

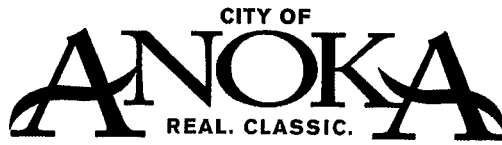


October 1, 2014

Comments on the Housing Policy Plan were received from the following cities/townships/local entities:

Anoka
Apple Valley
Belle Plaine
Brooklyn Center
Brooklyn Park
Burnsville
Crystal
Dayton
Eagan
Elko New Market
Fridley
Hampton
Minneapolis
Newport
North Oaks
Orono

Plymouth
Prior Lake
Ramsey
Richfield
Robbinsdale
Rogers
Rosemount
Roseville
Saint Paul
Shakopee
Shoreview
St. Louis Park
St. Mary's Point
Victoria
Woodbury



September 19th, 2014

Metropolitan Council
Attn: Housing Policy Plan Comments
390 Robert Street North
St. Paul, MN 55101-1805

RE: Draft Housing Policy Plan

Dear Metropolitan Council Members and Staff,

Thank you for giving us the opportunity to review and comment on the region's proposed Housing Policy Plan. Below are the comments from City of Anoka Staff based on what we have determined to be of some concern to our City and its citizens.

- The City of Anoka would like to confirm that the proposed policies found within this document are voluntary policies and not mandates passed down to local governments.
- The addition of an Executive Summary would assist in framing the issues better.
- Comprehensive Plans seem to get mentioned frequently. Is this reflective of the Met Council's desire to hold cities more accountable to what is stated in their comprehensive plans? If so, we would fully support that, but feel that this should be transparent and gradual, rather than immediate.
- The plan is set to be adopted before the need allocation and scoring methodology is determined, therefore it seems the process for considering the plan is not fully transparent.
- If based solely on areas of concentrated poverty and racially concentrated areas of poverty, we have some concern that funding for transportation and housing projects will only go to the urban core first leaving diminished funding for outer ring suburbs.
- There should be recognition for affordable housing projects that the City has already completed and continues to maintain. Considering the LCA objectives of re/development that mixes incomes and creates a full range of housing a scoring mechanism could give the highest number of points to both a project that adds market rate and/or higher cost housing in a low income area and a project that adds affordable units in a higher income area. Conversely, the lowest number of points would be awarded to a project that adds additional affordable housing in an area with an existing concentration of affordable housing and a project that adds market rate housing in an area with an existing concentration of market rate housing.
- The Met Council's role is explained on Page 15, however it isn't clear what role local government will play in housing.

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763-576-2700



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- The current housing performance score emphasizes efforts related to the construction of new affordable housing units. Developed areas should get credit for protecting existing affordable housing stock.

Thank you for considering our comments in regards to the proposed Housing Policy Plan. City of Anoka staff would be pleased to participate in any future discussions about changes to the Housing Policy Plan. Feel free to call me at (763) 576-2724 or email me at dberger@ci.anoka.mn.us if you have any questions or concerns.

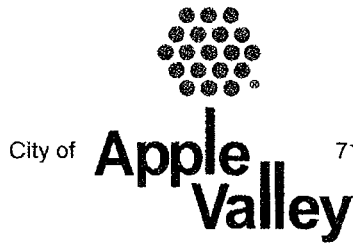
Sincerely,

A handwritten signature in black ink, reading "Darin J. Berger". The signature is fluid and cursive, with a long horizontal stroke at the end.

Darin Berger

Housing Manager

City of Anoka Housing and Redevelopment Authority



7100 147th Street W
Apple Valley, MN 55124-9016

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September 26, 2014

Ms. Susan Haigh, Chair
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101

Subject: Comments concerning the draft Thrive MSP 2040 Housing Policy Plan

Dear Ms. Haigh:

The Mayor and City Council for the City of Apple Valley provide the following feedback to the referenced draft and shares the same objective: thriving livable communities.

- 1) The City supports building and sustaining neighborhoods and communities that do not create areas of concentration of poverty.
- 2) The Housing Policy Plan overstates the priority need and understates the growing trend of poverty in the suburbs (pages 1-13)
 - a) Priority affordable housing need continues to be based on the paradigm of 30% of gross income toward housing. Resources are insufficient to address this much attention and resources on a broad general cost burden, a burden all of us may have experienced at one time in the past.
 - b) The real, severe cost burden is households that pay more than 50 percent of income on housing costs and where limited resources must be prioritized. Data still reports a large need but is a better focus for the Region.
 - c) Racially Concentrated Areas of Poverty (RCAP) are the primary focus in the Plan and where severe cost burden exists. Program and resource allocation cannot be primarily a capital intensive building of new affordable units in suburban locations. New areas of concentration must be avoided. Multiple layers of financing and resources required for affordable housing are insufficient to achieve what is mandated.
 - d) "Confronting Suburban Poverty in America", a book released in 2013 by the Brookings Institution, states that "Suburbia is now home to the largest and fastest growing poor population in the country and more than half of the metropolitan poor". The Plan is silent on this trend.

- e) In Apple Valley (according to the American Community Survey, 2012): 11 percent of the population is below the 150% of poverty level and 20 percent of the population is non-white. The 2010 Census notes increasing diversity in all elementary schools with the high achieving Cedar Park Elementary, with a STEM curriculum, having a 53% minority enrollment.
 - f) A public policy opportunity is being missed “to provide all families with access (emphasis added) to communities, whether in cities or suburbs, that offer a high quality of life and solid platform for upward mobility over time” (page 12, “Confronting Suburban Poverty”). This is already occurring in Apple Valley.
- 3) Mobility – transportation and transit – is the immediate and underserved need within the RCAP areas and provides access.
- a) Encourage mobility solutions for areas of concentration that improve access to places to work, live, and learn.
 - b) “Housing plays a key role in economic competitiveness by providing homes for the workforce”. (page 25 of the Plan) Yet, in Apple Valley, transportation and transit mobility supports the workforce that works in the downtown but workers may not need to housed here.
 - c) Remove policy impediments that counter a mobility solution. A policy position of “improvements to impoverished neighborhoods, such as transit investments, may inflate the cost of housing and displace residents” (page 30), is counter productive. Gentrification can be managed in RCAP areas.
 - d) “Making programs against poverty means crafting policies and programs that connect residents to the kinds of educational, job and housing opportunities that can help then better their economic situation” (page 10, Confronting Suburban Poverty). Apple Valley supports the connection; through improved mobility in RCAP areas.
- 4) In establishing community housing goals, respond to the marketplace demand (not just needs) for affordable housing as just one of many housing market segments that make up a Suburban livable community (source: Maxfield Research for the Dakota County CDA, 2013)
- In Apple Valley:
- Affordable Rental; 2010 to 2020; 238 units
 - Affordable Rental; 2020 to 2030; 270 units
 - Senior affordable; 2010 to 2020; 107 units
 - Senior affordable; 2020 to 2030; 280 units
- 895
- Fair share allocation negotiations need to start here.
- 5) Remove comments from the Plan that suggest there would be more affordable housing available if higher income individuals were not residing in it (page 8).
 - 6) Apple Valley supports the “Suburban” community designation if the uniqueness is fully recognized. Much effort is made in the Plan to establish “Urban” and “Urban Center” housing needs followed by housing solutions (page 23) in suburban transit areas. A focus only on

housing in transit areas fails to recognize the need for commercial uses that serve that housing and may cause new areas of concentration which everyone wants to avoid.

- 7) Apple Valley is opposed to an allocation of housing need adjustment factors (page 51). The equity policies must recognize fair share as fair share.
- 8) The Red Line was built to serve existing affordable and fully developed neighborhoods within ½ mile of the transit stations. To require more affordable housing near transit risks developing new areas of concentration. (page 51)
- 9) The Metropolitan Council, at page 57, explores developing affordable housing Sewer Availability Credits (SAC). Small business development would also benefit from this credit.
- 10) At the core of the Housing Policy Plan is laying the ground work for the 2040 Housing Element of the Comprehensive Plan. (page 52-67)
 - a) The City welcomes the general technical assistance provided by the Metropolitan Council but considers the City the technical expert in all development.
 - b) Determining housing need for suburban communities such as Apple Valley without addressing both 1) mobility solutions in RCAP areas and 2) targeting the need to severe cost burdened households, is not a fair share allocation formula.
 - c) Any housing development in transit locations requires sufficient financial resources and private property owner cooperation which may or may not exist.
 - d) Affordable interest rates in the marketplace have not be fully considered as addressing a portion of the need in the Plan.
 - e) Inclusionary housing requirements should be local initiatives for including more affordable housing in developments, not part of a mandatory regional housing strategy.
 - f) A housing element in the Comprehensive Plan is good planning. However, housing is not a system within the Region and subject to intended requirements of the Plan.
- 11) The Plan is silent and should fully credit the housing assistance program services of Dakota County CDA, St. Paul, Minneapolis, Washington and Scott County HRA as addressing severe cost burden needs.
- 12) Head of household jobs planned for Apple Valley, a growth of almost 10,000 jobs by 2040, is a viable solution to meeting household affordable housing needs.
- 13) The City wants to draw attention to and support the comments submitted by Metro Cities, which were reviewed in draft form and are attached.
- 14) The City wants to draw attention to and support the comments submitted by the Dakota County CDA, our County housing agency, which were reviewed in draft form. The County also recognizes that resources will never be sufficient to address the large need identified.

Apple Valley will:

- Continue to be a partner and collaborator with the Metropolitan Council
- Accept the land use designation "suburban"
- Manage storm water and local street replacement thoughtfully
- Pursue compact, mixed use, suburban intensive development
- Thrive as a place to live, work, learn, shop and recreate
- Sustain park and trail assets and be walkable and bikeable
- Negotiate lifecycle and affordable housing goals based on a balance in all choices and encouraging multi-unit market rate housing with some affordability

Please consider, respond and address, these items as work continues on the Thrive MSP 2040 Housing Policy Plan.

Sincerely,

CITY OF APPLE VALLEY

A handwritten signature in black ink, appearing to read "Bruce Nordquist", written in a cursive style.

Bruce Nordquist
Community Development Director

cc: Mayor and City Council
City Administrator

Housing Policy Plan Draft- Areas of Concern/Support

Metro Cities' staff identified the following areas of interest, concern, and support in the Met Council's Housing Policy Plan Draft and discussed these items with the subgroup of the full committee last week. Metro Cities' staff is in the process of preparing formal comments to the Council, and will discuss these identified areas of support and concern in the HPP with the Committee on Friday.

Areas of Support:

- Plan and its policy goals aim to be comprehensive and identify the varied housing needs in the region
- Increased technical assistance from Metropolitan Council for planning, development examples and housing preservation tools (subgroup members expressed concern about Met Council's capacity/resources for assistance, and want to ensure that local information/input is taken into account)
- Sharing of best practices, including the ULI Minnesota Toolbox.
- Notes role for the Council as a convener, supporting regional and sub-regional dialogues on topics like best practices and innovative policies. (p. 60/1)
- Housing's link/relationship with economic development and transit
- Document makes note of barriers to affordable housing production such as a lack of resources.

Concerns:

- Document lacks an executive summary that would add clarity and focus of purpose to the document. The document should be more specific on goals, sets of definitions, et al. Statements relating to the need for a regional housing policy plan should be part of the summary, rather than embedded further along in the document.
- Document notes throughout "Met Council roles" and "local government roles." The document would benefit from general information on government roles that would provide frames of reference. A clear distinction should also be made between mandated roles and suggested roles throughout the document.
- Numerous references to city comprehensive plan elements, in several areas noting potential additions/encouragements. Would these be potential mandates? What are the benefits or implications of adding elements? Metro Cities policies support streamlining the comp plan process; numerous additional elements add complexity. Further analysis on the need for adding elements is necessary.

- The document lacks a thorough analysis of available resources and the need for additional resources. SAC waivers/credit flexibility, and funding the Inclusionary Housing Account are mentioned as possible resources. Metro Cities opposes the use of SAC to fund specific Council objectives. This is a key consideration for the plan that significantly informs the discussion of housing, and thus deserves note. The document is aspirational and intended to be comprehensive; an analysis of resources must also be comprehensive.
- Support the location of affordable housing in residential and mixed-use neighborhoods throughout a city, however, Metro Cities does not support passage of a mandatory inclusionary housing policy or requirement.
- Defined roles and responsibilities. Cities are responsible for much of the ground-level housing policy in Minnesota. The Council, the state and federal governments, developers, and nonprofit entities, also have important roles that should be clearly defined.
- Flexibility and local control. The plan should clearly state that tools and policies in support of affordable housing are not universal; some may work in some cities and not others. The need for regional balance in funding in support of affordable housing preservation and creation should be included in the plan. The plan should not be overly granular, but must acknowledge local characteristics, needs and capacities.

Housing Performance Scores

Support:

- Recognition of tools in support of affordable housing, including preservation
- Density bonuses
- Recognition of city activity in support of affordable housing.
- Keeping a housing diversity category.

Concerns:

- Active marketing of HPS scores.
- Over-focus on local fiscal tools – subsidies, cash, rental assistance (not every city has these resources)
- Expanded use of HPS in other Council funding decisions (Regional Solicitation, others to be determined)

Allocation of Affordable Housing Need

Support:

- In determining the methodology for the need allocation, the Council will continue to use adjustments (proxy to transit, jobs, existing housing stock, etc.)

- The model proposes to use adjusted income levels (80% AML, 60%, et al).

Concerns:

- The review of the allocation was done on an expedited basis, with significant and often dense information not provided before meetings. At this point the work remains incomplete, and will be incorporated as such in the plan, therefore, any plan implications on the need numbers, or vice versa, are difficult to determine. Housing policy subgroup members noted that tying the numbers too closely to transit may be problematic in terms of asking cities to conform to specific ideas/models.
- While the allocation subgroup came to some consensus on specific factors for inclusion in the methodology, the group was not provided with the outcomes (numbers for each city) of the proposed methodology, and therefore, not able to determine any large swings in numbers, unintended consequences, et al. These numbers will not be released until 2015. Metro Cities cannot comment on the methodology until the analysis is complete, and the outcomes of the analysis are determined and provided.



Dakota County
Community Development
Agency

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www.dakotacda.org

September 24, 2014

Susan Haigh, Chair
Metropolitan Council
390 Robert Street North
Saint Paul, MN 55101

Re: Housing Policy Plan Comments

Dear Chair Haigh:

Dakota County Community Development Agency (CDA) appreciates the opportunity to comment on Metropolitan Council's Housing Policy Plan draft.

The stated purpose of the plan—to *create housing options that give people in all life stages and of all economic means viable choices for safe, stable and affordable homes* - reflects the work of the CDA.

The Board of Commissioners is proud of the CDA's accomplishments and believes our experiences in the provision of quality housing services in Dakota County provide a good background to influence regional housing policy. Given the significance of the draft Plan and its proposed policy changes, the Dakota County CDA Board of Commissioners is providing, in the attached pages, our concerns and comments.

If you have any questions about our comments or would like clarification, please contact Mark Ulfers (651-675-4432) at mulfers@dakotacda.state.mn.us.

Sincerely,



Thomas A. Egan, Chair
Dakota County CDA Board of Commissioners

cc: Mark Ulfers, Executive Director
Brandt Richardson, Dakota County Manager

Attachments

Dakota County Community Development Agency (CDA)/Dakota County Comments on Metropolitan Council's Housing Policy Plan

General Comments:

Prior to commenting on specific sections of the draft plan, we wish to provide some general comments regarding the plan and its foundation:

1. The amount of time allowed is insufficient to adequately review and provide thoughtful and meaningful input on this comprehensive policy document. The CDA/Dakota County encourages the Metropolitan Council to slow the process and open a dialogue with key stakeholders. The CDA is among the largest and most successful housing agencies in the State of Minnesota, and yet our input on the development of this document was not requested. In addition, given the timeline to review and comment, it seems that the input we can offer at this time through the public review period, will have limited impact on the final document.
2. The CDA/Dakota County supports housing choice. In general, the policy changes reflected in this document are too heavily influenced by the Metropolitan Council's over-arching belief that affordable housing must be adjacent to transit services. This approach to future development of affordable housing ignores the many successful and highly desirable housing projects in suburban areas that do not have access to transit services. A one-size-fits-all approach to this issue will effectively eliminate new housing options and choices for those who choose to live in areas that offer other important characteristics than access to transit.
3. The CDA/Dakota County strongly disagrees with the Housing Policy Plan's position on Transit Oriented Development (TOD). For example, in Lakeville, the CDA has developed four workforce housing developments totaling 139 units that are near commercial and industrial areas with access to jobs, high performing schools, low poverty rates, safe parks, recreational opportunities and many other amenities, goods and services. And yet none of these units is within a ½ mile of transit services. There is a waitlist of more than 500 families for these units.
4. The imposition of the draft plan policies will have the effect of adding affordable housing in existing concentrated areas within the urban core and inner-ring suburbs. There are very few sites in Dakota County served by high-frequency routes or transit stations, which will further exacerbate the concentration of poverty and limit housing choice.

5. The draft plan is virtually silent on the need for affordable housing for the growing senior population. Additional thoughtful research and dialogue should be prioritized by the Metropolitan Council to address this growing and unmet need in the region..
6. The allocation of Affordable Housing Need and Housing Performance Scores should be detailed and updated in conjunction with the Housing Policy Plan. Given the use of such scores in evaluating other areas of funding such as in the Regional Solicitation for transportation funding, it is critical that cities and counties understand this methodology and have an opportunity to comment on the allocation of need and housing performance scores.

Part I—Housing for a Growing, Thriving Region

- **Choice, Place and Opportunity**

- Communities should strive to address a broad continuum of housing options at all ages of life and incomes. Affordable housing should be placed in areas without a concentration of poverty. Desirable characteristics of affordable housing locations should include those with access to high performing schools, close proximity to jobs and goods and services. Creating connected environments that allow for multiple transportation options should be considered an important amenity, but not a threshold requirement for workforce affordable housing.

Part II—Outcomes: Using our housing resources wisely to create a prosperous, equitable, and livable region for today and generations to come

- **Stewardship**

Manage, maintain and preserve the region's existing housing stock and housing choices.

- Preservation of existing housing stock, particularly existing publically subsidized housing and addressing deferred maintenance to protect affordable units, are extremely important. The CDA/Dakota County welcomes the opportunity to work with the Metropolitan Council, cities, and other partners to identify priorities for preserving affordable housing, securing resources, developing methods to monitor potential opt-outs and working together to rehabilitate and preserve existing affordable housing.

