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## Summary of Local Affordable Housing Aid (LAHA) Preliminary Distributions Factors Certified for 2024

The annual appropriation for Local Affordable Housing Aid comes from a sales and use tax imposed within metropolitan counties as defined in [Minnesota Statutes, section 473.121, subdivision 4](#). The counties are Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. These counties and the cities with a population over 10,000 within these counties are eligible to receive aid.

Proceeds from the sales and use tax will be deposited in the Housing Assistance Fund and distributed as follows:

- 25% to the metropolitan city aid account
- 50% to the metropolitan county aid account
- 25% to the state rent assistance account

*Note: The amount distributed to the state rent assistance account is separate from the Local Affordable Housing Aid program and administered by the Minnesota Housing Finance Agency.*

This summary is for the preliminary distributions factors that must be certified by August 1 of the year prior to aid payment. The distribution factors are preliminary because at the time aid is calculated in June 2024, the factors will be updated to use the data available as of May 1, 2024.

Aid amounts will be calculated using the account balances as of June 1, 2024, and posted before the first-half payment is made on July 20, 2024.

### 2023 Law Changes

Local Affordable Housing Aid was created by the 2023 Legislature. The first year it will be paid is 2024.

### Counties

The county distribution factor is the number of households in a county that are cost-burdened divided by the total cost-burdened households in the seven metropolitan counties. A “cost-burdened household” is one in which the gross rent is 30 percent or more of household income or in which homeownership costs are 30 percent or more of household income.

For 2024 preliminary distribution factors, the data used was used the most recent estimates provided by the American Community Survey of the United States Census Bureau as of May 1, 2023. This was the five-year estimate ending in 2021 from Table DP04, Selected Housing Characteristics, as accessed at <https://data.census.gov/table?q=DP04&tid=ACSDP5Y2021.DP04> and then filtering by Geography > County > Minnesota > All Counties in Minnesota. The characteristics used were:

- Selected Monthly Owner Costs as a Percentage of Household Income, Housing Units with a Mortgage, 30.0% to 34.9%
- Selected Monthly Owner Costs as a Percentage of Household Income, Housing Units with a Mortgage, 35.0% or more
- Selected Monthly Owner Costs as a Percentage of Household Income, Housing Units without a Mortgage, 30.0% to 34.9%
- Selected Monthly Owner Costs as a Percentage of Household Income, Housing Units without a mortgage, 35.0% or more
- Gross Rent as a Percentage of Housing Income, Occupied Units Paying Rent, 30.0% to 34.9%

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- Gross Rent as a Percentage of Housing Income, Occupied Units Paying Rent, 35.0% or more%

## Cities

The city distribution factor is the number of households in a city that are cost-burdened divided by the total cost-burdened households in eligible cities. A “cost-burdened household” is one in which the gross rent is 30 percent or more of household income or in which homeownership costs are 30 percent or more of household income.

For 2024 preliminary distribution factors, the data used was the most recent estimates provided by the American Community Survey of the United States Census Bureau as of May 1, 2023. This was the five-year estimate ending in 2021 from Table DP04, Selected Housing Characteristics, as accessed at <https://data.census.gov/table?q=DP04&tid=ACSDP5Y2021.DP04> and then filtering by Geography > Place > Minnesota > All Places in Minnesota. The characteristics used were:

- Selected Monthly Owner Costs as a Percentage of Household Income, Housing Units with a Mortgage, 30.0% to 34.9%
- Selected Monthly Owner Costs as a Percentage of Household Income, Housing Units with a Mortgage, 35.0% or more
- Selected Monthly Owner Costs as a Percentage of Household Income, Housing Units without a Mortgage, 30.0% to 34.9%
- Selected Monthly Owner Costs as a Percentage of Household Income, Housing Units without a mortgage, 35.0% or more
- Gross Rent as a Percentage of Housing Income, Occupied Units Paying Rent, 30.0% to 34.9%
- Gross Rent as a Percentage of Housing Income, Occupied Units Paying Rent, 35.0% or more%