

# Information Item

Committee of the Whole



Meeting date: February 21, 2024

## Topic

2050 Housing Policy Plan Update

<b>District(s), member(s):</b>	ALL
<b>Policy/legal reference:</b>	Minn. Stat. § 473.145 Minn. Stat. § 473.859, subd. 2
<b>Staff prepared/presented:</b>	Hilary Lovelace, Housing Planning Analyst, 651-602-1555 Maia Guerrero-Combs, Senior Planner, 651-602-1060 Olivia Boerschinger, Senior Planner, 651-602-1327 Sarah Berke, Senior Manager, Housing & Livable Communities, 651-602-1198
<b>Division/department:</b>	Community Development / Regional Planning

## Background

The Metropolitan Council is writing the next Regional Development Guide, *Imagine 2050*. The current Regional Development Guide, *Thrive MSP 2040*, along with the Council’s metropolitan system and policy plans, are the governing documents that help guide the orderly growth and development of the region. System and policy plans include the 2040 Regional Parks Policy Plan, the 2040 Transportation Policy Plan, the 2040 Water Resources Policy Plan, and the 2040 Housing Policy Plan.

This presentation will provide information on the items of consensus from the Housing Policy Plan Technical Advisory Group that completed work and met for the last time earlier this month, a draft of Housing Policy Plan Objectives, and a review of our timeline. Following this meeting, Council staff will begin drafting the Housing Policy Plan, with a draft available for public comment prepared in early May alongside other policy areas.

Planned Housing Policy Plan Presentations to Community Development Committee (CDC) and Committee of the Whole are planned for the following dates to seek Commissioners’ and Council Members’ guidance, input, and feedback: March 4 at CDC, Apr 17 at COW, May 6 at CDC.

Minn. Stat. § 473.859, subd. 2(c) requires that a local government’s land use plan include a “housing element containing standards, plans and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low- and moderate-income housing.” Additionally, Minn. Stat. § 473.859, subd. 4(3) requires that land use plans include specific steps “to implement” housing plans and “provide sufficient existing and new housing to meet the local unit’s share of the metropolitan area need for low- and moderate-income housing.”

Completion of the housing policy plan is expected in early 2025, aligned with the timelines for the other components of the 2050 regional development guide.

Minn. Stat. § 473.145 requires that the Council's Regional Development Guide address physical, social, and economic needs of the Region.

### **Housing Policy Plan Technical Advisory Group**

The Technical Advisory Group (TAG) consisted of 21 regularly participating members that met formally for five meetings, with two optional meetings on issues that were of particular interest to TAG members. TAG members were recruited intentionally to be intergenerational and inclusive of different experiences and areas of expertise. We are asked that TAG members that did not regularly work directly with low-income populations that stand to be impacted the most by this plan to join us in a community engagement session last summer. At least six TAG members joined us in a Community Exchange Session to hear directly from residents and help center their experiences in our work. Many TAG members work directly with low-income populations on a regular basis either in their current or previous roles.

### **TAG Membership**

Of the 21 TAG members, 10 were current County and City staff, 5 were developers and consultants, and the balance were made up of non-profit advocates and intermediaries, public housing authorities, Minnesota Housing staff, and Metro Cities.

Staff engaged City Staff of four newly endorsed community designations: Urban, Urban Edge, Suburban, and Suburban Edge. Among the County and City staff, they represented areas within the following Metropolitan Council districts: 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16

Communities designated as Rural Centers, Diversified Residential, have fewer specialized housing staff available to participate in TAG. To reach these important partners for comment, Council staff plan to meet them in their communities for individual discussions. Many communities in Rural Community Designations do not have an affordable housing Need allocation, based on growth projections and development plans, either because they do not have sewer-serviced household growth or any household growth, and will be engaged on an as needed basis or requested basis.

### **TAG Meetings and Focuses**

The TAG held 5 required meetings and 2 optional meetings held in early January and February:

- October: Kick Off
- November: Identifying Issues and Opportunities for Resilience
- December: Affordability Limits
- Early January: Optional Meeting on Regional Partnerships
- January: Need Calculations
- Early February: Optional Meeting on Anti-Displacement
- February: Housing Consistency for Local 2050 Plans

During the November Meeting, the TAG thought creatively about what the Housing Policy Plan should be able to respond to as a decade goes on after plan adoption. They identified two main areas of current interest that became optional meetings later: Regional Partnerships and Anti-Displacement. The optional meetings had just a portion of the TAG in attendance, about five to ten members at each. In those meetings, Council staff provided a short presentation of what the Council has done previously or is working on currently related to these topics, and then held a more open discussion to gather feedback from TAG members.

In the October Council meeting, Council staff went over the basics of the three largest areas of housing policy that we currently have, which were also the topics of the last three required meetings: affordability limits, allocation of affordable housing need, and housing consistency for local comprehensive plans.

### ***Affordability Limits***

In the past, the Affordability Limits the Council has used in setting policy, tracking development, and funding awards have been based on the standard Minnesota Housing calculates for LIHTC on an annual basis. In Thrive, there was a shift from only considering 60% Area Median Income (AMI) to considering bands of affordability at and below 30%, 50%, and 80% AMI. In October 2022, Housing staff shared this general idea with CDC and received support to explore an Affordability Standard that better reflects the realities of low- and moderate-income households in our region.