The CDA/Dakota County support emphasizing the importance of a strong local role in securing continued participation of subsidy programs, marketing the Section 8 Housing Choice Voucher program to local landlords, providing program information when issuing rental licenses and/or conducting property inspections, and preserving affordable housing by engaging property owners.

Address how "naturally occurring" or unsubsidized affordable housing meets the region's housing needs.

- We agree with the need to preserve and reinvest in "naturally occurring" or "unsubsidized affordable housing". However, Metropolitan Council should acknowledge that additional funding sources are needed to address this need. Focus should be placed on efforts to assist with a change in ownership and/or management of these developments/units, so that the owners who have failed to maintain their properties are not unduly rewarded for their disinvestment.

In addition, instead of the Council creating the opportunity for the right of first refusal or the right of first offer for housing partners, it is suggested that a better role for the Metropolitan Council would be to develop a central repository of "for sale" properties that housing partners could utilize when seeking available affordable housing opportunities.

- Prosperity

Plan for a range of options to house the workforce and enhance regional competitiveness.

- The Plan references a local role in providing resources for housing construction or rehabilitation either directly or through funding programs such as Community Development Block Grants. The CDBG Program and other federal funding sources such as HOME should not be given much emphasis, as funding is at historic lows.

- Equity

Expand the supply of housing options accessible to people with disabilities.

- The Metropolitan Council should strengthen its role beyond encouraging universal design in projects funded through Livable Communities Act. There is a large need for affordable housing for persons with all types of disabilities, including mental

health and development disabilities, as well a shortage of physically accessible affordable housing. We encourage the Council to emphasize the importance of local governments in creating additional units to meet these needs and to provide housing choices for persons with disabilities. Private developers have not always freely identified the needs for housing choice and integrated settings for persons with disabilities.

Of critical importance to this area, that we have just started reviewing is the implications of the 2013 Minnesota Olmstead Plan with the State and it is premature, at this time, to know the impacts of the plan. Although much is yet to be determined on the Olmstead implementation, cities will be integral to increasing housing options that promote choice and access to integrated settings. Cities will need assistance in addressing new issues relating to and resulting from the implementation of the Olmstead requirements. The Metropolitan Council should be a partner with the Department of Human Services, counties and cities in working through those changes and impacts resulting from the implementation of the Olmstead requirements. The CDA/Dakota County welcomes the opportunity to work proactively with cities and providers to identify and build resources to meet these needs.

- **Livability**

Plan housing choices for the growing senior population.

- Despite the significant projected increase in the senior population between 2010 and 2040, the plan does not recommend increasing funding for the development of affordable senior housing. Since there is no State funding for the production of affordable senior housing, the Metropolitan Council's plan should emphasize the need for and work with affordable housing partners to develop legislation creating a program and dedicated funding source to create opportunities for affordable senior housing development.

Part III—Council Policies and Roles to Expand Viable Housing Options

- Allocation of Affordable Housing Need (the need), Livable Communities Act Affordable and Lifecycle Housing Goals (the goal) and Housing Performance Scores (the score).

Threshold of Housing Affordability.

- Clarification is requested on the effects of the proposed changes to the allocation of affordable housing and movement to an upper threshold of 80% of AMI. The move to a three band allocation could be a positive move toward acknowledging housing needs across a continuum of income and will better show the need for affordable housing for lower income households (30% AMI).
- In measuring a city's progress, the Council should consider that there are very few housing programs that can meet the needs of households between 0-30% AMI. Additionally, cities lack funding resources to incent the development of affordable housing. The Metropolitan Council can encourage cities to not only approve developments with units affordable to low income households, but also provide incentives to cities for removing barriers to the development of affordable housing.

Adjustment Factors.

- Proximity to transit: Although recognizing the importance of transit to low income households is critical, limiting the funding of new affordable housing to sites within ½ mile of a transit station negatively affects areas outside the urban core that do not have a highly developed transit system, and will further increase income disparities and the geographic concentration of poverty in the suburbs. This approach will severely limit the number of affordable housing sites in locations outside the urban core where transit options are limited but where employment, education and other opportunities exist. It will also restrict a community's ability to improve its Housing Performance Score and provide housing choice.
- Existing affordable housing: The CDA/Dakota County are supportive of placing new housing where affordable housing is scarce as an effective method to provide housing choice and integrate all income levels.

Housing Performance Scores.

- In addition to those areas already identified in the Plan, we recommend that the Framework for developing new Housing Performance Scores take into consideration:
 - Preservation and substantial rehabilitation of existing affordable housing
 - Acquisition of sites for future affordable housing developments (land banking)

- Use of tax forfeiture to acquire affordable housing sites
 - Brownfield clean up, redevelopment preparation for area that includes planned affordable housing units.
 - When providing "credit" for the purchase of affordable homes, the applicable purchase price should be adjusted by bedroom size.
 - Communities who host and support developments serving special needs, large families and homeless should receive bonus points.
 - Communities should receive points for efforts to expand landlord participation in the Section 8 Housing Choice Voucher Program.
- Changes in the criteria for determining Housing Performance Scores needs to be detailed, updated and provided for review and comment in conjunction with the Housing Policy Plan; especially given the use of such scores in evaluating other areas of funding such as in the Regional Solicitation for transportation funding.
- Council as a Funder of Housing

The Livable Communities Act.

- The CDA/Dakota County strongly encourages the allocation of more resources to the Local Housing Incentives Account. This program is funded at about \$1.5 million per year, making it by far the smallest of LCA programs. Given the need for "gap" funding resources, funding for this program needs to be increased substantially.

Leveraging other funding streams.

- Sewer Availability Charge (SAC): The SAC Credit should not be limited to demolition of blighted buildings in defined Areas of Concentrated Poverty. The Credit should be available for the demolition of any blighted property as long as the credits are used to offset SAC charges for a bonafide affordable housing development.
- Transit Oriented Development: The CDA/Dakota County have strong reservations about prioritizing LCA Grants along transit areas, as currently defined. As evidenced by a recent survey of CDA workforce housing residents, less than 1% felt being near a bus line was a key consideration in moving to the development. Residents were much more concerned about being close to jobs, family and their faith community. This type of funding priority makes the feasibility of funding affordable housing in many Dakota County cities where transit isn't prevalent much harder. The concept

of what constitutes TOD development in the suburban context is not clear. The quality of and access to schools, jobs, services, community amenities should be given stronger consideration than mere access to transit.

- **Expanded Technical Assistance to Local Governments Around Housing**
 - References to several expanded technical roles, including available support *"to evaluate strategies for site control (including acquisition, assembly, and funding sources), liaise with the development community, market housing opportunities, provide knowledge of complex development financing, and taking on a convening role"* are suggested in the report. This role appears to be duplicative for the Metropolitan Council to take on; instead, the Metropolitan Council should offer financial support (technical assistance grants) to assist with coordination of or supplementing organizations already serving in this capacity.
 - In *"Identifying resources to accomplish site assembly or site control"* the Metropolitan Council should consider funding or supporting a program that provides 0% interest deferred loans to communities that want to acquire sites for affordable housing, without capturing appreciation, to help ensure that future affordability is feasible. It should also consider forgiveness of the loan when the result is an affordable housing development serving Section 42 eligible households.
 - It is recommended that the Council utilize this role to monitor city's action plans to ensure that projects are completed to meet negotiated goals and the proposed housing plans are implemented.

Part IV—Opportunities for Impact

- **Future housing policy workplan: Reducing barriers to development of mixed-income housing.**
 - The financial feasibility of developing buildings with a mix of incomes is good public policy but very difficult from a financial feasibility standpoint. Despite the boom of multifamily rental housing in the core cities and a few ideal suburban locations, most cities have not seen a market rate general occupancy apartment development in ten years or more, let alone a mixed income development. Developments with 100% affordable units in projects of less than 50 units should be encouraged.

- It is our opinion that most of the ideas cited by the report are unlikely to have any impact. The first, third and fourth strategy are current practice and the second strategy is likely not financially feasible. It is likely that the 4% Low Income Housing Tax Credit and Tax Exempt Bond structure requires increased strength, which in turn will require Congressional action or significant changes in current market factors. Alternately, new viable financing tools will need to be introduced.



September 26, 2014

Angela Torres, Sector Representative
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101

RE: *2040 Housing Policy Plan Review*

Dear Ms. Torres:

Thank you for the opportunity to review and comment on the *2040 Housing Policy Plan*. As the City expressed in both the review of the initial 2040 population forecasts, and *Thrive MSP 2040*; the *2040 Housing Policy Plan* indicates a strong emphasis on in-fill and redevelopment efforts in the more urban areas; particularly those with strong transit connections. While the City is not arguing the benefit of such efforts, there is concern for how the evaluation of progress towards creating affordable housing opportunities will be measured for communities such as Belle Plaine, which are now recognized as "Rural Center." Being that the Council is 1) anticipating a significant pivot of growth back into the Urban and Urban Center communities (*2040 Housing Policy Plan*, pg. 4); 2) desires to direct new housing to meet regional growth needs in areas where infrastructure and transit are already in place (pg. 21); and 3) does not indicate funding for transit expansion opportunities out to this area, the City is concerned this will limit the availability of financial resources to support housing initiatives. In turn, this may affect overall support by the Council in growth initiatives for communities like Belle Plaine for the future.

It is encouraging to see that the Housing Performance Scores are being reevaluated to take into account the varying capacities of jurisdictions in the region. There is still concern in regards to how much these scores will play a role, when considered amongst what appear to be more significant regional factors, in the evaluation of funding and/or project support. However, we hope this is a sign that recognizing differing characteristics within the region will continue to be evaluated to make projects outside of the urban areas more competitive.

Thank you for your consideration of our comments. The City looks forward to future discussions with the Met Council regarding this matter.

Sincerely,

Chelsea L. Alger
Community Development Director

cc Holly Kreft, City Administrator
Belle Plaine Mayor and City Council

September 24, 2014

Cornelius L. Boganey

City Manager
763-569-3303

cboganey@ci.brooklyn-center.mn.us

Metropolitan Council
390 Robert Street North
Saint Paul, MN 55101

Email: public.info@metc.state.mn.us

Dear Metropolitan Council Members and Staff:

Thank you for the opportunity to provide comments on the Metropolitan Council's Housing Plan. We appreciate the Metropolitan Council's leadership on housing issues. The Draft Housing Plan sets forth many laudable goals such as "creating housing options that give people in all life stages and all economic means viable choices for safe, stable, and affordable homes." The City Council of Brooklyn Center shares this important goal.

The City of Brooklyn Center is a community that is very proud that our citizenry reflect the rich diversity of our country. We are pleased that our citizens enjoy a good quality of life in spite of the fiscal challenges we face because of the relatively low tax capacity of the community. As laudable as many of the Housing Plan goals are, we believe that the plan does not effectively address our concerns regarding Fair Housing on a Regional Level. Having done further research and in consultation with academic experts in the field and legal counsel, we are very concerned that the Housing Plan, if adopted as is, will contribute to less fair housing in the region and more racial and income segregation in the region and decline in the quality of life for many communities like Brooklyn Center. We believe these results are in direct contradiction and violation of The Fair Housing Act.

We believe that the Met Council is legally obligated to affirmatively further fair housing and assist local governments in implementing regional fair share housing. Specifically, we believe the plan being considered runs the risk of amplifying the trend towards higher concentrations of segregation and poverty in the inner-ring suburbs. It does not contain targeted measures to reduce the problems and strips away measures that had existed in the Council's previous Housing Plan.

Please make note of the memo attached, prepared for the City of Brooklyn Center by the office of Myron Orfield. We believe the memo further describes and illustrates the concerns of the Brooklyn Center City Council. We thank you for inviting our comments on the Housing Plan. We stand ready to discuss this important issue with you. I believe that we share a common goal for a stronger, attractive, and equitable community for all of our citizens. Together, I believe policies can be developed to achieve this vision.

Sincerely,



Cornelius L. Boganey
City Manager

Enclosure

cc: City Council

*Our Mission: An attractive, clean, safe, inclusive community that enhances the quality of life for all people
and preserves the public trust*

TO: Curt Boganey
FROM: Will Stancil
RE: Brooklyn Center and the Met Council's proposed Housing Policy Plan
DATE: 9-11-2014

The Met Council is legally obligated to affirmatively further fair housing and assist local governments in implementing regional fair share housing. Despite this, the proposed Housing Policy Plan currently being considered by the Met Council runs the risk of amplifying the trend towards higher concentrations of segregation and poverty in the inner-ring suburbs such as Brooklyn Center. It does not contain targeted measures to reduce these problems and strips away measures that had existed in the Council's previous Housing Plan.

I. The Met Council faces a number of legal obligations to reduce segregation

There are at least three independent, though related, sources of law that obligate the Met Council to reduce segregation and pursue fair housing goals: § 3604 of the Fair Housing Act (FHA),¹ § 3608 of the FHA,² and the Metropolitan Land Use Planning Act (MLUPA).³

Section 3604. All entities, public or private, are forbidden from taking actions which discriminate in the provision of housing on the basis of race. This proscription is explicitly extended to the implementation of "land-use rules, ordinances, policies or procedures" with a racially discriminatory impact.⁴ For the purposes of § 3604, discrimination includes actions which perpetuate segregated living patterns – for instance, actions which prevent the construction of racially integrative housing or concentrate segregative housing in a single neighborhood or municipality. Because affordable housing is typically disproportionately occupied by nonwhite populations, the placement of affordable housing has been frequently treated by the courts as a proxy for the placement of segregated housing. The perpetuation of segregation can be established by evidence of disparate impact on a protected racial group or pattern of segregated housing placement and/or occupancy.

Section 3608. The FHA requires the federal government to "affirmatively further" fair housing and create "integrated and balanced living patterns."⁵ This obligation extends to federal agencies and to state and local governmental who are recipients of federal funding for housing and community development. In 2013 alone, the Met Council received \$57,705,000 in HUD funding, subjecting it to the requirements § 3608.

¹ 42 U.S.C. § 3604

² 42 U.S.C. § 3608

³ Minn. Stat. § 473 *et seq.*

⁴ 24 C.F.R. §100.70(d)(5).

⁵ NAACP v. Sec'y of Housing and Urban Development, 817 F.2d 149,156 (1st Cir. 1987).

Although § 3608 does not require one particular approach to fair housing, it clearly instill duties beyond § 3604's prohibition of perpetuation of segregation. In a recently proposed rule clarifying the provision, HUD defines "[a]ffirmatively furthering fair housing" as "taking proactive steps beyond simply combating discrimination to foster more inclusive communities."⁶ Specifically, the proposed rule states that affirmatively furthering fair housing "means taking steps to overcome segregated living patterns and support and promote integrated communities, to end racially and ethnically concentrated areas of poverty, and to foster and maintain compliance with civil rights and fair housing laws."⁷

Metropolitan Land Use Planning Act. The Met Council is obligated by MLUPA, which created the Council and governs its activities, to help communities coordinate their housing efforts. The Act requires local governments to adopt regional "fair share" housing requirements and means of enforcing those requirements: comprehensive plans must incorporate "a housing implementation program . . . which will provide sufficient existing and new housing to meet the local unit's share of the metropolitan area need for low and moderate income housing." The law envisions for the Met Council a key coordinating role in this process: in section 473.854, the Act requires it to "prepare and adopt guidelines and procedures . . . which provide assistance to local governmental units" in fulfilling the fair share provisions. As a result, the Met Council is not only subject to § 3604's duty to not perpetuate segregation, and § 3608's duty to affirmatively further fair housing, but, through state law, a duty to implement a true fair share system which pursues an even distribution of housing among local units of government.

II. Segregation and poverty are growing within Brooklyn Center

Brooklyn Center has experienced dramatic demographic changes over a very short timespan, and is quickly becoming more segregated and poorer. The city's nonwhite or Hispanic share of population has grown from 30 percent in 2000 to 54 percent in 2010. Between 2007 and 2012, the percentage of families under the poverty line increased from 8.2 percent to 18.8 percent, a shift accompanied by a change in living circumstances for many residents, as the share of rental units has increased from 33.1 percent to 39.2 percent over the same period.

The demographics of Brooklyn Center's schools have also changed very rapidly over the past two decades, at a rate more severe than the city overall. In the city's elementary school, the student population has transitioned from 59 percent white in 1997 to 84 percent nonwhite in the most recent school year; in the main high school, the student body was transitioned from 63 percent white to 83 percent nonwhite over the same period.

The schools have also been impacted by increasing poverty: 48 percent of elementary students and 38 percent of high school students qualified for free or reduced price lunches in 1997, compared to 82 percent of both populations today.

III. The proposed Housing Policy Plan places affordable housing in a segregative manner

⁶ § 5.152 Affirmatively Furthering Fair Housing Rule, 78 Fed. Reg. 43710-01.

⁷ *Id.* at 43711

The proposed Housing Policy Plan uses three separate metrics – described as a “triumvirate of measures” – when allocating and analyzing affordable housing.⁸ Each disadvantages inner-ring suburbs in several ways.

Housing Need. Although the formula for determining housing need is still under revision, the proposed formulas build off the current approach, which considers only a handful of metrics: preexisting affordable housing stock, low-income worker to entry-level job ratio, access to transit, and projected growth. This method has a number of critical flaws.

First, it increases need projections in communities with access to transportation – particularly major high-speed investments such as light rail and bus rapid transit. This approach works to the detriment of inner-ring suburbs, which are more likely than other municipality (barring Minneapolis and Saint Paul) to receive major transit investments in the near future.

Second, the calculation for determining the existing housing stock uses a relative measure instead of an absolute measure of the number of existing units. This tends to insulate wealthy communities from large upwards adjustments in their need allocations, and minimize the downward adjustments in communities with preexisting affordable units.

Finally, by calculating affordable need as a proportion of projected growth while inadequately considering existing housing, the proposed formula penalizes growing communities at the expense of fully built-out municipalities, which tend to be wealthier.

The current model is projected to assign Brooklyn Center an affordable need allocation of approximately 260 units. If the model were revised to consider the absolute number of existing units in the city, the allocation would drop to zero.

Livable Community Act Goals. Livable Community Act goals are negotiated between the Met Council and individual communities. As a negotiated figure, they are determined politically, not quantitatively. This system subjects the Met Council’s goals to potentially segregative community and political pressures. In the past, many suburbs negotiated their goals down by 40 percent or more from the need projection, while the segregated central cities retained 100 percent of the original projection. Moreover, the proposed Policy Plan suggests that the Council consider a number of factors that may disadvantage transitioning suburbs, such as market conditions, land costs, links between land use and transportation, and economic revitalization.

