

Eligible and Ineligible Costs for Local Housing Incentives Account (LHIA) Grants

Livable Communities grant funds are intended to cover the hard costs – the “brick and mortar” costs – of the Grant-Funded Activities. Grantees may request reimbursement of costs that meet the terms and conditions of the grant agreement as outlined and defined in the Project Summary.

Eligible Costs for LHIA Grants

- I. Gap financing
 - A. Land acquisition
 - B. Property (structure) acquisition
 - C. Demolition
 - D. Site prep (water, sewer, roads)
 - E. General construction / structural additions or alterations
 - F. Interior or exterior finishing
 - G. Roofing
 - H. Electrical
 - I. Plumbing
 - J. Heating and ventilation

II. Ineligible Costs for LHIA Grants

“Soft costs”— costs not necessary or essential to completing the project activity for which funding was awarded— are not eligible for reimbursement from Livable Communities grant funds. Following are some of the soft costs ineligible for reimbursement. **Please consult with Livable Communities Grant staff regarding questions about costs not listed.**

- A. Administrative overhead: the typical costs of doing business, including administrative staff salaries, project management, project coordination, oversight activity, office equipment, printing, copying, faxing, meetings, mailing, delivery, courier, etc.
- B. Operating expense: day to day expenses, including but not limited to salaries and wages, insurance costs, maintenance contracts, space rental, etc.
- C. Salaries that are a part of the administrative overhead or operating expense.
- D. Architect, developer, legal, city or other fees.
- E. Marketing costs.
- F. Costs associated with master plans or redevelopment plans, design workshops, design standards, market studies, zoning and land use implementation tools.
- G. Leases for trailers or space.
- H. Bonds and insurance: including all forms of bonds and insurance fees.

Ineligible costs

- I. Eminent domain: costs associated with exercising eminent domain authority. (Note: see <http://www.metrocouncil.org/services/livcomm/EminentDomainPolicy.htm> for information regarding restrictions on grants for projects using eminent domain for economic development).
- J. Food and beverage: All costs incurred for food and beverages.
- K. Legal fees: attorney fees, including administrative costs, legal assistance to prepare proposals, requests for proposals, bids, oversight, document review, etc.
- L. Licenses/authorization fees associated with any license or authorization, including costs to hire people with licenses or authorization.
- M. Permits, including but not limited to building permits, construction, redevelopment, equipment use, special use, grading, excavation, etc.
- N. Planning costs, including comprehensive planning costs and all other planning and plan preparation costs.
- O. Travel costs incurred by any employees, project staff, contractors, project managers, and/or consultants traveling to and from the project site or meeting sites, etc.; includes costs such as lodging, parking fees, per diem costs, other allowances, etc.
- P. Pollution cleanup and related expenses.
- Q. Activities prior to the date of the award or after the expiration date of the grant agreement.
- R. Holding costs (utilities, property taxes, property maintenance, interest payments, etc.)