### ***Allocation of Affordable Housing Need***

As stated in Minn. Stat. § 473.859, subd. 2(c), local governments must address in their local comprehensive plans their response to future regional needs for housing. The Council calculates an affordable housing need allocation for each city and township with sewer-serviced household growth in the first decade of each regional development guide. The history of calculating regional housing need at the Metropolitan Council actually predates the Metropolitan Land Planning Act, though adjusting the formula and allocating at the local jurisdiction level came later.

### ***Housing Consistency for Local Comprehensive Plans***

As stated in Minn. Stat. § 473.859, subd. 2(c), local governments must including a housing element in their comprehensive plans. The Council may set standards for being consistent with regional housing policy, ranging from guiding enough land to support the development of their allocation of regional affordable housing need, to what programs and policies they will use to meet their local housing needs. Research of affordable housing development in the region suggests that mixed use land uses are frequently used to build affordable housing, and affordable housing is frequently developed at much higher densities than the minimum densities set in policy.

### **Items of Consensus**

At the last TAG meeting, we asked TAG members to vote on policy and direction items and tweaked them to achieve consensus. We offered some statements ahead of time, building on discussions in previous meetings, and others were generated during the last meeting collaboratively between Staff and TAG members.

The statements that received support from all members are as follows, with several identified with an asterisk (\*) as something to be confirmed with broader City Staff engagement in the future:

- Provide localized median incomes, do not use for Consistency
- Continued policy and funding priority on deeply affordable (30% AMI) (top 5 priority)
- Policy goal: Wealth-building opportunities for low-income households, with a focus on ending racial disparities, acknowledging a majority of renter household of color fall into the 40-80% AMI range, should be emphasized (ownership and shared ownership focus) share this goal with other policy plans
- Rental and Ownership Need Numbers Distinct (offered, not used for consistency, and sent separate from the system statement “supplemental housing data”)
- Differentiate what can be land use and market driven vs a policy goal that is supported by government funding/intervention
- Everyone in the metro should have housing that is stable and affordable (30% of income) to them
- Consider housing infrastructure as part of inter-connected system people need to thrive in our region (jobs, education, daycare, health, transportation, food, mental health, supportive services, ect)
- Explore the use of midpoint densities for tracking local community consistency in the 2031-40 decade\*
- Create an alternate measure of affordability for a white paper, but keep HUD as standard for funding to better reflect the reality of residents in the region. (25% of income)
- Be very clear about any alternate measures of affordability, why, when it is used, and publicized in a way not to confuse everyone.



- The Metropolitan Council focusing on their own investments for anti-displacement policy is a good first step, follow up with best practices for local level investments

## Draft Housing Policy Plan Objectives

Below, draft Objectives are listed along with more text to describe it. Council staff have drafted these objectives to contain discrete areas of work the Council can Provide, Plan, and Partner with other organizations to achieve, but wording and phrasing is only in the draft stage. Staff created these Draft Objectives with recent community engagement, Council Member comments in public meetings and the Housing Work Group, TAG direction, and the Equity Framework in mind.

**CULTURAL CONNECTION & WELL-BEING:** Everyone has access to homes, not just housing  
Increase the ability for residents to keep their homes, amenities, health and/or sense of belonging in a neighborhood.

**EQUITY:** Repair historic and ongoing injustice in regional housing outcomes.

Limit the effects of historical injustices through reparative and community-centered action, and limit future disparities by shifting current policies to protect communities whose disparities are largest.

**ENVIRONMENT:** Housing in our region is resilient to climate change impacts and furthers environmental justice.

Support the development and maintenance of homes to be resilient for a climate sensitive future, especially for those who have historically and will continue to be overburdened and disproportionately impacted by emissions and climate change impacts.

**OPTIONS TO OWN OR RENT:** Rental and ownership options are available to all households regardless of income.

Support and incentivize development, preservation, and maintenance of affordable housing units, of all types and tenure (rental, shared equity, and ownership), that reflect the true cost-burden experienced by residents.

**DECENCY:** Affordable housing is high standard and maintained, safe and accessible for all residents.

Support and incentivize development, preservation, and maintenance of affordable units of all types that provide residents a safe, dignified, and healthy place to live. Assist and prevent loss of affordable housing that reaches the end of the affordability requirements. Support the development of more accessible units and universal design.

**FAIR HOUSING AND GEOGRAPHIC CHOICE:** People regardless of ability, age, financial status, race, and family size, can live in a community they choose.

Develop policy, provide resources and funding, and support local, regional, and state initiatives that increase the ability for households to choose where to live in the region regardless of ability, age, financial status, race, or family size.

**STABILITY:** Safe, affordable, and dignified places to live are available to everyone, especially those experiencing housing insecurity and homelessness.

Develop and support local, regional, and state policy that makes it less likely for residents in the region to experience housing instability and homelessness, with focused support for people who are experiencing homelessness and housing insecurity currently.