Housing Performance Scores. The proposed Plan envisions a system in which the availability of housing funding is dependent upon an annual performance score. This system is already used by the Council, although the Plan suggests that the score criteria may be adjusted. Unfortunately, the scoring criteria (both current and proposed) heavily emphasize preexisting affordable housing and recent progress towards creating affordable housing. The ultimate effect of this system is to give the highest priority scores to municipalities which already contain heavy concentrations of housing. In past years, the

⁸ Metropolitan Council, Proposed Housing Policy Plan 48-54.

highest scores have invariably gone to Minneapolis and Saint Paul, with many inner-ring suburbs rating very high overall.

IV. The proposal removes policies dedicating to reducing concentrations of poverty and segregation.

The previous Met Council housing plan, adopted in 1985, contained a number of policies dedicated to reducing and ending housing segregation. It aggressively attacked the problem from several angles and implemented concrete policy tools for doing so. The previous plan demonstrated a deep awareness of the problem of concentrated segregation and poverty. It also evinced a willingness to take firm measures against municipalities which rejected their legal obligations to pursue fair share housing, including the withholding of funding.

Policy 39 stated that “in reviewing applications for funds the Metropolitan Council will recommend priority in funding based on the local government’s current provision of housing opportunities for people low and moderate incomes, and its plans and programs to provide such opportunities in the future.”⁹ Although the current plan contains a superficially similar approach in its Housing Performance Scores, Policy 39 is distinct because it “applies to all local applications for state and federal funding . . . includ[ing] community development block grants, and transportation, parks open space and aging grants among others.”¹⁰ The proposed Plan only prioritizes Livable Communities funding on the basis of housing performance.

Policy 35 declared that “priority will be given to proposals designed to serve families and proposals to further economic integration . . . and developments in which the majority of units will be subsidized proposed in predominantly low-income neighborhoods are neighborhoods are strongly discouraged.”¹¹

Policy 23 declared that “a major objective should be to retain and attract individuals and families with middle and upper incomes to achieve a more balanced income distribution.”¹²

The new plan has no replacement for these policies. Instead, it sounds a note of caution about the supposed dangers of economic integration:

[I]mprovements to an impoverished neighborhood, such as a transit investment, may inflate the cost of housing and displace residents living in poverty just as conditions are improving. The scale of these concerns may be only resident perceptions or based in data, but households being priced out of their neighborhood is not expanding housing choice. Moreover, the fear of gentrification reveals the real challenge of creating communities that provide a full range of housing options. Low-income neighborhoods may be as wary of market-rate development as so-called higher-income neighborhoods

⁹ Metropolitan Council, Housing Development Guide 45 (1985).

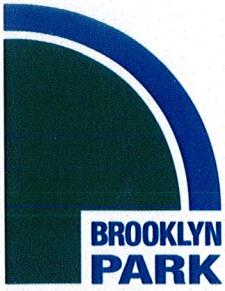
¹⁰ *Id.*

¹¹ *Id.* at 44.

¹² *Id.* at 30.

are of affordable housing.¹³

¹³ Metropolitan Council, Proposed Housing Policy Plan 30.



OFFICE OF THE MAYOR

5200 85th Avenue N., Brooklyn Park, MN 55443-4300 Phone 763-424-8000 Fax 763-493-8391

JEFFREY LUNDE

Mayor
763-242-1555
763-493-8010 (vm)

September 26, 2014

Metropolitan Council
390 Robert St. North
St. Paul, MN 55101-1805

Dear Metropolitan Council Members and Staff:

We appreciate the Metropolitan Council's leadership on housing issues, as a stable housing stock is essential for a thriving region. However, the proposed Housing Policy Plan does not affirmatively further fair housing laws and will not help the region and Brooklyn Park reduce the trend toward concentrations of poverty and segregation. It could also have detrimental impact on the City's tax base, which is of utmost concern to a community like Brooklyn Park that has a per capita tax capacity that is 54% of the average of our 11 peer cities.

However upon further review, research, and consultation with academic experts in the field and legal counsel, the proposed Housing Policy Plan does not affirmatively promote regional fair housing obligations amongst inner-ring suburbs and does not create "integrated and balanced living patterns" as required by the Fair Housing Act (FHA). We are concerned that while well-intentioned, the Housing Policy Plan will actually further exacerbate concentrated areas of poverty and segregation within our community, which will result in social outcomes that affect our residents' ability to thrive including a detrimental impact on the City's tax base, low economic opportunity, poor health outcomes, poor educational opportunities, and predatory or nonexistent lending for existing and future residents.

Please consider the attached comments prepared by Myron Orfield on behalf of Brooklyn Park. We thank you for asking for input from communities on the Housing Plan and look forward to continued discussions on how we can work together to ensure Brooklyn Park, along with all cities in the region, is a thriving community inspiring pride where opportunities exist for all.

Sincerely,

Jeffrey J. Lunde
Mayor

James D. Verbrugge
City Manager

Enclosure

Brooklyn Park, a thriving community inspiring pride where opportunities exist for all.

TO: Jamie Verbrugge
From: Myron Orfield
RE: Brooklyn Park and the Met Council's proposed Housing Policy Plan
DATE: 9-11-2014

The Met Council is legally obligated to affirmatively further fair housing and assist local governments in implementing regional fair share housing. Despite this, the proposed Housing Policy Plan currently being considered by the Met Council runs the risk of amplifying the trend towards higher concentrations of segregation and poverty in the inner-ring suburbs such as Brooklyn Park. It does not contain targeted measures to reduce these problems and strips away measures that had existed in the Council's previous Housing Plan.

I. The Met Council faces a number of legal obligations to reduce segregation

There are at least three independent, though related, sources of law that obligate the Met Council to reduce segregation and pursue fair housing goals: § 3604 of the Fair Housing Act (FHA),¹ § 3608 of the FHA,² and the Metropolitan Land Use Planning Act (MLUPA).³

Section 3604. All entities, public or private, are forbidden from taking actions which discriminate in the provision of housing on the basis of race. This proscription is explicitly extended to the implementation of "land-use rules, ordinances, policies or procedures" with a racially discriminatory impact.⁴ For the purposes of § 3604, discrimination includes actions which perpetuate segregated living patterns – for instance, actions which prevent the construction of racially integrative housing or concentrate segregative housing in a single neighborhood or municipality. Because affordable housing is typically disproportionately occupied by nonwhite populations, the placement of affordable housing has been frequently treated by the courts as a proxy for the placement of segregated housing. The perpetuation of segregation can be established by evidence of disparate impact on a protected racial group or pattern of segregated housing placement and/or occupancy.

Section 3608. The FHA requires the federal government to "affirmatively further" fair housing and create "integrated and balanced living patterns."⁵ This obligation extends to federal agencies and to state and local governmental who are recipients of federal funding for housing and community development. In 2013 alone, the Met Council received \$57,705,000 in HUD funding, subjecting it to the requirements § 3608.

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Although § 3608 does not require one particular approach to fair housing, it clearly instill duties beyond § 3604's prohibition of perpetuation of segregation. In a recently proposed rule clarifying the provision, HUD defines "[a]ffirmatively furthering fair housing" as "taking proactive steps beyond simply combating discrimination to foster more inclusive communities."⁶ Specifically, the proposed rule states that affirmatively furthering fair housing "means taking steps to overcome segregated living patterns and support and promote integrated communities, to end racially and ethnically concentrated areas of poverty, and to foster and maintain compliance with civil rights and fair housing laws."⁷

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II. Segregation and poverty are growing within Brooklyn Park

Brooklyn Park has experienced dramatic demographic changes over a very short timespan, and is quickly becoming more segregated and poorer. The city's nonwhite or Hispanic share of population has grown from 30 percent in 2000 to 46.4 percent in 2012. Between 2007 and 2012, the percentage of families under the poverty line increased from 8.4 percent to 11.3 percent, a shift accompanied by a change in living circumstances for many residents, as the share of rental units has increased from 25.2 percent to 30.8 percent over the same period.

Segregation and poverty within Brooklyn Park's schools have also rapidly worsened, at a rate more severe than the city overall. All but two of Brooklyn Park's elementary schools are segregated, with nonwhite student populations of greater than 60 percent. In seven out of the city's twelve elementary schools, the student population is greater than 80 percent nonwhite. Nor is the demographic mix of these schools stable. In eleven out of twelve of the non-charter elementaries, the nonwhite share has increased by 10 percent or more in the past decade; in several schools, it has increased by 30 percent. (Brooklyn Park's charters have remained nearly 100 percent nonwhite since their inception.) If present trends continue, the integrated Woodland Elementary will become segregated within a few years.

Poverty has intensified alongside segregation. Today, over 50 percent of the students receive free or reduced price (FRP) lunches at nine of twelve elementaries. Three-fourths of the students at seven

⁶ § 5.152 Affirmatively Furthering Fair Housing Rule, 78 Fed. Reg. 43710-01.

⁷ *Id.* at 43711

schools are FRP, and four schools, including three traditional public schools, are almost entirely populated by students in poverty, with FRP rates approaching 90 percent or above. As with segregation, over the past decade, these figures have worsened in all but one elementary school, often by 20 percent or more.

The current state of Brooklyn Park's elementary schools represents a dramatic shift from two decades ago, when only two schools were over 50 percent FRP, none were over 60 percent FRP, and most schools were successfully integrated, with nonwhite student populations in almost all school remaining between 15 and 40 percent.

III. The proposed Housing Policy Plan places affordable housing in a segregative manner

The proposed Housing Policy Plan uses three separate metrics – described as a “triumvirate of measures” – when allocating and analyzing affordable housing.⁸ Each disadvantages inner-ring suburbs in several ways.

Housing Need. Although the formula for determining housing need is still under revision, the proposed formulas build off the current approach, which considers only a handful of metrics: preexisting affordable housing stock, low-income worker to entry-level job ratio, access to transit, and projected growth. This method has a number of critical flaws.

First, it increases need projections in communities with access to transportation – particularly major high-speed investments such as light rail and bus rapid transit. This approach works to the detriment of inner-ring suburbs, which are more likely than other municipality (barring Minneapolis and Saint Paul) to receive major transit investments in the near future.

Second, the calculation for determining the existing housing stock uses a relative measure instead of an absolute measure of the number of existing units. This tends to insulate wealthy communities from large upwards adjustments in their need allocations, and minimize the downward adjustments in communities with preexisting affordable units.

Finally, by calculating affordable need as a proportion of projected growth while inadequately considering existing housing, the proposed formula penalizes growing communities at the expense of fully built-out municipalities, which tend to be wealthier.

The current model is projected to assign Brooklyn Park an affordable need allocation of approximately 1200 units. If the model were revised to consider the absolute number of existing units in the city, the allocation would drop to 380 units.

Livable Community Act Goals. Livable Community Act goals are negotiated between the Met Council and individual communities. As a negotiated figure, they are determined politically, not quantitatively. This system subjects the Met Council's goals to potentially segregative community and political pressures. In the past, many suburbs negotiated their goals down by 40 percent or more from the need

⁸ Metropolitan Council, Proposed Housing Policy Plan 48-54.

projection, while the segregated central cities retained 100 percent of the original projection. Moreover, the proposed Policy Plan suggests that the Council consider a number of factors that may disadvantage transitioning suburbs, such as market conditions, land costs, links between land use and transportation, and economic revitalization.

Housing Performance Scores. The proposed Plan envisions a system in which the availability of housing funding is dependent upon an annual performance score. This system is already used by the Council, although the Plan suggests that the score criteria may be adjusted. Unfortunately, the scoring criteria (both current and proposed) heavily emphasize preexisting affordable housing and recent progress towards creating affordable housing. The ultimate effect of this system is to give the highest priority scores to municipalities which already contain heavy concentrations of housing. In past years, the highest scores have invariably gone to Minneapolis and Saint Paul, with many inner-ring suburbs rating very high overall.

IV. The proposal removes policies dedicating to reducing concentrations of poverty and segregation.

The previous Met Council housing plan, adopted in 1985, contained a number of policies dedicated to reducing and ending housing segregation. It aggressively attacked the problem from several angles and implemented concrete policy tools for doing so. The previous plan demonstrated a deep awareness of the problem of concentrated segregation and poverty. It also evinced a willingness to take firm measures against municipalities which rejected their legal obligations to pursue fair share housing, including the withholding of funding.

Policy 39 stated that “in reviewing applications for funds the Metropolitan Council will recommend priority in funding based on the local government’s current provision of housing opportunities for people low and moderate incomes, and its plans and programs to provide such opportunities in the future.”⁹ Although the current plan contains a superficially similar approach in its Housing Performance Scores, Policy 39 is distinct because it “applies to all local applications for state and federal funding . . . includ[ing] community development block grants, and transportation, parks open space and aging grants among others.”¹⁰ The proposed Plan only prioritizes Livable Communities funding on the basis of housing performance.

Policy 35 declared that “priority will be given to proposals designed to serve families and proposals to further economic integration . . . and developments in which the majority of units will be subsidized proposed in predominantly low-income neighborhoods are strongly discouraged.”¹¹

Policy 23 declared that “a major objective should be to retain and attract individuals and families with middle and upper incomes to achieve a more balanced income distribution.”¹²

⁹ Metropolitan Council, Housing Development Guide 45 (1985).

¹⁰ *Id.*

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¹² *Id.* at 30.

The new plan has no replacement for these policies. Instead, it sounds a note of caution about the supposed dangers of economic integration:

[I]mprovements to an impoverished neighborhood, such as a transit investment, may inflate the cost of housing and displace residents living in poverty just as conditions are improving. The scale of these concerns may be only resident perceptions or based in data, but households being priced out of their neighborhood is not expanding housing choice. Moreover, the fear of gentrification reveals the real challenge of creating communities that provide a full range of housing options. Low-income neighborhoods may be as wary of market-rate development as so-called higher-income neighborhoods are of affordable housing.¹³

¹³ Metropolitan Council, Proposed Housing Policy Plan 30.



DEPARTMENT OF COMMUNITY DEVELOPMENT

5200 85th Avenue N., Brooklyn Park, MN 55443-4300 Phone 763-424-8000 Fax 763-493-8391

Kim E.G. Berggren
Director of Community Development

September 26, 2014

Metropolitan Council
390 Robert St. North
St. Paul, MN 55101-1805

Dear Metropolitan Council Members and Staff:

Thank you for the opportunity to provide comments on the Metropolitan Council's Housing Policy Plan. A stable housing stock is essential to community livability as well as the financial sustainability of local governments. Brooklyn Park is proud to be rich with economic, social, and racial diversity. However, we are challenged by the fact that our tax capacity per capita is 54% of the average of our 11 peer cities. We hope the Met Council's policies and practices are focused on reducing regional economic disparities.

The Brooklyn Park City Council has submitted comments related to the Met Council's compliance with Federal Fair Housing laws and the proposed adjustment factors as detailed in the memo provided by Myron Orfield. Brooklyn Park has the following additional comments on the Plan:

- **Allocation.** Met Council's fair share housing allocation strategy should not allocate affordable housing need to areas with concentrations of poverty and segregation. The adjustment factors of transit and low-wage jobs are problematic because they increase need allocation numbers in places like Brooklyn Park without adequately accounting for current conditions, including existing affordable housing, poverty, and segregation. They also do not account for the spatial mismatch between developable areas in Brooklyn Park and existing transit services and low-wage jobs.
- **Score.** The current housing performance score emphasizes efforts related to the construction of new affordable housing units. Developed areas should get credit for protecting existing affordable housing stock and stabilizing low-income neighborhoods. For example, since 2009 the City has coordinated the spending of approximately \$9 million and leveraged an additional \$25 million for the recovery of 230 affordable homes that experienced foreclosure. The City has also allocated significant resources toward building social capital in low-income neighborhoods for the purpose of neighborhood stabilization, which protects the housing stock. These efforts should be recognized in the annual housing score.

- **Mixed-income.** Brooklyn Park would like more attention directed to ensure policies and practices do not perpetuate the concentration of poverty and low-valued housing, particularly along proposed transit investments such as the Metro Blue Line Extension. Met Council should provide grants or other support to establish higher-valued housing in areas with concentrated low-value housing to further its goal of creating mixed-income neighborhoods.
- **Designation.** Brooklyn Park has developed slowly and therefore has three distinct identities – urban, suburban, and growth – yet it is considered one in the Plan.
- **Process.** The process for considering the plan is not transparent because the Plan is set to be adopted before the need allocation and scoring methodology is determined. It is difficult to understand how this Plan will impact Brooklyn Park until the implementation is known.
- **RCAPs.** There is not adequate attention paid to racially concentrated areas of poverty (RCAPs) in the Plan. The Plan should directly work to improve conditions in these areas for the long-term stability of the region. The Met Council should use the findings of its Choice, Place, and Opportunity report as guidance when calculating housing needs and scores and determining where to allocate regional resources.
- **Schools.** School district performance is linked to home value and neighborhood stability. Met Council should recognize this connection and facilitate regional conversations about growing disparities within the state's school system and the impact on neighborhoods and housing choice.
- **SAC.** Providing SAC credits for affordable housing redistributes some costs of affordable housing to all businesses paying SAC, which in turn would increase the cost of business development in Brooklyn Park. We would prefer to see the costs of affordable housing paid for more directly.

Thank you for considering our concerns with the proposed Housing Policy Plan. Brooklyn Park staff would be happy to participate in future conversations about changes to the Policy Plan to ensure the plan promotes stable neighborhoods in Brooklyn Park as well as all other communities in the region. Please contact me at 763-493-8050 or kim.berggren@brooklynpark.org if you have questions or would like to schedule a discussion.

Sincerely,



Kim Berggren
Director of Community Development
City of Brooklyn Park

Brooklyn Park, a thriving community inspiring pride where opportunities exist for all.



City of
BURNSVILLE

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Burnsville, MN 55337-3817

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FAX: (952) 895-4404
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September 26, 2014

Metropolitan Council
Attn: Susan Haigh, Chair
390 North Robert Street
St. Paul, MN 55101

RE: Burnsville Review Comments for Draft Housing Policy Plan

Dear Chair Haigh:

The purpose of this letter is to submit comments, questions and responses to the Metropolitan Council from the City of Burnsville on the draft Housing Policy Plan (HPP). We have reviewed the plan and appreciate the opportunity to provide feedback and questions. Our feedback includes some broader items and we have attached some detailed examples that we believe will be helpful to illustrate the broader policy issues.

