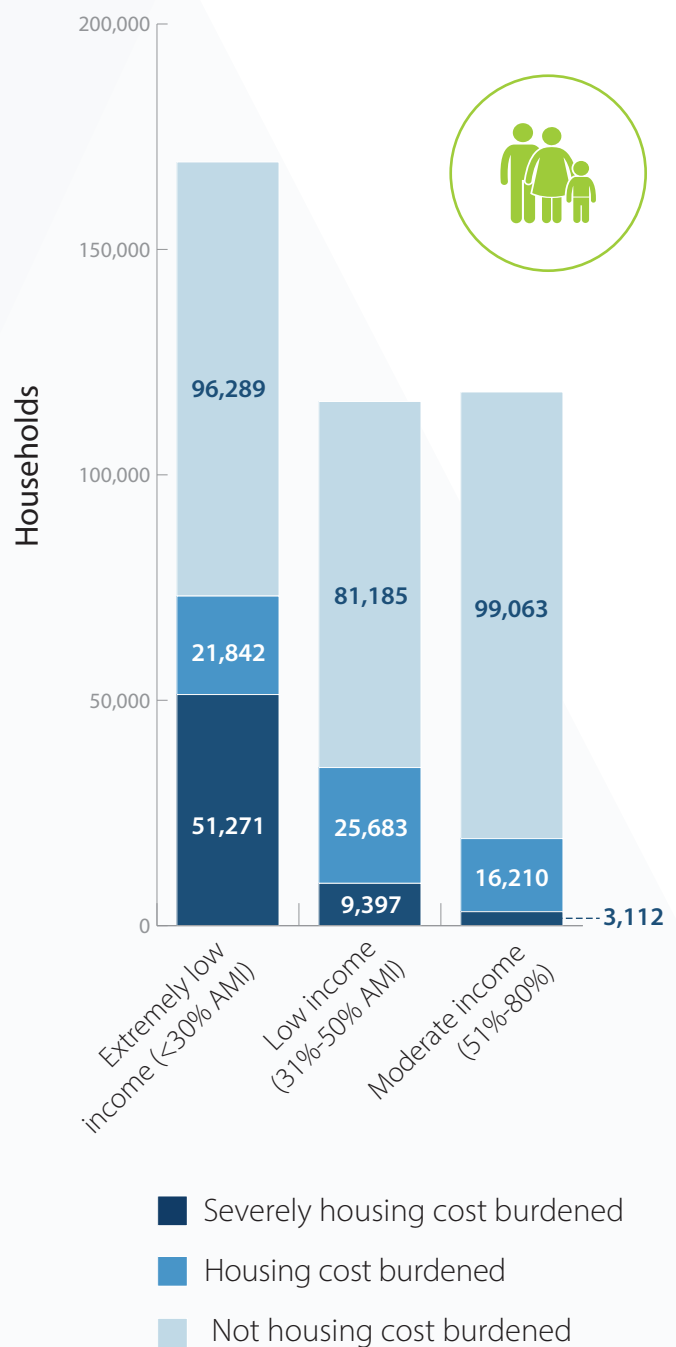
The new funding sources are estimated to generate \$30 million a year for Hennepin County to support affordable housing programs.

## State of housing

We are facing a national and regional housing crisis. The housing shortage and the mismatch between housing costs and incomes impacts our lowest-income, hardest-working families the most.

64,000 households in Hennepin County pay more than half their income toward housing costs, and the vast majority of those households have incomes below 30% of the area median income. These communities have to forgo other basic needs, live in poorer quality housing, and are more likely to experience homelessness.

At the same time, many developer partners are still struggling due to industry-wide rental revenue decreases and operating increases, which takes existing units off-line and curbs the rate of new production.

