

Thrive MSP 2040 Policy Discussion Outline

Affordable Housing Policy

Scope, geography, and authority of the discussion

The Council is charged with planning for the orderly and economical development of the region, and housing is an integral component interconnecting with Council-operated systems. Since the Council's first development guide in 1968, the regional plans have continued a theme of promoting access to safe, suitable, and affordable housing options throughout the region.

The Metropolitan Land Planning Act drives local comprehensive planning requirements. Local comprehensive plans are required to include a housing element that acknowledges the community's share of affordable housing needs along with programs and official controls to meet those needs. The Council has historically determined the overall affordable housing need for the region, prepared an allocation plan to distribute the needs among the communities, and density guidance to help ensure that sufficient land is available to meet the housing need. To qualify for [Livable Communities funding](#), local governments must separately negotiate affordable housing goals with the Council and adopt housing implementation plans.

Thrive MSP 2040 and the upcoming Thrive Housing Policy Plan will

- set the Council's housing policy direction;
- identify regional needs and priorities; connect housing to the other system plans;
- incorporate recommendations from the Fair Housing and Equity Assessment; and
- help inform and provide guidance for local housing planning.

Today's issues are connected to past and future *Thrive* discussions on:

- Fair Housing and Equity Assessment (FHEA);
- Transportation Policy (Highway, Transit and Bicycle / Pedestrian);
- Wastewater Policy; and
- Economic competitiveness.

Existing policy direction

Policy 3 of the [Regional Development Framework](#) states, "Encourage expanded choices in housing location and types, and improved access to jobs and opportunities." The Framework further identifies three strategies:

- Work to ensure an adequate supply of serviced, developable land to meet regional needs and respond to demographic trends.
- Work with regional partners to increase housing options that meet changing market preferences.
- Support the production and preservation of lifecycle and affordable housing with links to jobs, services and amenities accessible by auto, transit, biking and walking.

The Framework also states that, "For its part, the Council will use its programs and resources—including negotiated housing goals, planning and technical assistance, regional investments, and incentive programs—to encourage communities to provide for a diversity of housing types and costs."

Emerging tensions

Despite the collapse of the housing bubble, the region's affordable housing need continues to outpace the supply of affordable housing. In 2011, the region added just [1,154](#) new affordable units. This compares to 131,000 households paying more than half their income on housing per the Census. The number of people experiencing [homelessness](#) has increased, and historically [low vacancy rates](#) place further pressure on housing cost and availability. Funding sources do not meet affordable housing demand, and many are shrinking, such as the federal HOME, Community Development Block Grant (CDBG) and Section 8 funding streams.

As part of the last comprehensive planning cycle, the Council, working with state agency, local government and advocacy partners, developed the [Allocation of Affordable Housing Need](#) that defined each jurisdiction's fair share of new affordable housing for the 2011-2020 decade on the basis of:

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- a proportion of each city's expected household growth,
- adjusted upward for transit access,
- adjusted upward for proximity to low-wage jobs, and
- adjusted downward for the city's existing supply of affordable housing.

Since its adoption in 2006, the [Allocation](#) has been a shared point of tension.

The [Fair Housing and Equity Assessment](#) has brought increased focus to residential segregation and the role that the distribution of affordable housing plays in access to opportunity.

Questions for Discussion

- A. Housing investment factors.** Should the Council's policies for affordable housing consider specific targets or priorities or should the Council focus on affordable housing in general? Potential priorities, implemented through policies such as the allocation of affordable housing need for local jurisdictions, might balance:
- Housing preservation vs. new construction;
 - Rental vs. home ownership;
 - Household type (e.g., households with extremely low incomes; people who are homeless; seniors; people with disabilities, et al.).
- B. Housing location.** There are competing demands on where to prioritize scarce affordable housing resources, and the Council's [Allocation of Affordable Housing Need](#) helps define the region's investment priorities. What priorities should be balanced in the development of the allocation and in setting the Council's own investment priorities?
- Promoting income diversity by incenting new market-rate housing while preserving existing affordable housing in Racially Concentrated Areas of Poverty (RCAPs);
 - Preserving existing affordable housing in developed areas and encouraging new affordable housing construction primarily in developing suburban areas;
 - Strengthening the alignment between affordable housing investment (both new and preservation) and access to transit:
 - equally across the region;
 - only in racially-integrated areas; OR
 - in racially-integrated areas and racially-segregated areas at risk of gentrification.
 - Encouraging corridor-wide approaches to affordable housing;
 - Other factors such as proximity to jobs or high-performing schools.
- C. Use of housing performance scores.** The Council annually calculates a [housing performance score](#) for each community based on new and existing affordable housing and local programs that promote new housing options (i.e., local subsidies, fee waivers, zoning flexibility). The score is one of the tools used to select projects for Livable Communities funding. Should housing performance scores be a considered in other non-housing discretionary funding decisions such as transportation investments?
- D. Role of the Metropolitan Council.** The Council has limited funding resources to help local communities implement their housing plans. What other role(s) should the Council consider playing to support regional housing planning and goals?
- Continue the partnership with Minnesota Housing and the Family Housing Fund in the collaborative funding of affordable housing;
 - Provide additional educational materials and guidance to local communities to maximize the effectiveness of the housing element and implementation plan of their comprehensive plan;
 - Offer technical assistance to communities that are reviewing or undertaking housing development projects (e.g., site selection, funding options, design recommendations);
 - Fund research and testing related to fair housing, discriminatory lending practices, real estate steering, or mobility counseling;
 - Convene or lead a regional or subregional housing group(s) to help facilitate and promote equitable housing development.