There are several helpful explanations in the plan including the affordable housing needs, Livable Communities Act (LCA), and performance scores and how they are all related. The description and example of housing cost burden (p. 7) is also helpful. The discussion on housing technical assistance is appreciated for those that may need help with housing planning. Raising the area median income for affordable housing thresholds and recognizing existing affordable housing stock in communities are also supported by Burnsville.

The biggest concern is that the policy plan is not complete. When Met Council staff presented at various forums and public meetings it was communicated that the plan was a draft, incomplete, and that changes are expected to be made before formal adoption. To that end, Burnsville suggests the plan adoption be postponed until the plan is revised and completed to allow the public to comment on a final draft prior to adoption.

Affordable Housing Allocation

There are no specific allocations of affordable housing need by municipality. Page 81 indicates the Housing Policy Plan Work group assisted in strategies and recommendations regarding the allocation of affordable housing, yet the numbers are not in the plan. Why not? It is difficult to comment on the methodology and the plan if the impacts/expected outcome is not known. Does the proposed allocation methodology yield an end result that is reasonable and achievable for cities? What resources are available for cities and developers to meet the need in their

communities? What is the appeals process for communities after the need has been determined?

Housing Performance Score

The ratio of low-wage jobs as an adjustment factor to affordable housing need (p. 51) will be skewed unless the wages are reflective of full-time jobs. Many part-time or seasonal jobs are often for students and young adults that typically don't have to bear the housing cost burden as a head of household wage earner would need to do. For example, in communities with regional retail corridors there is high demand for seasonal part-time workers for the holidays. It is unfair to include those figures in the adjustments when calculating housing needs.

Inclusionary housing strategies (p. 65) identify several options for cities to provide more affordable housing units. These efforts will be reflected in the housing performance score. How much weight will be in the score is not clear. If a city already has a concentration of affordable units in a particular area, will they now be penalized for not including affordable housing units? Cities need flexibility and should not be disincentivized by not using certain or expected inclusionary housing efforts in targeted areas.

Transit-Oriented Development

One of our most significant concerns is that the inclusion of specific approved uses exceeds policy guidance and may conflict with zoning ordinances and local needs. The Transit Oriented Development (TOD) standards are too specific for a policy document and prescribe a one-size-fits-all expectation. Furthermore, not all TOD areas share the same characteristics; cities will need flexibility to blend Met Council expectations and objectives with local needs to be successful. Some of the TODs exist because of current residential densities, some are chosen because of the location to employment, and some are chosen because of their proximity to an existing transit facility (park and ride).

The proposed TOD criteria are more detailed than are typically seen in a policy document and seem more fitting for a zoning ordinance. The criteria call for auto-related uses to be prohibited. Many park and ride locations are adjacent to freeways and located in industrial and commercial areas and not in areas conducive for mixed residential. Having an expectation that all TODs follow the same design standards may not make sense for all TODs in the metro. For instance, in a suburb such as Burnsville, the park and ride model is not the same as an urban transit model. Auto uses are complementary to a park and ride as people drive to get to transit in the suburbs. The proposed one-size-fits-all urban TOD design may not be appropriate in the suburban areas. The density criteria proposed for TODs should be proportional or relative to the community in which it is located and not requiring urban densities in suburban environments.

By tying the Livable Communities Act to funding transit investment in TODs (p. 28, p. 41) or sustainability and the environment (pp. 43-44), the Met Council is making a voluntary program a mandate and altering the original intent of the LCA. The LCA was intended to provide funding opportunities for urban, suburban, and rural areas to provide for life cycle housing and affordable housing opportunities for all cities. With the change in grant criteria over the years the original intent and goals of LCA have been altered. Cities will be forced to "voluntarily" participate in

order to be eligible for funding or to satisfy Comprehensive Plan requirements. Further, with more specific and targeted TOD criteria, it is possible that more of the already limited funding will go to urban areas with transit and fewer funds will be going to the suburbs because they may not have a TOD. This may not yield the desired outcome of the HPP in the long run by concentrating investments and/or affordable housing. If there isn't one already, there should also be an appeals process to funding decisions.

"Assessing opportunities to integrate affordable housing criteria into regional solicitation for transportation funding"(p 81) is a significant shift in policy. The City of Burnsville does not support this practice as transportation funding should be for all and based on transportation needs. The Plan also references the exploration of SAC waivers for affordable housing. The City of Burnsville opposes this suggested practice as the regional sewer system has a cost and then all others will have to pay. This will create inequity within the SAC system and set a precedent for potential other exclusions to meet a specific agenda outside of the regional sewer system.

Funding What Works

The HPP relies on many existing programs that, according to the plan, appear to not be working as well as the region needs them to work. Proposing more of the same programs will only yield the same results. There are several programs that do work well to provide affordable housing and/or reduce the need. The HPP should further explore these models (Dakota County CDA, Habitat for Humanity, vouchers for assistance, workforce development programs) as a resource for the future with regard to finding programs that achieve measureable results.

There are conflicts in the plan related to higher density development, yet cities have restraints in some areas due to natural resource conditions (lakes, wetlands, etc.). Also, not every community has the facilities (fire trucks, ladder trucks etc.) to provide services to tall buildings. It should be noted that other development constraints and compliance are a consideration in determining development and densities. There are also references to Homeowners' Associations and funding sources (like CDBG) that cities do not fully control.

The HPP uses the recession years to enhance its position that there is insufficient production of affordable housing. The recession is an anomaly and should not be used as the primary basis to provide current or future forecasts of construction activity. The HPP should accurately describe the recession and its impacts on building and not intimate that the late 2000's are representative of future housing production levels. Better explanations and data of what seem like assumptions should be provided.

The barriers to developing mixed-income housing (p. 63) should also include mixed income neighborhoods. Heart of the City is a very successful mixed income new urbanism design that has overcome many of the barriers noted. It is successful, not because a specific project is mixed income, but because the entire neighborhood is mixed income. This can serve as the model for other projects and this approach should be an option in the plan.

Conclusion

The tone of the HPP implies cities do not want or need affordable housing. Not enough is said about all the existing affordable housing stock and efforts to maintain or add more units in cities. Furthermore, certain statements regarding lack of equity or imposing equity on all assumes cities are not equitable or providing services that give opportunity for all. This is not a fair assumption. All cities operate under fair housing rules and provide opportunities and services for all regardless of socio-economic status. In Dakota County a separate study was recently done regarding future housing needs. This study serves as the backdrop for informing cities and the county of the market and the needs to guide decision making regarding housing.

The City of Burnsville is committed to providing housing opportunities and services for all. The City is looking forward to changes to the HPP where the Met Council recognizes local efforts; respects local visions and planning; provides flexibility and options within Comprehensive Plans; and provides funding opportunities that are balanced and equitable for all cities across the region. Without a cooperative approach to the process and implementation we will not be successful in regional efforts.

We thank you for the opportunity to comment on the Metropolitan Council's Housing Policy Plan and urge the Metropolitan Council to hold off and not adopt the Housing Policy Plan until the plan is complete, changes are made, and the public can provide meaningful input on the complete plan. The City of Burnsville takes long-term planning and housing seriously and we are committed to being part of a successful region.

Sincerely,

A handwritten signature in black ink, appearing to read 'Heather A. Johnston', with a long horizontal flourish extending to the right.

Heather A. Johnston
City Manager

CC: Steven Chavez, District 15 Council Member
Burnsville City Council
Jenni Faulkner, Community Development Director
Mark Ulfers, Dakota County CDA
Patrick Boylan, Metropolitan Council Sector Representative

Specific Comments from the City of Burnsville on the Met Council's Housing Policy Plan (HPP)

General questions

How does a city demonstrate that a planned development balances regional stewardship, prosperity, equity, livability and sustainability as required? Examples of how this task can be accomplished should be included in the plan if these concepts are included in the plan.

The plan references "higher-income" in several places through the plan. What exactly is meant by higher income? Is the definition income above 80% AMI or areas above metro median or areas with concentration of highest incomes in the city?

Based on the draft, we believe the HPP could be improved by including by addressing the following items:

- The HPP acknowledges the Met Council role in assisting local governments to achieve "local visions" (p. 18 and p. 62) within the policy framework. Yet the policy plan is written through specific directives and ties to funding, to such an extent that it does not appear Met Council takes into account or acknowledges local community visions.
- In addition to not including specific affordable housing allocations, the plan should include more **defined and specific measures** especially as it relates to Comprehensive Plans so that everyone understands the expectations going forward into the future. This would allow for a more transparent review and clearer policy direction.
- While the framework for Housing Performance Scores is identified, **the specific measures with weights** are not. For example, the plan references factors to be considered such as existing affordable housing and inclusionary housing efforts (pp. 65-67), but how are they weighted? Will the scoring change from what it is now? **The criteria score sheet should be an appendix to the plan.** There is also no mention of if or **how a score can be appealed.** This is critically important--especially if scores will be used for funding decisions.
- Historically, the region has ranked first or second in terms of home ownership in the nation. The plan does not include information on the Twin Cities region's **high home ownership rates**. How might this rate change as the market changes in the future and what do those changes mean for housing opportunities for all? Should the plan address the ratio of owned versus rented housing?
- The plan is silent on the region's **tax structure** and the impacts to development and affordable housing. Taxes have a significant impact on development and affordable housing. A discussion on such may help paint the picture and provide opportunities to be explored as part of the HPP.
- The plan provides a lengthy explanation of how the need was determined and states that the demand for affordable housing will far exceed the supply. (This need was based on a number of assumptions for which the basis for which was not explained.) Other than provisional housing, what else can be done to **reduce the need**? How does the region invest in people (education and jobs) to reduce the need? The Met Council's economic development plan should address job and wealth creation to assist in reducing the affordable housing need.
- Similarly, the HPP discusses **housing cost burden** (pp. 6-7) but there is little analysis in the HPP document of why this occurs or how to reduce the burden. What are the other expenses

involved and more importantly, what can be done to move back to the 30% figure? Perhaps providing daycare, healthcare, food vouchers, job training or other targeted services would allow more people work and/or increase their incomes to reduce the percentage of income spent on housing. Also the HPP references individuals with significant support needs (mental illness, chemical dependency, disabilities, etc.) but provides little information on how to address these needs as it relates to reducing the housing need in the future.

- The plan does not include information about other factors in the **economic, financial and real estate markets** and how factors outside of the housing policy might impact availability of supply. What opportunities to reduce the affordable housing need exist in those markets and how can those opportunities be capitalized? How do market conditions affect a city's or developer's ability to provide housing for all? How does the market affect the ability to preserve or gain more affordable housing units? If half of the housing opportunities are in the suburban edge and emerging suburban edge (p. 4), then what market opportunities exist in these areas? How can the plan influence the market? Should more funds be directed to opportunity areas or areas lacking in affordable housing? The market plays a very large role in housing, including affordable housing, and it could be better addressed to help get to the goals.
- **Housing preservation** should be expanded in the plan. There is little information in the HPP discussing why homes and properties deteriorate and what can be done to resolve this – to teach people that they have to maintain their dwellings and fix problems before they become large, expensive problems. One tool that is not discussed in the HPP is the advocating for “**Point of Sale**” standards so that homeowners are responsible to maintain their properties as opposed to requiring governments to step in after the fact to bring housing standards up to code. Individuals need to be responsible for maintenance so that the housing stock does not continue to deteriorate.
- The plan does not reference cities in which the **county acts as the HRA** on their behalf. For instance, Dakota County is the HRA for nearly all cities in the county. Yet the plan seems to be written toward cities alone. Recognition and roles should be inclusive of county HRA's that act on behalf of a city. Furthermore, county HRA's and city HRA's housing programs should be recognized and expanded on in the plan. The **Dakota County CDA** is a model agency that has great positive impacts on housing in the region and they should be listed as such in the plan.
- We have **diminishing resources** for affordable housing and the plan should better recognize that the affordable housing need and allocation numbers are goals. We may not achieve them with the limited resources and the plan should acknowledge this reality. How does housing look like in our region in 2040 if these goals are not met? What other opportunities will residents partake in to meet their housing needs if these resources are not available? Are they acceptable? What opportunities exist?
- The plan needs to provide factual **data** and references throughout as the use of percentages alone (without the actual numbers) can be misleading.
- There is no mention of **impacts to school districts** and other local public, private, and non-profit services by increased affordable housing and more limited income residents. This should be added.
- The plan is not clear if the “City roles” are mandates or suggestions. The plan should be clarified. Is the Met Council expecting specific initiatives/direction from the identified roles or are there other options for a municipality to reach the desired outcome that may not be identified yet as a city role?

- The plan uses today's conditions and modifies them for the future. For example, in 2040 the millennials will be 50-60 years old. Will they want the same things then as they do now? This plan assumes that whatever housing they pick now will be their same housing in 2040 – which may not be the case. So what will the largest population bubble expect for housing choices? Additionally, the plan references today's funding sources, some of which cities have direct control over and some they do not. If following past models and practices have not yielded the desired result, then what can be changed to help achieve the result? Options may be different than funding previously considered and creating those opportunities. Those concepts should be further explored in the plan.



4141 Douglas Drive North • Crystal, Minnesota 55422-1696

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September 25, 2014

Susan Haigh, Chair
Metropolitan Council
390 Robert Street North
St Paul MN 55101-1805

Subject: City of Crystal comments regarding draft Housing Policy Plan

Dear Chair Haigh:

The City of Crystal has reviewed the draft Housing Policy Plan (“HPP”) and offers the following comments for consideration by Metropolitan Council (“the Council”).

As the city discussed in its April 18, 2014 letter regarding Thrive MSP 2040, the city objects to the Council’s treatment of housing as if it were a regional system on par with transportation, sewers and so forth. For good reason, the Land Planning Act does not include housing as a regional system because it is predominantly privately-owned, in contrast to the statutory regional systems which are public facilities. The Land Planning Act does not speak of density, only that a city must provide adequate housing to meet the city’s share of existing and projected needs. Crystal is a fully developed community, and its housing is already predominantly affordable when compared with regional averages. The Council is using high density as a proxy for affordability, thus twisting an affordability requirement into a density mandate and exceeding its statutory authority.

A more specific concern pertains to the proposed method of allocating affordable housing need (pages 50-52 of the HPP). The proposed method would start with a fair share allocation of the regional need, which is consistent with past practice; but then adjusts the fair share based on three factors. No one knows or can predict what the result of this new method might be. This is especially concerning given the problems with the rollout of the Council’s 2040 forecasts in fall 2013 and the subsequent dramatic revisions of many of the forecasts. It would seem wise to give the new method a try, see the results, and then do a reality check with the Council’s local government partners before considering adoption of the method as regional policy. But instead, the public is expected to comment on a machine before anyone gets a chance to see it running. Crystal is very concerned that, despite the lessons that should have been learned from the rollout of the 2040 forecasts, the Council is considering the adoption of a broad, significant change in regional policy without first doing a reality check.

From a practical standpoint, density mandates may have a place in areas with abundant vacant land, but not in communities that are already developed with existing homes and businesses. But the HPP would require fully-developed cities to use their land use authority to preemptively guide property for high density redevelopment to meet the Council-defined need, even when that property is already developed with existing homes and businesses. The Council proposes a minimum development density of 10 units/acre for Crystal, and during the comprehensive plan review process the Council will expect the city to guide a certain number of acres in specific locations for high density residential on the city's map of planned land use.

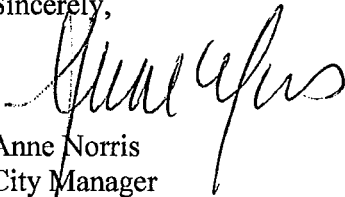
The practical problems with using this approach in fully developed communities have been explained to Council staff on multiple occasions before, but to reiterate:

- Changes to the state's eminent domain laws in 2006 mean that, even if a city wants to make redevelopment happen in a particular area, and designates it high density residential per the Council's expectations, it cannot make a property owner sell to make way for redevelopment. Most potential sites in Crystal are comprised of parcels with multiple owners, meaning that a single holdout may stop a project even if all of the other owners want to sell. Right or wrong, that is the legal reality.
- There is no way to know which potential redevelopment sites will actually end up being redeveloped, yet the Council expects the city to designate specific sites to meet the Council's need and density expectations. For example, if the city were to guide specific redevelopment sites for high density residential to satisfy the Council's expectations, in reality it may end up being different sites that actually end up getting redeveloped. There is no way to predict, years in advance, which sites will have all of the planets align for redevelopment to occur.

Crystal's approach has been to designate potential redevelopment areas (23 in the current plan) to guide developers and other interested parties to those parts of the city where market forces and physical conditions provide fertile ground for redevelopment. The city would then amend the land use map for specific sites as developers are able to assemble and secure sites. This is a practical, reality-based approach that reflects the way redevelopment actually occurs in a fully developed community.

Thank you for the opportunity to comment on the draft Housing Policy Plan. Please direct any questions to City Planner John Sutter at (763) 531-1142 or john.sutter@crystalmn.gov.

Sincerely,



Anne Norris
City Manager

Cc: Mayor Jim Adams and Crystal City Council
Crystal Planning Commission
James Brimeyer, District 6 Representative, Metropolitan Council
Michael Larson, Sector Representative, Metropolitan Council staff



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September 25, 2014

Metropolitan Council
Attn: Housing Policy Plan
390 Robert Street N
St. Paul, MN 55101-1805

Re: Draft Housing Policy Plan

To Whom It May Concern:

The City of Dayton has reviewed the draft Housing Policy Plan. In this review and through these comments the City would like to confirm that the policies found within this document are voluntary and not mandates passed down to local governments. Some of the implementation items may work well in Dayton while others may not be supported on a local policy level. Dayton believes decision making on housing and land use (in alignment with density requirements) is a local decision.

While Dayton is advancing in its ability to expand sewer and create new opportunities for housing it will become more important to be able to ensure ability to access important funds through Livable Communities and other programs to achieve local priorities. Adequate resources need to be provided to assist cities in meeting affordability goals in these important outer-ring suburbs.

Future funding, particularly transportation funding, is an important need in Dayton to support growth in housing, including all levels of life-cycle housing, while also providing opportunities for continued job growth. Transportation dollars should NOT be overly tied to housing scores for growth communities that have not yet had the market and ability to provide full levels of life-cycle housing, including affordable.

The City of Dayton is concerned about draft policies that plan to incorporate Housing Performance Scores as a scoring element in the Regional Solicitation for Transportation Funding. Dayton, like many outer-ring suburbs, expresses caution on this draft policy and requests that the Metropolitan Council explore the Housing Performance Score holistically if this were to be implemented. We all know Housing Performance Scores can vary widely based on market conditions, new construction and having the infrastructure, including highways and local roads, to support housing growth. This policy must account for fluctuations in the market, especially as it relates to the delivery of affordable housing.