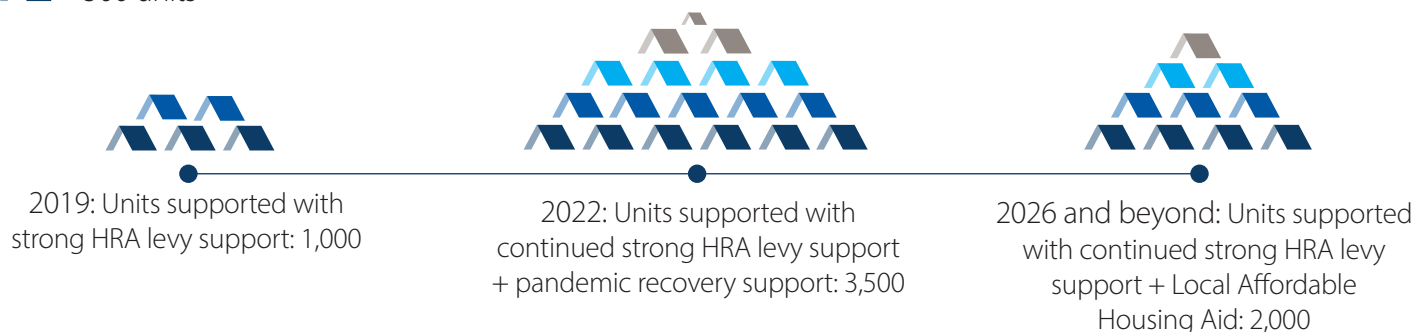


# Hennepin County's Local Affordable Housing Aid strategy

Hennepin County was already a leader in county affordable housing financing before receiving pandemic recovery funding. In 2022, we used the one-time pandemic recovery funds to triple our production, leading to thousands of new affordable housing units, many dedicated to people experiencing homelessness.

With the addition of Local Affordable Housing Aid funding to current HRA levy and federal funding, Hennepin County is poised maintain a steady level of high, sustainable growth—doubling our annual pre-pandemic production numbers starting 2026 and into the future.

 = 500 units



Beginning in 2024, the funding sources will be implemented to support:

## Repair + Grow:

Support to repair and build the capacity of affordable housing owners to develop new housing.

## Affordable homeownership:

Build new homes, improve climate resilience of existing homes.

## Affordable rental housing:

Deferred financing to increase production and expedite preservation

## Supportive housing:

Capitalizing wrap-around services and supports in supportive housing.

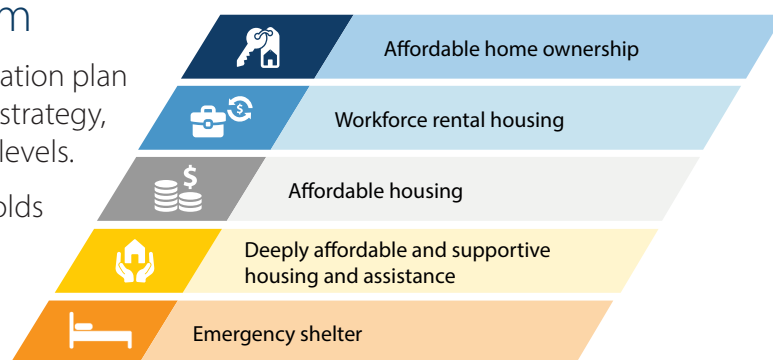
## Emergency rental assistance:

Eviction prevention assistance at Housing Court.

## Support across the housing spectrum

The county's Local Affordable Housing Aid implementation plan complements the county's overall affordable housing strategy, working to develop a range of options across income levels.

We focus our efforts on financing housing for households below 50% of the area median income (AMI), while leveraging other funding to preserve single family homes and reduce disparities in homeownership rates. This is where we can have the biggest impact.



To learn more about the county's planned use of Local Affordable Housing Aid funds, please visit:

[hennepin.us/en/business/work-with-henn-co/metro-area-sales-and-use-tax](https://hennepin.us/en/business/work-with-henn-co/metro-area-sales-and-use-tax)

Julia Welle Ayres,  
Housing Development Director  
[Julia.WelleAyres@hennepin.us](mailto:Julia.WelleAyres@hennepin.us)