Thank you for the opportunity to review and comment on the draft Housing Policy Plan.

Sincerely,

Bob Derus
Interim City Administrator



City of Eagan

Mike Maguire
Mayor

Paul Bakken
Cyndee Fields
Gary Hansen
Meg Tilley
Council Members

Dave Osberg
City Administrator

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www.cityofeagan.com

The Lone Oak Tree
The symbol of
strength and growth
in our community.

September 18, 2014

Metropolitan Council
% Housing Policy Plan-Comments
390 Robert Street North
St. Paul, MN 55101

RE: Draft Housing Policy Plan Comments-City of Eagan

To Whom it May Concern:

Thank you for the opportunity to comment on the draft Housing Policy Plan. The City of Eagan has reviewed the draft and appreciates the opportunity to provide both background and feedback from the City's perspective.

Over the last fifteen years, the city has approached build out and, as a consequence, it has seen opportunities for the addition of new and additional housing types diminishing. That said, Eagan has achieved a diverse mix of housing by type, age and cost and has begun to focus on retaining the quality and diversity of its existing homes and neighborhoods into the future.

The City of Eagan appreciates the work that has been put into the development of the Metropolitan Council Housing Policy Plan. The City also understands the importance the Council places on the various priorities in the plan, many of which the City is pursuing already, including preserving and encouraging reinvestment in its existing housing stock, promoting housing alternatives around transit investments, encouraging compact development and higher density in redevelopment and infill locations and promoting environmental sustainability in development activities.

The City will continue to pursue those priorities and others that may arise in its ongoing reviews of City policies and ordinances and, particularly, in its 2018 Comprehensive Guide Plan Update. As it pertains to the current review of the Housing Policy Plan, the City would offer the following comments:

- The City of Eagan works closely with and through the Dakota County CDA to define and respond to housing needs and to address the means of addressing them. In this relationship, the City relies on the CDA to approach housing needs and strategies on a County-wide basis, while working with the City on specific projects or programs that apply to Eagan residents or properties. We understand the CDA will be commenting separately and, appreciating their expertise in the area, support their comments regarding the Plan as well.



City of Eagan

Mike Maguire
Mayor

Paul Bakken
Cyndee Fields
Gary Hansen
Meg Tilley
Council Members

Dave Osberg
City Administrator

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- The City previously commented through the Thrive 2040 process about the feasibility of the City achieving the household and population growth projections identified for Eagan because the City is approaching full build out in its residentially zoned areas. While the City continues to consider a range of housing types and densities in in-fill developments and has encouraged higher density housing products in opportunity locations, such as the Cedar Grove Redevelopment District, there is not enough new development, in-fill or redevelopment acreage available to achieve the 2040 projections even if all were to be developed as high density residential. The City expects that there will be demand for additional residential development of all types in communities nearby in consideration of the employment concentration within Eagan, but believes that will be spread among a number of cities in the area, not concentrated in Eagan itself.
- Because the City of Eagan does not believe the projections are achievable, it is important to understand what consequences, if any, are intended to be applied to cities in that situation by the Metropolitan Council.

We thank you again for this opportunity to comment on the draft Housing Policy Plan and we will look forward to continued work with the Dakota County CDA and the Metropolitan Council on Housing Policy Planning for Eagan and the region.

Sincerely,

David M. Osberg
City Administrator
(651) 675-5015
dosberg@cityofeagan.com



September 26, 2014

Libby Starling
Metropolitan Council
390 Robert Street North
S. Paul, MN 5501

RE: Draft Housing Policy Plan

Dear Ms. Starling:

This letter is intended to document and convey the City of Elko New Market's comments on the Metropolitan Council's draft Housing Policy Plan dated July 2014.

In consideration of the draft document, the following comments are offered:

Thrive MSP and Policy Plans

On May 28, 2014, the Metropolitan Council adopted the Thrive MSP 2040 document which conveys the vision of the region for the next 30 years. From such comprehensive development guide, more detailed policy plans are developed.

The Housing Policy Plan serves as a chapter in the Metropolitan Council's Comprehensive Development Guide alongside three other metropolitan system plans, those being the Regional Parks Policy Plan, the Transportation Policy Plan and the Water Resources Policy Plan.

The Housing Plan's primary objective is further the following priority policy:

Create housing options that give people in all life stages and of all economic means viable choices for safe, stable and affordable homes.

Cities within the Metropolitan Area are required to update their comprehensive plans every ten years. Within such plans, a housing element is required. Such housing element, including that for the City of Elko New Market, will minimally include the following:

- Standards, plans and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs. More specifically, the City's plans and official controls must promote the availability of land for low and moderate income housing.



-
- An implementation program describing the public programs, fiscal devices and other actions to ensure conformity with the Metropolitan Council's system plan.

Given the City's aforementioned understanding of the Housing Policy Plan, we have the following comments related to it.

Plan Overview and Comments

Introduction. Part I of the Housing Plan provides an introduction to the document and identifies demographic and socioeconomic challenges which will define the region's housing future. Within this section, the following comments are offered:

- The achievement of Metropolitan Council affordable housing goals often involves the expenditure of public monies. Like many cities, the City of Elko New Market has limited financial resources. As part of forthcoming budgeting discussions, information related to possible grant programs for achieving these goals should be detailed.
- The Housing Plan notes that, in 2040, more than 1 in 5 of the region's residents will be age 65 or older. Thus, the Plan promotes attached housing options which respond to this age group. While the needs of future senior populations will be considered, it is believed that the City of Elko New Market differs somewhat from urban core cities and will continue to attract young families as its primary area of residential growth.
- The Housing Plan notes that minimal growth in the region's highways will limit the expansion of the region's urbanized area. This appears to suggest that public investment in Interstate 35 interchange improvements is not considered a priority item from a regional perspective. Recognizing that the Interstate 35 corridor is essentially the City's "lifeline" in terms of generating future tax base, future interchange improvements are considered a priority item to the Elko New Market City Council and residents.
- The Housing Plan endorses a proactive, rather than reactive approach addressing the region's housing challenges. Thus, a regional perspective which does not pay heed to jurisdictional boundary lines is promoted. The City of Elko New Market's has, and will continue to support collaborative planning efforts and continued positive working relationships with neighboring jurisdictions.

Outcomes and Principles. Part II of the Housing Plan suggests roles which local units of government may use to advance the desired outcomes of the Thrive 2040 document (stewardship, prosperity, equity, livability and sustainability). Within this section, the following comments are offered:



-
- As conveyed in the Thrive 2040 document, the Housing Plan strives to maximize the use in existing infrastructure investments in accommodating the region's housing needs. To the extent possible and/or feasible, the City of Elko New Market will encourage infill development.
 - The Housing Plan promotes "unsubsidized affordable housing." In this regard, the Plan encourages the upkeep of housing built in the 1960's and 70's as qualifying units. The City of Elko New Market recognizes that a lack of "upkeep" could result in the removal/loss of the affordable housing units. In this regard, the City is interested in exploring regional funding resources to promote unsubsidized affordable housing.
 - As a Rural Center, the City of Elko New Market is expected to achieve a minimum residential density of three units per acre. This density directive remains unchanged from the City's 2010 Comprehensive Plan. In this regard, future residential growth in the City of Elko New Market is expected to continue to be dominated by single family detached homes.
 - The Housing Plan specifically directs cities to plan for increased residential densities in strategic transit and transportation corridors. Elko New Market's Comprehensive Plan currently directs residential mixed uses along many of its primary transportation corridors. Residential mixed uses, by description, includes medium and high density residential uses. As part of its forthcoming Comprehensive Plan Update, the City of Elko New Market will consider specifically directing medium and high density residential uses (upon the Land Use Plan) in areas determined appropriate for such uses.
 - The Housing Plan suggests that cities work with local and regional partners to progress major transit investments. The City of Elko New Market will continue to advocate for a planned Interstate 35/CSAH 2 Interchange improvements and related transportation investments.
 - The Housing Plan notes that the Metropolitan Council supports redevelopment and infill development and will provide grants to support brownfield and infill site redevelopment which lead to a full range of housing choices. With this in mind, the City of Elko New Market is interested in exploring grant programs and/or other resources which could assist in the clean-up and/or redevelopment of the Elko Townsite area (Downtown Elko).
 - The Housing Plan suggests that cities acquire land where appropriate and feasible to support "mixed income" development. The consideration of tax forfeit parcels of land for possible redevelopment (within the City's downtown and Elko Townsite areas) has been practiced by the City of Elko New Market. The City of



Elko New Market requests that the Metropolitan Council describe the means by which "mixed income" development may be promoted in the City.

- The Housing Plan states that cities must expand their rental housing licensing and housing inspections programs, which will place a significant budgetary burden on the City. The City of Elko New Market asks that the Metropolitan Council consider financial assistance to small cities for implementation of these principles.
- The Housing Plan encourages cities to implement development patterns which encourage walkability between housing and services. The City of Elko New Market's Subdivision Ordinance currently requires sidewalks on one side of City streets. The Ordinance further states that sidewalks on both sides of streets may be required if so directed by the City Council. In support of this Metropolitan Council principle, the City of Elko New Market will consider requiring sidewalks on both sides of City streets.
- The Housing Plan promotes the integration of housing into transitway planning and development. This policy is recognized by the City of Elko New Market and will be considered in the preparation of the 2040 Comprehensive Plan Update.

Metropolitan Council Roles and Policies. Part III of the Housing Plan provides detailed descriptions of the Metropolitan Council's housing policies and related functions. In particular, this section addresses policies which have been refined and/or involve new and expanded roles for the Metropolitan Council. In this regard, the following comments are offered:

- The section describes in detail the methods used to determine housing needs, goals and scores for cities. As in past years, the City of Elko New Market will participate in the Livable Communities Program, the goal of which is provide the City's share of the region's need for low and moderate income housing, but to achieve these Housing Policy principles more funding will need to be considered by the Metropolitan Council.
- Unlike past years, affordable housing goals for cities will take into account community-specific conditions including the ratio of low wage jobs to low wage workers, proximity to transit and the existing affordable housing supply. It is unclear to what extent this will impact the City of Elko New Market, as the final formulas and methods for measuring these goals are not included in the final Housing Policy Plan. As a small city, Elko New Market would ask to be part of the discussion of these measures, given their likely impact, so that they are achievable.



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- The Housing Plan notes that comprehensive plan updates must be submitted to the Metropolitan Council in 2018. The City of Elko New Market recognizes this deadline and will consider such work effort in future budgeting sessions.

Opportunities for Impact. Part IV of the Housing Plan describes housing issues that are broader and more complex than the Metropolitan Council can advance by itself. Thus, the Plan identifies housing policy areas that will be analyzed in forthcoming years as part of future work plans. These include the following:

- Reduce barriers to mixed income housing.
- Exploration of exclusionary housing strategies.
- Assess feasibility of strategies to share risk.
- Regional strategies to further fair housing and address housing discrimination.
- Building wealth and expanding investment in poverty areas.

The anticipated approach and timing of the preceding work is unclear. In this regard, question exists as to whether or not such policy issues will need to be addressed as part of the forthcoming 2040 comprehensive plan update cycle by cities, such as Elko New Market.

The City of Elko New Market appreciates the opportunity to provide comment on the draft Housing Policy Plan. As this work effort moves forward, the City would appreciate a formal response to the questions included herein.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Terry", is written over a horizontal line.

Thomas M. Terry
City Administrator

From: PublicInfo
Sent: Friday, September 26, 2014 3:24 PM
To: Starling, Libby; Stanley, Jonathan; Beard, Tara
Subject: FW: Housing Policy Plan Comments

Follow Up Flag: Follow up
Flag Status: Flagged

From: Bolin, Paul [mailto:Paul.Bolin@fridleymn.gov]
Sent: Friday, September 26, 2014 12:53 PM
To: PublicInfo
Cc: Hickok, Scott; Wysopal, Wally
Subject: Housing Policy Plan Comments

On behalf of the City of Fridley Staff, I offer the following comments regarding the Housing Policy Plan:

Overall the Plan seems fairly well done and likely to work for a City like ours that has a Northstar Station, a number of bus routes, major roadways (TH 65, TH 47 & I-694), and a large supply of already affordable dwellings (both owner occupied and rental).

A few areas of concern are related to the Concern/Reality sections found on pages 12 and 13 of the Plan. Concerns are with the interpretation of the background studies referenced and somewhat with the studies themselves. The number of Caveats found on Page 8 of the Agnew study itself, shows that it is real stretch to use his data compiled from large East Coast cities (many of the studies from New York City) and apply his findings to a diverse region like the Twin Cities. To simplify things, I have pasted the applicable sections and our notes.

Jumping ahead in the study to Part III and a review of the Housing Need, Goals and Scores (pages 48-55), we found the differences between these to be more clearly articulated than in the past. Overall, it appears that the proposed changes are positives for a community like Fridley. With the newly proposed 3 tiered "thresholds of affordability" we want to be certain that these allocations are equitable across the region, that each community provide for all three thresholds and that we do not further concentrate areas of poverty. We also want to be certain Fridley is given credit for its already, naturally existing, affordable housing.

Under the framework for New Housing Performance Scores (page 53), we are glad to see "naturally occurring affordable housing" being included, as well as points awarded for preserving our existing housing stock.

Finally, we certainly hope that as the housing need, goals and scoring systems are finalized, stakeholders are allowed to provide comment on any specifics being proposed.

Please feel free to contact me with any questions you may have on our comments. Thank you.

Sincerely,

Paul

Paul Bolin, AICP
Assistant Executive Director
City of Fridley Housing & Redevelopment Authority
6431 University Avenue NE
Fridley, MN 55432

Direct - 763-572-3591
Fax - 763-571-1287

From: Bolin, Paul [mailto:Paul.Bolin@fridleymn.gov]
Sent: Friday, September 26, 2014 2:00 PM
To: PublicInfo
Subject: FW: Housing Policy Plan Comments

One last comment from the City of Fridley, below:

Sincerely,

Paul

Paul Bolin, AICP
Assistant Executive Director
City of Fridley Housing & Redevelopment Authority
6431 University Avenue NE
Fridley, MN 55432

Direct - 763-572-3591
Fax - 763-571-1287

From: Wysopal, Wally
Sent: Friday, September 26, 2014 12:53 PM
To: Bolin, Paul
Subject: RE: Housing Policy Plan Comments

Oh, say you forgot to mention our desire to review program measures before they become set.

Laura Chamberlain
12800 Whitewater Drive
Suite 300
Minnetonka, MN 55343

September 24, 2014

Susan Haigh, Chair
Metropolitan Council
300 Robert Street North
St. Paul, MN 55101

RE: Draft 2040 Housing Policy Plan (HPP)

Dear Chairwoman Haigh,

The City of Hampton appreciates the opportunity to comment on the draft of the *2040 Housing Policy Plan*. While we understand the purpose and need of such an extensive housing policy in the Metropolitan region, we would like to ensure that concerns of the Hampton Community are considered and addressed. You will find these concerns listed below:

- Various aspects of the *Housing Policy Plan* highlight the roles of local governments, yet it was not made clear if these proposed roles are suggestions or requirements. Additionally, the measurements and metrics of compliance on the part of local governments needs to be laid out, including any consequences of non-compliance.
- Many of the strategies proposed in the *Housing Policy Plan* focus on transit corridors and TOD as opportunities for concentrating affordable housing, mixed income/mixed use developments, job centers. As a Rural Center/Agricultural Community no transit corridors are planned in or near our community. What planning resources will be available to our community to assist with achieving our affordability goals?
- On a similar note, with such a concentration on TOD and transit's important role in housing and affordability, we want to ensure that funding and resources will be available for communities and projects outside of that framework; especially since affordable developments in communities like Hampton will most likely be at a smaller scale than urban/suburban projects, but still have similar high costs.
- As the plan acknowledges, housing is a personal and emotional topic for community members. What resources will be available to communities to address/ease public concerns over increasing affordability, density, etc? Will the Council's focus on "technical assistance" include resources for education and attending local public meetings?
- Are affordability indicators determined by regional metrics (AMI for the region) or municipal metrics (AMI for the municipality)?

We appreciate your consideration of the City of Hampton's comments at this time, and look forward to your response.

If you have any questions, please contact me at 763.259.6016 or lchamberlain@sambatek.com.

Sincerely,

Laura Chamberlain
Associate Planner
City of Hampton

CC: Wendy Carpenter, City Clerk
Timothy Skog, City Mayor
Ben Gozola, Senior Planner



September 26, 2014

**Community Planning &
Economic Development**

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Susan Haigh
Chair, Metropolitan Council
390 Robert Street North
Saint Paul, MN 55101

RE: City of Minneapolis comment on the Metropolitan Council *draft* Housing Policy Plan

Dear Chair Haigh,

Thank you for the opportunity to comment on the Metropolitan Council's draft Housing Policy Plan. We appreciate the work of the Metropolitan Council staff and the project group that helped to develop the draft plan. We commend you on developing a strong document and taking the leadership to renew the Housing Policy Plan as part of the series of policy plans developed to inform next year's Systems Statements. The Housing Policy Plan should serve the region well.

CPED submits the following comments on behalf of the City of Minneapolis. The following items included in this letter indicate our major areas of concern. In addition to the comments in this letter, we are also submitting a more detailed set of supporting comments (organized page by page) as a separate document enclosed herein.

1. The City of Minneapolis is supportive of the Metropolitan Council leveraging its existing resources, tools, programs, and funds to help meet the overall housing goals of the plan. We believe this is critically important to the future health and development of the region. We are also supportive of finding additional funding tools, such as the Inclusionary Housing Fund. However, given the outlook for the supply and demand for affordable housing provided in the Plan, the City of Minneapolis thinks that the Housing Policy Plan should be more emphatic in laying out the current and future housing needs and clarifying the lack of resources that will be available to preserve and develop housing. Likewise, we think that the Metropolitan Council should identify and cultivate more active collaboration from all partners in retaining and growing the programs and funding sources needed for affordable housing.
2. The City of Minneapolis supports the Metropolitan Council's data driven approach outlined in the plan. We also endorse your approach to the refinements and broader application of, the Housing Performance Score as well as the refinements to the methodology used for the Allocation of Affordable Housing. We note that the final formulas and methods are not included in the draft plan and we request that you involve the City of Minneapolis in the refinement of these methods and measures prior to their completion and implementation.



www.minneapolismn.gov/CPED

Affirmative Action Employer

3. The City of Minneapolis is supportive of the Metropolitan Council's commitment to use its resources, in particular transit investments, to increase access and equity in areas of concentrated poverty. We believe that such investments will go a long way toward encouraging neighborhoods with great economic diversity and great diversity of incomes. However, we are concerned that Plan does not identify the Metropolitan Council's role in regional parks as an additional way to address equity. We believe that including regional parks in areas of concentrated poverty will increase the level of amenity in those areas, thereby helping to forge greater levels of income diversity. The City of Minneapolis feels that language and policies that address this should be added to the Housing Policy Plan as well as the Regional Parks Policy Plan.
4. The Housing Policy Plan contemplates additional funding streams for affordable housing and mentions that you are exploring a scenario related to Sewer Access Charge (SAC) credits. The Metropolitan Council is correct to note that SAC can be a highly sensitive topic. The City of Minneapolis has consistently advocated for improvement to SAC including less complexity and lower rates. We have also advocated for a fee structure where there is a more direct correlation between the charge and the service or benefit rendered. Currently, all SAC rate-payers pay the same amount even though some sewer access projects require new infrastructure or a tremendous investment in existing infrastructure, while others may not require any change whatsoever. We are mindful that any increase in the volume of wastewater is already accounted for through the Metropolitan Wastewater Charge (MWC).

Minneapolis supports the goal of finding additional funding sources for affordable housing development and preservation. The current proposal lacks detail so it is currently unclear if an Affordable Housing SAC Credit is the most effective tool to achieve the desired outcomes. We would be open to discussing the issue further, particularly in the broader context of the SAC fee structure. As a cost-for-service program, we believe SAC rates should be determined based on the costs of providing wastewater services. A credit program with a neutral impact on rates may be desirable. We would be sensitive to proposals which could lead to an increased burden for SAC rate-payers, or that could affect the MWC rates as the result of MWC transfers to SAC to cover deficient balances.

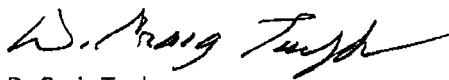
5. The City of Minneapolis is supportive of the concept to preserve and retain naturally occurring affordable housing that is discussed in the Housing Policy Plan. However, we have concerns about the lack of definition in the plan for what constitutes naturally occurring affordable housing and under what circumstances it makes sense to safeguard it. We're concerned that without clear definition, implementation of the policy could be very problematic when it intersects with policy goals for dealing with areas of concentrated poverty and the encouragement of transit oriented development. More specifically, we are concerned that the Plan does not adequately acknowledge or address the reality that in our most impacted neighborhoods, many units are affordable because of their low quality and poor condition. Certainly the provision of new higher quality, higher density affordable housing should not be hindered by a well-intended policy that has not accounted for the need to address blight and poor living conditions wherever possible, even if such units are "affordable" because of their substandard quality. In addition, as noted above, we share the Council's aim to help forge neighborhoods that have a greater diversity of incomes. So in order to integrate new market rate housing in areas of concentrated poverty, it may be necessary to remove blighted, substandard housing that is "affordable" precisely because of its poor condition. We feel a more nuanced understanding of why a property's affordability is considered naturally occurring is necessary to create a sound definition. Likewise,

a sound definition of the term is necessary for sorting out potentially conflicting policies and to ensure that the concept would help – rather than inadvertently hinder – progress at the intersection of our many shared policy goals. We recommend revisions to the Plan on this matter *prior* to its adoption by the Council.

6. The City of Minneapolis is supportive of the Metropolitan Council moving forward with working on the five items outlined in Part IV: Opportunities for Impact of the Housing Policy Plan. The City recognizes these areas need some additional direction and that that will be developed as these items mature on the Metropolitan Council's work plan. That said, we have concerns about how some of the issues are framed and approached. We offer specific comments and seek revisions that would address the following:
 - Reduction of barriers to the development of mixed-income housing
 - Exploration of inclusionary housing strategies
 - Building wealth and expanding investments in Areas of Concentrated Poverty.
7. The City of Minneapolis commends the Metropolitan Council for elevating the issue of Fair Housing, and exploring the role that it can play to end discrimination in housing. The structural disparity and equity issues that the Fair Housing Act strives to address have significantly impacted Minneapolis and its residents. We support the Metropolitan Council in developing its own Fair Housing policy and facilitating a regional dialogue about this important issue. The City looks forward to actively participating in these conversations and we thank the Metropolitan Council for its leadership on this matter. We support the need to determine effective strategies, roles and responsibilities, as well as the identification and allocation of resources needed to support monitoring and enforcement of the Fair Housing Act. We would like further discussion with the Metropolitan Council about the role that Fair Housing efforts play in future project funding determinations.

Chair Haigh, we look forward to continued collaboration with you and your staff on these and other topics. If you have any questions or require further clarification please do not hesitate to contact Kjersti Monson, or Jack Byers with CPED.

Sincerely,



D. Craig Taylor
Executive Director

cc: Libby Starling, Manager of Regional Policy and Research, Metropolitan Council
Tara Beard, Housing Policy Analyst, Metropolitan Council
Michael Larson, Sector Representative, Metropolitan Council
Cathy Polasky, Interim Director of Housing, Minneapolis CPED
Kjersti Monson, Director of Long Range Planning, Minneapolis CPED
Wesley Butler, Manager of Residential Finance, Minneapolis CPED
Elfric Porte, Manager of Residential Real Estate and Development, Minneapolis CPED
Jack Byers, Manager of Long Range Planning, Minneapolis CPED
Brian Schaffer, Principal Planner, Minneapolis CPED

DETAILED COMMENTS, by page number

- Page 3: Top 3 lines: "Only one in five net new households will be households with children, while nearly two in 10 households will be individuals living alone." 1/5 equals 2/10. Can this be stated differently; it is confusing.
- Page 3-11: The Housing Policy Plan lays out a dire situation regarding affordable housing:
 - The region will add 110,000 households with incomes less than 60% of AMI by 2040
 - Households in poverty in 2040 will be even more amplified if current racial disparities continue. These disparities are primarily concentrated in Central Core cities.
 - Affordable housing funding has been waning
 - Between 2010-2012 the region only added 2,272 new affordable units- only 5 percent of goal for 2020 goal. To meet the 2020 target needed to average 10,000 units during that time period.
 - The Plan encourages affordable housing in higher income areas. This strategy will have a larger demand on funds as land and development costs may be higher in these areas.

The City of Minneapolis is supportive of the Metropolitan Council's effort to better leverage existing programs to increase affordable housing, it is also supportive of efforts to reinstate the Inclusionary Housing Fund. However, given the outlook for affordable housing provided in the Plan, the City of Minneapolis feels that the Housing Policy Plan should be more emphatic in laying out the current and future housing needs and how this is situated relative to the lack of resources necessary to preserve and develop housing. The Plan should also identify more active collaboration for all partners, particularly in relation to roles for retaining programs and growing funding sources for affordable housing.

The City of Minneapolis believes that there is also a need to increase funding support Transit Oriented Development (TOD). With a growing number of transit lines and transit stations the demand for TOD related funds will only increase.

- Page 18: "Manage, maintain, and preserve the region's existing housing stock and choices" does not adequately reference or address the chart on page 5 "Units with serious maintenance problems" or its corresponding text in the "Growing need to preserve our existing housing stock." The Plan identifies that over 260,000 single-family units and nearly 48,000 multifamily units have serious maintenance problems. However, multifamily units are the focus of the Plan's discussion on page 18. The City of Minneapolis believes that single-family housing should be further addressed in this section and that additional discussion and collaboration is needed at a regional or sub-regional level on this topic to discuss programmatic and funding strategies for repair and renovation of these homes.
- Page 19: "Address how 'naturally occurring' or unsubsidized affordable housing meets the region's housing needs." As noted, the City of Minneapolis is supportive of this goal, but has concerns about its implementation when it intersects with policy on Areas of Concentrated Poverty and Transit Oriented Development. Additionally we are concerned that the Plan does not address why a property is considered

naturally occurring affordable housing or what the definition of quality and condition might be. We feel the Plan needs revision regarding these elements *prior* to adoption of the Plan.

Only looking at the affordability of housing in creating policy around naturally occurring affordable housing does not adequately factor in the reasons why a property is considered naturally affordable. Is it because the housing is functionally obsolete? Is it because the property is not well maintained? Is it because it is in areas of concentrated poverty, where the market is depressed and rents and prices are inherently lower? We feel the rationale for why a property fits this classification will be important and the need for definition illustrates how a more nuanced understanding of conditions is needed before adopting policy or including criteria in the weighting of scores for projects seeking assistance.

The City of Minneapolis is concerned that the Plan does not adequately address the intersections of preserving naturally occurring affordable housing and areas of concentrated poverty. The Plan could be interpreted as encouraging the preservation of large swaths of affordable housing in areas that are seeking more market rate housing. It is important to address this geographic and policy intersection in the Plan to provide better guidance.

Additional clarity is needed on how naturally occurring affordable housing coincides with policies to encourage and maximize housing densities along transit lines and at transit stations. On page 57, the Plan states that the Metropolitan Council will “Track and protect naturally occurring affordable housing near transit investments.” Without more explicit guidance regarding the intersection of (1) policies that relate to naturally occurring affordable housing and (2) policies that relate to encouraging the density of housing needed to support and maximize transit investments and job densities, we are concerned about conflicts that will occur in implementation of this Plan. In other words, lower density naturally occurring affordable housing near transit stations might likely be strong redevelopment candidates for higher intensity uses. Both Thrive MSP 2040 and the Housing Policy Plan call for higher intensity uses as ways to accommodate future growth and maximize public investments in transit infrastructure, however some of the current language in the Plan is at odds with this.

- Page 20: Under the first two bullets of Local Role, the word “maintain” is used in two different ways, which is a bit confusing.
- Page 20: Under third bullet of Local Role. This is an odd element to implement from a local jurisdictional perspective. It requires knowledge of the rent structures of each property or rather large assumptions. While this may be collected at some level for larger properties in does not capture smaller units very well (The City of Minneapolis has many). We suggest addressing this intent of this statement differently.
- Page 23: Focus Housing around emerging transit investments. The City is very supportive of this effort and additional efforts that better leverage regional investments.
- Page 26: The City of Minneapolis supports “expanding viable housing options by investing in and encouraging new affordable housing in higher-income areas of the region, particularly areas that are well-connected to jobs, opportunity, and transit.”
- Page 27: Encourage redevelopment and infill development to meet region’s housing needs. The City is encouraged by the first bullet “Work with Cities and other regional partners to explore the need for new and additional tools to support and finance redevelopment.” We look forward to future collaboration on this effort.

- Page 28: The City supports the inclusion of the concept of 'stable' housing in the Plan. The need for affordable housing is well known. Stability in housing contributes to health by providing a reliable base from which to be physically active, to prepare meals, to attend to children's developmental needs and attend to health care needs.
- Page 30/31: The City is supportive of "Using housing investments to build a more equitable region." We feel the Plan provides good direction in aligning resources and programs to address equity concerns. We support the stated efforts to utilize infrastructure investments to increase the amenity level of areas and catalyze private investment. We encourage revision to the Plan to add investments to regional parks in the document on the second bullet on page 31 where the Plan states "Encourage private market interest in these targeted areas through transit investments, education and marketing support to local communities." We feel using investments in infrastructure such transit, and parks and other place-making initiatives could have wide and long lasting benefits. In addition to catalyzing private investment, parks are also associated with better physical and mental health for residents living in close proximity to them, which provides an additional benefit to people living in Areas of Concentrated Poverty – people who are more likely to experience poor health.
- Page 34/35: Under "Provide housing choices for a range of demographic characteristics" the Plan outlines a series of questions about gaps in the local housing stock and then discusses demographic trends and potential changes in preference. These same questions were posed in Thrive MSP 2040. In both Thrive MSP 2040 and the Housing Policy Plan the questions are posed with no direction provided to help frame the question. Likewise, no real answers are put forth or hypothesized. Under the Council role the Plan states "Provide data and analysis to support local housing analysis", which is consistent with the Plan's data driven approach.

The City of Minneapolis recommends that more intentional guidance is offered in the Plan about helping the region understand its existing housing stock and what is currently being developed, so that informed conversations about housing choices at the local and regional level can occur. The Metropolitan Council has a role to play in helping the region understand the variety of housing types that currently exist and where and what kind of housing units are currently being developed. One potential example would be to publish regular interactive or static report that maps locations of development projects and aggregates attributes such as unit type, number of bedrooms, and affordability. This could be one of many effective tools. At a minimum, just publishing the data in a spatial file format would be very helpful.

- Page 36: The Council role under housing for seniors is lacking. The City of Minneapolis supports the inclusion of flexible design in projects funded through the Livable Communities Act. However, we believe there are additional roles for collaboration and discussion around prioritizing funding for senior housing and the barriers to developing senior housing in Central Core cities, such as Minneapolis. Aside from funding availability, there are barriers to developing some types of housing targeted for seniors in Central Core cities due to existing operational models that require larger complexes and tracts of land. In the role of a convener, the Metropolitan Council could lead conversations about the barriers and opportunities to providing housing types for this segment of the population in a medium scale urban setting.
- Page 36: Under Local role: "Locate new senior housing in places with access to services and amenities that seniors want and need." This assumes that a local government has control of location decisions of private development or that we have specific influence over what this populations considers its most immediate needs to be. It is suggested that this be changed to "encourage" instead of "locate".

- Page 36/37: The City of Minneapolis is supportive of the Metropolitan Council's goal to align its investments around TOD and walkable places and look forward to future collaborations.
- Page 40: The City of Minneapolis is supportive of the sustainability goals identified in the Plan, but feels that not enough attention has been provided to energy efficiency in existing buildings and the impact on areas of concentrated poverty and affordable housing in general. Energy efficient buildings can reduce operational costs which impact the overall and long term affordability of the housing.
- Page 42: The City is supportive of the integration goals identified in the Plan in this section. Aligning tools, programs, and measures is welcomed. We are encouraged by and support the goal to "Improve alignment between housing policy and education decision-makers."
- Page 47-51: The City supports the data-driven approach identified in the Plan. The City supports the concept of three adjustment factors for the allocation of affordable housing (need), but has not had the opportunity to evaluate how they may impact the allocation for Central Cities. The City would like to participate in a dialogue with the Metropolitan Council on refinements to these adjustments before they are finalized for the 2015 system statements.
- Page 53: The City supports the broad categories for the revised Housing Performance Scores and their broader application to other programs such as the Regional Solicitation of for Transportation Funding administered by the Metropolitan Council. The formula for the Score is not included in the Plan and we request to be provided opportunity to work with the Metropolitan Council on the refinement and trial of the formula prior to its adoption and implementation.
- Page 56: Sewer Availability Charges: The Housing Policy Plan contemplates additional funding streams for affordable housing, and mentions exploring a scenario with SAC credits. The Metropolitan Council is correct to note that SAC can be a highly sensitive topic. The City of Minneapolis has consistently advocated for improvement to SAC including less complexity and lower rates. We have also advocated for a fee structure where there is a more direct correlation between the charge and a service or benefit rendered. Currently, all SAC rate-payers pay the same amount even though some sewer access projects require tremendous investment or new infrastructure, while others may not require any change whatsoever. Any increase in the volume of wastewater is already accounted for through the Metropolitan Wastewater Charge (MWC).

We support the goal of finding additional funding sources for affordable housing development and preservation. However, it is currently unclear if an Affordable Housing SAC Credit is the most effective tool to achieve the desired outcomes. The current proposal lacks detail, but we would be open to discussing the issue further, particularly in the broader context of the SAC fee structure. As a cost-for-service program, we believe SAC rates should be determined based on the costs of providing wastewater services. A credit program with a neutral impact on rates may be distinguishable. We would be sensitive to proposals which could lead to an increased burden for SAC rate-payers, or that could affect the MWC rates as the result of MWC transfers to SAC to cover deficient balances.

- Page 62-64: The City is supportive of the Metropolitan Council's interest in reducing barriers to development of mixed-income housing. The City feels the barriers and strategies outlined on pages 63 and 64 are insufficient. We recognize that different communities have different barriers and various strategies are needed, but three of the four strategies are directed toward a building and site design that follows a

“separate but equal philosophy” of identifying building typologies of dividing mixed-income projects into separate buildings. We feel these strategies lead to more stigmatization of affordable housing and only reinforce the institutional questions raised in this section. We encourage the removal of the strategies that physically divide mixed-income projects so that affordable and market rate units are separated. We don’t feel these three strategies adequately further the conversation about reducing affordable housing barriers. The HPP does not adequately discuss an important additional barrier - the process, timeliness, institutional and structural barriers of affordable housing finance. Streamlining these funding processes and schedules so that they can be more compatible with timelines of privately financed projects will help reduce barriers and increase confidence for developers to deliver mixed income projects. Minneapolis looks forward to participating in conversations about reducing the financial and institutional barriers to mixed-income housing.

- Page 65/66: The City of Minneapolis supports inclusionary housing strategies to produce affordable housing. As a community that provides regulatory incentives for affordable housing projects, we understand the usefulness of these tools. As such, we think it is incredibly important to not only look at regulatory strategies as outlined in the Plan, but also to look at the structural and procedural challenges to financing mixed income projects. The Plan does not address either of these in this section nor does it adequately address these topics anywhere throughout the document.
- Page 67: Reduce or Eliminate Impediments to fair housing: The City of Minneapolis commends the Metropolitan Council for elevating the issue of Fair Housing, and exploring the role that it can play to end discrimination in housing. The structural disparity and equity issues that the Fair Housing Act strives to address have significantly impacted Minneapolis and its residents. We support the Metropolitan Council in developing its own Fair Housing policy and facilitating a dialogue about this important issue. The City looks forward to actively participating in these conversations and we thank the Council for its leadership. We support the need for determining effective strategies, roles and responsibilities as well as the identification and allocation of resources needed to support monitoring and enforcement of the Fair Housing Act. We would like further discussion with the Metropolitan Council about the role that Fair Housing efforts play in future project funding determinations.

From: PublicInfo
Sent: Thursday, September 25, 2014 4:26 PM
To: Starling, Libby; Beard, Tara; Stanley, Jonathan
Subject: FW: Public comments on the Draft 2040 Housing Policy Plan - Newport

Follow Up Flag: Follow up
Flag Status: Flagged

From: Deb Hill [mailto:dhill@newportmn.com]
Sent: Thursday, September 25, 2014 1:31 PM
To: PublicInfo
Subject: Public comments on the Draft 2040 Housing Policy Plan - Newport

To Whom it may concern:

The following are comments/concerns from the City of Newport regarding the Draft 2040 Housing Policy Plan:

- It is important to document that there are “inadequate financial resources to address housing challenges”, but it should also be noted that a majority of communities do not have direct control over the financing tools cited in the section and many do not have the financial resources to assist with financing. Certainly cities through zoning and permit fees can contribute to assisting with affordable housing and they play a crucial role in identifying land areas for housing; however, cities can only go so far in supporting the financing of housing developments.
- A stronger financial role by the Met Council in the housing programs created in the Livable Communities Program is warranted to address the challenges outlined in the report. The Livable Community Demonstration Account has been a useful tool for many cities in the county; however, it is not an affordable housing financing tool. Given what is at stake for the region in terms of access of housing choices, additional funding should be allocated to the Local Housing Incentives Account and the Inclusionary Housing Account.
- In addition to increasing the supply of affordable housing, the Washington County HRA supports the effort to preserve existing affordable housing, especially in older communities, and to better leverage the use of existing unsubsidized housing stock. Code enforcement and rental licensing programs are typical regulatory tools to help insure buildings are safe and up to code. It should be clear however that communities have sole discretion over the extent of regulations. Two changes are recommended:
 - a. It is suggested that the language on page 18 be revised to delete “require” (and in fact on page 20, more permissive language is used on a similar topic) to state “consider” or “evaluate”.
 - b. Delete the phrase “naturally occurring” housing; it is causing some confusion. The more direct definition of housing that is unsubsidized tends to be more explicit. Naturally occurring infers a process.
- The focus on concentrating housing around transit, while worthwhile, cannot be accomplished in many parts of the county, and Met Council funding resources will be needed to preserve or to create new housing. In order to create a robust program of new affordable developments, in many cases developments may not be located near transit in the county. The county is fully engaged in the corridor

analyses for Gateway and Red Rock, however, development sites in Hugo, Woodbury, or elsewhere will not be located in these corridors but these developments will be imperative in meeting the significant workforce housing demand.

Thank you for your time.

Deb Hill
City Administrator
City of Newport
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dhill@newportmn.com



City of NORTH OAKS

September 29, 2014

Susan Haigh, Chair
Metropolitan Council
300 Robert Street North
St. Paul, MN 55101

Metropolitan Council

OCT 1 2014

Received Chair's Office

Re: Draft 2040 Housing Plan
City of North Oaks, Minnesota Public Comments

Dear Chair Haigh:

The City of North Oaks has reviewed the draft 2040 Housing Plan and has the following comments.

1. The plan talks about the roles of local government. Are these roles requirements or suggestions? All of the vacant land in the City of North Oaks is either platted or under a conservation easement. The City has no ability to change the housing density on an approved Planned Unit Development. Please let me know whether we are required to follow the 2040 Housing Plan and, if so, what can be done given North Oak's situation where all vacant land is platted?
In addition, the City of North Oaks served as a watershed for the St. Paul Regional Water Department, which serves over 400,000 people while drawing water from a variety of sources. The bulk of these water sources travel through Pleasant Lake, which is in the center of North Oaks. The majority of North Oaks acts as a giant rain garden in that it is made up of low density development with stormwater conveyed via vegetated swales and held on-site in natural ponds. This provides a great deal of stormwater storage capacity with minimal runoff. Increased density could threaten this resource. If North Oaks is required to follow the 204 Housing Plan, how will this resources' needs be accommodated?
2. When you speak of local government compliance with the 2040 Housing Plan, are there any specific numbers or metrics that you are referring to? What are the consequences or penalties for non-compliance?
3. Will affordability be determined by a region wide measurement or by a local measurement? What's affordable in St. Paul is very different from what's affordable in North Oaks.
4. Many of the strategies discussed in the 2040 plan refer to focusing on transit corridors for constructing affordable housing. Given that the City of North Oaks is not located on any major transit corridors, if the 2040 plan's goals are iron clad requirements, will any funding assistance be available?



City of NORTH OAKS

5. The 2040 Housing Plan acknowledges that housing is an emotional topic for existing residents. How is the Met Council going to address these concerns? Will the Met Council send staff to local Planning Commission public hearings to advocate for higher density, affordable developments?

If you have any questions please feel free to contact me.

Sincerely,

Michael Robertson

City Administrator

651/792-7750

mrobertson@cityofnorthoaks.com

cc: City Council
City Planner
St. Paul Water Department

3

From: Thamman, Freya
Sent: Thursday, September 25, 2014 9:21 AM
To: Starling, Libby; Stanley, Jonathan; Beard, Tara
Subject: Draft Housing Policy Plan

Below are some comments from Orono on the Draft Housing Policy Plan

From: Mike Gaffron [<mailto:MGaffron@ci.orono.mn.us>]
Sent: Thursday, September 25, 2014 9:03 AM
To: Thamman, Freya
Subject: Thrive MSP 2040 Designations for Orono and Draft Housing Policy Plan

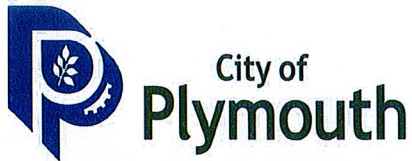
Freya -

....

With regards to the Draft Housing Policy Plan, I would only note at this time that we will have a keen interest the process being developed with regards to allocating Affordable Housing Need. The three-level thresholds for housing affordability would seem to be a positive step, and the proposed 'adjustment factors' appear to allow the Need allocation to be tailored to each individual community based on its unique characteristics.

Mike

Michael P. Gaffron
Senior Planner
City of Orono
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Adding Quality to Life

Metropolitan Council

SEP 29 2014

Received Chair's Office

September 23, 2014

Susan Haigh, Chair
Metropolitan Council
390 N. Robert Street
St. Paul, MN 55101

Subject: Comments on Housing Policy Plan

Dear Chair Haigh:

Thank you for the opportunity to comment on the draft Housing Policy Plan. On behalf of the entire Plymouth City Council, I offer the following comments for your consideration.

General Comments

As stated in the draft housing plan, the Land Planning Act gives the Metropolitan Council authority to review the housing elements and housing implementation programs of communities to ensure they meet the needs for affordable housing within the region. The plan also recognizes that housing is not a system under state statute, unlike sewers, transportation and regional parks. A key difference between the regional systems and housing is that the regional systems are both regulated and provided by government. Housing, although regulated by local government is, for the most part, delivered by the private market. It is also affected by differences in local markets/conditions throughout the region. Plymouth supports the Metropolitan Council's recognition that this fundamental difference requires collaboration with local governments and with the private sector and non-profit institutions in responding to the need for affordable housing. As reiterated below, Plymouth also supports the Metropolitan Council's recognition that this region is comprised of a wide diversity of local communities and that collaboration in the provision of affordable housing must reflect and respond to this diversity.

The draft plan includes documentation of many of the points raised about housing. In a number of cases, the plan cites housing numbers from 2008, 2009, 2010 and 2011 to support a point. This time period saw the worst housing market in most of our lifetimes and therefore is not a good indicator of the state of housing in the region.

Community Diversity

The Housing Policy Plan recognizes that this region has a wide variety of communities, ranging from urban to suburban to small town to rural. The housing plan also recognizes that these communities vary in the amount of development occurring within their boundaries, based on



where they are in the development life cycle. Plymouth applauds and supports the Metropolitan Council's recognition of this variety and diversity. Plymouth views this variety as a positive in attracting the diverse population that we have as well as existing and new employers to provide jobs for that population.

We suggest that the housing plan focus funding based on the makeup of housing in an individual community or stated another way, based on a community's strengths. For example, Plymouth has a substantial amount of naturally occurring affordable housing. On the other hand, as we highlighted in our comments on Thrive MSP 2040, raw land in Plymouth is selling for over \$200,000 per acre. This fact makes new affordable single family development almost impossible, especially in light of scarce resources. However, most of the areas of the city with vacant land are not suited for higher density housing as they are far from jobs, services and major transportation facilities. Although redevelopment has started to take place in parts of Plymouth, it too is subject to the same market forces. While we recognize that some opportunity exists to support affordable higher density projects in Plymouth, we find that in most cases our housing funding can be better leveraged and benefits maximized if we focus our efforts on maintaining our existing base of naturally occurring affordable housing. This housing has the added advantage of good proximity to transportation facilities, jobs and services.

Funding Sources

Given the limited funding to address the region's affordable housing needs, Plymouth strongly believes that we need to continue to include private sector financing in the affordable housing solution and within that realm, corporations need to play an expanded role. As the draft housing plan points out, housing is an important issue not only for individuals and families, but also for businesses. Corporations need workers, but workers also need affordable housing options.

The City of Plymouth administers the Section 8 housing program, similar to the Metropolitan Council. As part of expanding housing choice for low income residents, the draft housing plan suggests that local governments administering Section 8 programs provide mobility counseling. The plan also recognizes that mobility counseling is staff intensive. However, for the past several years, HUD has underfunded administrative expenses. Given the significant staff commitment and the continued underfunding of staff services, we cannot support an increased local role in Section 8 administration in the absence of an identified funding source.

Locational Choice

People make choices to live and work where they do, based not only on financial reasons, but also family, social, educational, and other personal reasons. We suggest that the housing plan recognize that people make tradeoffs between cost, location and these other factors when they make housing decisions.

Allocation of Housing Need and Housing Performance Scores

As discussed above, the housing plan states that local housing implementation plans must provide for a community's fair share of the region's need for affordable housing. The plan also notes that annually, the Metropolitan Council measures local housing performance toward

meeting that need. Both are central, critical pieces of the council's housing plan, however neither is a part of the draft. In the absence of specifics, we find it difficult to comment substantively.

We do commend the Metropolitan Council for looking to collaborate with stakeholders in determining housing need. The draft plan notes that affordable housing stakeholders will be a part of this group. We recommend that the Metropolitan Council include a diversity of stakeholders in the group, including private sector, market rate developers and builders as well as the business community. Plymouth believes that a broad group, representing those already involved in the provision of affordable housing along with those who need to be brought into the circle, will yield a better outcome.

The housing plan does state that a new set of scoring criteria will be emerging from the plan. We ask that the Metropolitan Council: 1) recognize that communities support life cycle and affordable housing in different ways than currently addressed in the draft plan and 2) give consideration in scoring to all forms of support that communities provide. For example, the City of Plymouth and its HRA support senior affordable housing by providing approximately \$300,000 of tax levy dollars annually to two senior housing facilities.

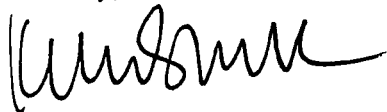
The draft plan also discusses adjustment factors. We suggest that land cost needs to be included as an adjustment factor as it plays a major role in the provision of all types of housing and most notably, affordable housing.

Plymouth looks forward to reviewing the allocation of housing need and the performance scoring system and vetting both through a public process similar to the process used to review the draft housing plan and the systems plans.

Conclusion

We thank you again for the opportunity to comment and ask that the Metropolitan Council consider the city's comments, suggestions and concerns as you move forward to finalize the Housing Policy Plan.

Sincerely,



Kelli Slavik, Mayor
City of Plymouth

cc: Plymouth City Council members
Metropolitan Council members



4646 Dakota Street SE
Prior Lake, MN 55372

September 26, 2014

Susan Haigh, Executive Director
Metropolitan Council
390 Robert St. North
St. Paul, MN 55101-1805

Subject: **Local Comments – Housing Policy Plan**

Dear Chair Haigh,

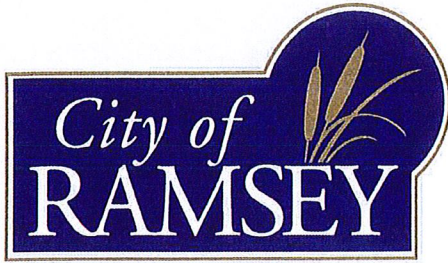
The City of Prior Lake is providing the following comments on the draft Metropolitan Council Housing Policy Plan, July 2014:

- The Metropolitan Council does not need to expand its existing role in housing that already (1) evaluates the availability of land for low and moderate income housing in local comprehensive plans, and (2) evaluates official controls related to local housing implementation plans. Due to the market impact on housing supply and demand overall, the Metropolitan Council should not expand its current role in housing.
- Cities like Prior Lake have significant natural resources that must be protected as a key element in their local comprehensive plans and land development. Nearly 16% of Prior Lake's total area is lakes and wetlands. Therefore, the city supports achieving an average net housing density less than the 3-5 units per acre for Emerging Suburban Edge Communities. In fact, all community categories have different housing densities with the exception of Suburban Edge and Emerging Suburban Edge that have identical minimum densities. Emerging Suburban Edge should have lower average densities than Suburban Edge based on varied community characteristics of each one.
- Prior Lake agrees with a comment provided to you in the City of Shakopee's letter dated September 18th related to #3 of its housing policy plan comments. As noted, Shakopee and Prior Lake have significant land holdings under control of the Shakopee Mdewakanton Sioux Community (SMSC). These areas will provide a housing supply for tribal members, and as such, there is a limit in each city's ability to fully provide a range of housing opportunities as may be desired by the Metropolitan Council. Therefore, the Council must recognize large "institutional" land holdings when evaluating local housing need and goals for 2040.

On behalf of the City of Prior Lake, I appreciate the opportunity to comment on the Council's draft Housing Policy Plan.

Sincerely,

Frank Boyles, City Manager



7550 Sunwood Drive NW • Ramsey, Minnesota 55303
City Hall: 763-427-1410 • Fax: 763-427-5543
www.cityoframsey.com

September 24, 2014

Metropolitan Council
Attn: Housing Policy Plan
390 Robert Street N
St. Paul, MN 55101-1805

RE: Draft Housing Policy Plan

To Whom It May Concern:

Thank you for the opportunity to review the regional Housing Policy Plan.

As the City of Ramsey reviews this policy document, the City would like to confirm that the policies found within this document are voluntary policies and not mandates passed down to local governments. Rather than going line by line for each of the local role categories, Ramsey would rather clarify that these are voluntary policies. There may be some of the implementation strategies that would work well in Ramsey, while others may not apply or be supported on a local policy level. It appears that much of this document will relate to the Metropolitan Council's role in developing housing policy and distributing financial resources for housing projects.

It is also noted that Ramsey works closely with the Anoka County Housing and Redevelopment Authority (ACHRA) to achieve many of the local goals identified in the policy document. We choose to partner with this organization to capitalize on their expertise in housing programs and avoid duplication of services and levies.

Ramsey understands the Metropolitan Council's goal to be more strategic and direct with their funding allocations and policies. The draft policy plan defers much of the detail to future discussion on how the Metropolitan Council, specifically Livable Communities, will derive its scoring and distribution. Ramsey would like to ensure that our ability to access these important dollars to achieve local and regional priorities are not diminished by changes in policies and scoring. Ramsey has demonstrated on multiple occasions its ability to deliver quality affordable housing and demonstrate return on investment for previous funding allocations.

As it relates to the affordability threshold, Ramsey does not object to the changes in the threshold (50-80%, 30-50%, 30%), provided that adequate resources are provided for each threshold. Ramsey desires to participate in future discussions on how these policies will be reflected in revised scoring systems in the future. Also, Ramsey desires demographic data for our community that organizes into these new categories. Is it possible for the Metropolitan Council to illustrate how previous project awards would score under the new system on policy?

A key policy as it relates to Ramsey's priorities is the request of the Housing Policy Plan to incorporate Housing Performance Scores as a scoring element in the Regional Solicitation for Transportation Funding. Ramsey requests that the Metropolitan Council explore the Housing Performance Score holistically if this policy is to be implemented. It has been our experience that our Housing Performance Score can fluctuate greatly year to year based on market conditions and new construction. **Ramsey would ask that the method for the Housing Performance Score include a provision to normalize across multiple years** to account for annual fluctuations in the housing market, especially as it relates to the delivery of affordable housing. While we have

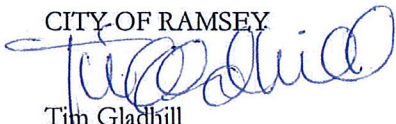
a history of providing quality workforce housing, it has been our experience that projects with enough scale to influence our Housing Performance Score do not occur on an annual basis.

Ramsey appreciates that the Metropolitan Council addresses Transit Oriented Development in the Housing Policy Plan and a focus on policy and investment in station areas. Ramsey believes it is still important to invest in all forms of transportation in Ramsey, not just transit.

On page 75 that outlines measurements intended to measure progress towards achievement of the policy plan. However, there are several measurements that are currently incomplete and without an actual baseline measurement. Ramsey cannot comment on these measurements until they are complete.

Sincerely,

CITY OF RAMSEY

A handwritten signature in blue ink, appearing to read "Tim Gladhill", is written over the printed name.

Tim Gladhill
Community Development Director



City Manager's Office

September 24, 2014

Ms. Libby Starling
Regional Policy and Research Manager
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101

MAYOR
DEBBIE GOETTEL

CITY COUNCIL
PAT ELLIOTT
TOM FITZHENRY
EDWINA GARCIA
SUZANNE M. SANDAHL

CITY MANAGER
STEVEN L. DEVICH

Dear Ms. Starling,

Enclosed you will find comments on the Draft Housing Policy Plan from the City of Richfield and the Richfield Housing and Redevelopment Authority.

We would like to ensure that our comments are duly considered prior to adoption of the Plan by the Board of the Metropolitan Council (currently scheduled for November 12). We are requesting, therefore, a response to our comments by October 21. Ideally, that response would acknowledge whether or not changes are to be proposed to the draft plan which could serve to allay our concerns.

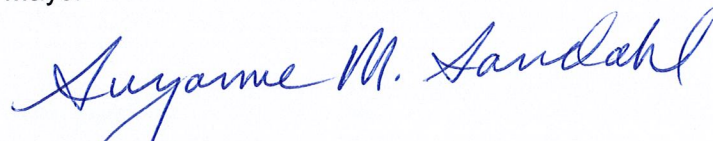
Sincerely,



Steve L. Devich
City Manager



Debbie Goettel
Mayor



Suzanne M. Sandahl
Housing and Redevelopment Authority Chair

Copy: Michael Larson, Sector Representative

Attachment

Housing Policy Plan comments submitted by The City of Richfield

- The Housing Policy Plan (HPP) has not been adequately circulated, discussed and vetted. We believe that Met Council staff should be obliged to present the draft plan to individual local policy makers (i.e. City Councils, County Boards, etc.), not solely through very brief regional workshops that were advertised as being primarily for the discussion of the Transportation Policy Plan (with the HPP appearing as an afterthought).
- The HPP should not be formally adopted by the Metropolitan Council until the Housing Need Methodology has been devised and approved. This Methodology will be key in determining the practical effects of the HPP.
- We strongly encourage the HPP to be amended to add the word “quality” preceding any use of the term “affordable housing” as a need and/or goal.
- We believe that any stated housing needs and goals should factor in naturally-occurring affordable housing and account for the preservation and rehabilitation of existing housing units (especially affordable units). Such rehabilitation should count toward meeting the goals. There is an abundance of affordable housing in Richfield. What is lacking, however, is quality affordable housing. Additionally, we believe the Met Council needs to provide tools and resources to rehabilitate existing housing stock.
- It would be impossible for fully developed cities to meet any of the housing needs or goals without substantial redevelopment activities. Since 2006, however, public agencies have lost the most effective tool for redevelopment (that being the use of eminent domain for projects demonstrating public benefit). It is incongruous for the Met Council to expect fully developed cities to undertake redevelopment activities without providing cities with (or at least strongly advocating for) the tools with which to do so.
- The most recent affordable housing document that Richfield received from the Metropolitan Council estimates that 29% of our existing housing units are affordable. We believe that this amount should be deemed sufficient for meeting our goals for affordable housing. Policies or practices which require additional affordable housing in Richfield would result in an imbalanced mix of housing that puts Richfield in

jeopardy of surpassing the “tipping point,” at which concentrations of poverty surpass our ability to provide adequate public services to such households.

- The annual Housing Performance Score does not provide adequate points for the preexistence of affordable housing nor does it award adequate points for the rehabilitation of existing affordable housing units. As stated, Richfield already has an abundance of affordable housing but is lacking in quality affordable housing.
- The continued policy of promoting the construction of new affordable housing in closer proximity to jobs and transit would seem to continue the concentration of affordable housing (and non-white and/or low-income populations) that has occurred in the Metropolitan Region; we are concerned about the impacts to both Richfield and to the region of the resulting concentration of non-white households and households of low/moderate income and view such results to be contrary to the spirit and intent of the Fair Housing Act and the Metropolitan Land Use Planning Act.
- The continued policy of promoting the construction of new affordable housing in closer proximity to transit is more reasonable in the case of light-rail, bus rapid transit and arterial bus rapid transit because these amenities bring substantial investment with them. We do not believe the policy of locating additional concentrations of affordable housing near local bus service is fair without corresponding investment in the infrastructure and amenities of that local bus service.
- The HPP removes policies dedicated to reducing concentrations of poverty and segregation which were present in the previous Metropolitan Council Housing Plan; specifically Policies 23 and 35 contained in that Plan.

City of Robbinsdale

4100 Lakeview Avenue North
Robbinsdale, Minnesota 55422-2280
Phone: (763) 537-4534
Fax: (763) 537-7344
www.robbinsdalemn.com



September 26, 2014

Susan Haigh, Chair
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101-1805

Subject: City of Robbinsdale comments regarding draft Housing Policy Plan

Dear Chair Haigh:

Please accept these comments from City of Robbinsdale staff regarding the draft Housing Policy Plan for consideration by the Metropolitan Council. We feel that there are implications of the Housing Plan which are particularly onerous to a small fully developed first tier suburb which has very limited resources.

This letter will focus on the role of local government. At least five sections of the plan call for cities to provide financial resources or subsidies to incent affordable housing. In addition, cities are called upon to increase levels of service to accommodate the production and preservation of affordable housing.

Traditionally, the Community Development Block Program (CDBG) has provided funds to accomplish these goals. However, Robbinsdale and other cities of small size no longer have direct access to CDBG funds. Robbinsdale has to compete with other cities in a consolidated "pool" to access limited funds. As a participant in the committee that makes recommendations regarding the allocation of CDBG funding, I can assert that there is much greater need than resources available. As well, the debate continues in Congress as to the very existence of CDBG.

Other financial tools such as tax increment financing are utilized where possible for specific projects such as Clare Terrace. We also continue to acquire and demolish blighted structures to maintain Robbinsdale's "scattered site" redevelopment program. Dwindling resources have resulted in a reduction in this particular activity.

We are concerned that limited or sporadic access to CDBG funds and lack of replacement income streams may reflect negatively on our affordable housing production score, especially at a crucial time when we are ready to proceed with a project. I know other colleagues have commented on the difficulty of acquiring and assembling land for redevelopment without using eminent domain or amortization, so I will not belabor that point.

The Housing Plan also refers to an "adjustment" of each cities affordable housing need. The vast majority of housing in Robbinsdale is affordable, and the city continually loses residents to the developing suburbs that offer housing choices not available in Robbinsdale. In other words, Robbinsdale which is rich in entry-level and senior housing, has few options for move-up housing and thus the notion of life-cycle housing is interrupted. Continued enforced production of affordable housing in Robbinsdale reinforces our perception of our monolithic housing market niche. We have no idea how the adjustment of Robbinsdale's affordable housing need will be applied. It seems that our best efforts to preserve affordable housing with robust code enforcement and rental licensing in a landscape of diminishing resources will further be compromised by geography.

Thank you for this opportunity to comment.

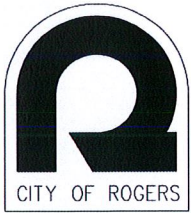
A handwritten signature in blue ink, appearing to read "Rick Pearson".

Rick Pearson
Community Development Coordinator.

CONCURRENCE

A handwritten signature in blue ink, appearing to read "Marcia Glick".

Marcia Glick
City Manager



(763) 428-2253

22350 South Diamond Lake Road · Rogers, Minnesota 55374

VIA E-Mail

September 26, 2014

Metropolitan Council
390 Robert street North
St. Paul MN 55101
Public.info@metc.state.mn.us

Re: Housing Policy Plan Comments

The City of Rogers has reviewed the draft Housing Policy Plan and would like to comment on the **Leveraging other funding streams** section of the plan.

Regional Solicitation for Transportation Funding.

In the draft plan it states that the Council is recommending that the Regional Solicitation process use the Housing Performance Scores. The City of Rogers does not support this recommendation. While we recognize affordable housing needs are used as a scoring element, using the Housing Performance Scores are not equitable when relating to transportation needs. The solicitation process has long used engineering data to address safety and congestion problems within the transportation funding process. The City of Rogers generally scores lower on the Housing Performance, but in no way does that reflect on the regional transportation impacts to the City. The City of Rogers serves a regional traffic need that continues to increase as a transportation corridor to northern and western Minnesota.

Sewer Availability Charge

- Explore developing an "Affordable SAC Credit"

This program could be a good economic incentive program to cities that are connected to the Metropolitan system and receive the benefit of regional funding. However, this could be a disincentive to other cities that are required to provide their own treatment and don't have access to this regional funding. If the program were expanded to reimburse communities operating with their own treatment systems, then equity would be afforded to all communities striving to meet their affordable housing goals.

Please take our comments into consideration when drafting the final policy plan.

If you have any questions feel free to call me at 763-428-2253.

Sincerely,

Steve Stahmer
City Administrator



COMMUNITY DEVELOPMENT

September 26, 2014

Ms. Susan Haigh, Chair
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101

Metropolitan Council

SEP 26 2014

Received Chair's Office

RE: Draft Housing Policy Plan

Dear Ms. Haigh:

The purpose of this letter is to submit comments, questions and responses to the Metropolitan Council from the City of Rosemount on the draft Housing Policy Plan. We have reviewed the draft Housing Policy Plan and appreciate the opportunity to provide feedback. The City of Rosemount's comments are as follows:

- The Housing Policy Plan has been released without the revised Housing Performance Score survey, the methodology for determining the local affordable housing needs, and the Comprehensive Plan review criteria. Similar to the Thrive 2040 document that included each individual City's population, households and employment forecasts, the Housing Policy Plan should include each City's calculated affordable housing need and the criteria being used to determine the affordable housing need for its Comprehensive Plan. Without this information (that will not be available until sometime in 2015), it is difficult to support the Housing Policy Plan (or the Transportation Policy Plan that recommends the use of the Housing Performance Score in funding decisions).
- On page 18, the second local role is "(r)equire rental property licensing" and on page 21, the last local role states "(p)rovide incentives". The Housing Policy Plan is meant to provide guidance on elements required to be addressed in each City's Comprehensive Plan, but not to mandate licensing and budgets. Some cities may choose to employ rental licensing or budget for financial assistance to affordable housing, but other cities may not and can still provide for their share of the regional housing need. The Housing Policy Plan should function as a guide and not mandate ordinances, licenses, or locally funded incentives. This type of directive, local zoning, land use, and housing programs are the purview of the local government and not the Metropolitan Council.
- This section states on page 56 "it is both politically and structurally challenging to leverage SAC to promote affordable housing." If this is true, the first council role should be to lobby the legislature to make the necessary statutory changes and for the Metropolitan Council to make the necessary administrative changes to employ SAC to promote affordable housing.
- On page 57, an "Affordable Housing SAC Credit" (AHC) is explored to reduce blight in a defined Area of Concentrated Poverty. If the AHC is successful in achieving affordable housing, shouldn't AHC be available to all areas, not just Areas of Concentrated Poverty?

SPIRIT OF PRIDE AND PROGRESS

Rosemount City Hall • 2875 145th Street West • Rosemount, MN 55068-4997
651-423-4411 • TDD/TTY 651-423-6219 • Fax 651-423-5203

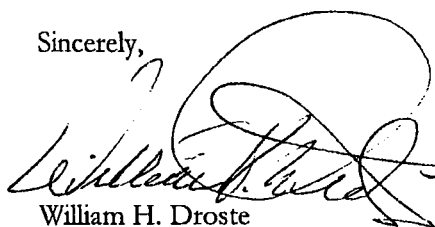
www.ci.rosemount.mn.us

This could be a tool that would assist in incenting affordable housing to be more balanced within the Metropolitan Area. The City can support the transfer of existing SAC credits to affordable housing provided that any additional costs resulting from the transfer are not paid for by the other SAC customers.

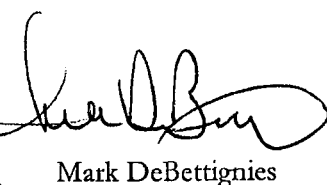
- As established in the Housing Policy Plan, there is a connection between low wage jobs, transit, and affordable housing. Consider allowing the AHC to be employed for job creation and transit supportive facilities as well as affordable housing.
- On page 74, the Housing Policy Plan considers stretching housing resources by converting grant programs into revolving loan funds. This would seriously impact local government's ability to assist in affordable housing projects. Many of the Metropolitan Council grants limit the use of funds to public infrastructure and cannot be used for private redevelopment activities. If the grants were converted to a loan program, the local government would be repaying the public infrastructure costs. With the limited resources available to the local governments, it would likely result in delaying the next affordable housing project until after the revolving loan funds are repaid and therefore reduce the number of projects that local governments can participate in.
- Overall, the Housing Policy Plan should be created to provide flexibility, recognizing that the communities in the Metropolitan area are different and one size will not fit all. Further, given the time horizon of the 2018-2040 Comprehensive Plan, the Housing Policy Plan should build in an ability to be more nimble. As was experienced in the last decade, the economic downturn raised issues that were not anticipated when the last policy plan was adopted. This inability to react adequately to change created impediments to the City's development goals.

We thank you for the opportunity to comment on the draft Housing Policy Plan. We look forward to working with the Metropolitan Council on revising and creating a Housing Policy Plan that will address the housing needs of a growing Rosemount and a growing region.

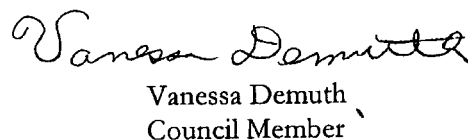
Sincerely,



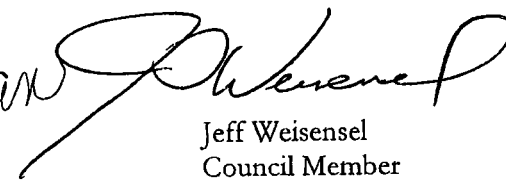
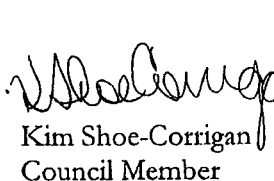
William H. Droste
Mayor



Mark DeBettignies
Council Member



Vanessa Demuth
Council Member



Kim Shoe-Corrigan
Council Member

Jeff Weisensel
Council Member

cc: Steven Chavez, District 15 Metropolitan Council Representative
Wendy Wulff, District 16 Metropolitan Council Representative



Community Development Department

September 26, 2014

Metropolitan Council
390 Robert St. North
St. Paul, MN 55101-1805

RE: Comments on the Housing Policy Plan

To Whom It May Concern:

The City of Roseville staff have reviewed the Housing Policy Plan and have the following comments:

1. **Generally Supportive:** As a first ring suburb, we are facing many of the housing issues that the Metropolitan Council is trying to address in the Housing Policy Plan on a daily basis. We are generally supportive of the Metropolitan Council's intent, but have some questions or concerns about some of the tools that are proposed for implementing these policies.
2. **Metro Cities:** The City of Roseville is a participant in the Metro Cities organization and is supportive of the suggested changes that have been presented by that organization and previously provided to the Metropolitan Council. In order to avoid unnecessary repetition, we will not reiterate the Metro Cities comments, but do want to indicate that they have our support.
3. **Key information missing:** It is extremely difficult to review the Housing Policy Plan because the methodology/weighting of the factors for determining the local affordable housing needs and Comprehensive Plan review criteria are being withheld or are unknown. The Housing Policy Plan should include at least a draft determination of each city's calculated affordable housing need so that communities can more clearly understand the impacts of the proposed policies on their plans and operations. Asking communities to sign off on policies without knowing these details creates unnecessary suspicion and anxiety throughout the region.
4. **Linkage of low-wage jobs to low-wage workers:** This linkage should be to all wage jobs, not just low wage jobs. Although a linkage to low-wage jobs appears to make sense in the short term, the long term impacts could be detrimental. Many of the low-wage jobs that are being produced in today's economy are service occupations, such as retail workers, where there is often limited opportunity for advancement. Concentrating too much affordable housing around these sorts of jobs may limit the ability of residents to use employment for skills enhancement and upward mobility.

Access to manufacturing employment can provide a path to exiting poverty that may not be possible in the service sector. Many higher wage manufacturing jobs can be accomplished with the skill set of lower income workers since the companies have in-house training to learn to operate specialized machinery. Even highly skilled professional jobs are often supported by important low wage jobs that may have more upward mobility than traditional service and retail sector jobs.

The linkage to low-wage jobs also implies that all low-wage workers are low skill workers, which is not always the case. In some immigrant communities, in particular, there are highly educated members, but they are limited to working in low wage industries due to the location of available housing, lack of American education credentials, transportation challenges and language skills.

Finally, transportation access to higher wage employment is often more challenging for low wage workers, even when skills are not the issue, because higher wage employment may not be served as well by transit. In those situations, having affordable housing located near those higher wage job clusters may be critical for low wage workers to benefit. In contrast, since our transit system often uses retail and service employment clusters as hubs (such as shopping center transit stations) there is often already an ability for low wage workers to conveniently access these jobs from a wide radius of housing locations.

5. **Leveraging SAC structure to expand affordable housing:** If changes are made, they should not be limited to only areas of concentrated poverty. Supporting affordable housing is a metropolitan wide need and responsibility.

Consideration should also be given to whether this tool should only be for affordable housing or could also be used for transit supportive development and certain job creation activities, which are also Met Council priorities.

The City of Roseville currently takes advantage of the process for capturing unused SAC credits for local use. We would strongly oppose any changes that would limit our ability to continue to capture unused SAC credits as we have historically done.

6. **Conversion of housing grants to revolving loans:** The economics of providing affordable housing at the local level, particularly in fully developed suburbs with the extra costs of redevelopment, are very challenging today even with the use of grant funds. By converting housing grants to revolving loans, the number of projects that are financially feasible may decline significantly. In addition, depending on how the revolving loans are structured, this change could affect other forms of financing by impacting the other lenders' debt/equity ratio requirements. Housing grants are often critical for providing key equity infusions for obtaining private sector financing.

If there are any questions about any of the items mentioned above, please feel free to contact me at 651-792-7071 or paul.bilotta@ci.roseville.mn.us.

Sincerely,



V. Paul Bilotta, AICP

Community Development Director



CITY OF SAINT PAUL
Mayor Christopher B. Coleman

390 City Hall
15 West Kellogg Boulevard

Telephone: 651-266-8510
Facsimile: 651-228-8521

September 25, 2014

The Honorable Susan Haigh and Members of the Metropolitan Council
390 North Robert Street
Saint Paul, MN 55101

Re: City of Saint Paul Comments on the 2040 Housing Policy & Transportation Policy Plans

Dear Colleagues:

I am pleased to offer the attached City of Saint Paul comments regarding the draft 2040 *Housing Policy Plan* and *Transportation Policy Plan*. They include comments recommended by the Saint Paul Planning Commission on both plans and comments recommended by the Mayor's Advisory Committee on Aging on the *Housing Policy Plan*. Similar to our comments on *Thrive MSP 2040* we are especially pleased with the Metropolitan Council's emphasis on equity in these important policy discussions.

In the *Housing Policy Plan (HPP)* we support the incorporation of Housing Performance Scores as a scoring element in the Regional Solicitation for Transportation Funding, the movement to a three-tiered threshold to measure housing affordability, the offer of expanded technical assistance to local governments, and the concept of the Metropolitan Council acting as a convener for a regional dialogue on the provision of affordable housing. Although the HPP identifies the significant increase in 65+ age households in the coming decades, there is relatively little discussion of how to address the needs of these households. There also should be more robust action steps to address both racially-concentrated areas of poverty (RCAPs) and the maintenance of naturally occurring affordable housing.

In the *Transportation Policy Plan (TPP)* we support strengthening the connection between land use and transportation, but believe more employment and housing density should be expected in plans for station areas throughout the region. Although the TPP notes there are insufficient financial resources available for transportation investments, it should discuss the need for potential new funding sources or expansions to sources that already exist, including exploration of local sources of funding used successfully by other regions. Finally, equity considerations should be stronger in the implementation strategies, including specific strategies to better link RCAPs with opportunities in the region through better transit.

Thank you for the opportunity to comment. The City of Saint Paul looks forward to continuing to work with our colleagues at the Metropolitan Council as the regional planning process moves forward.

Sincerely,

Christopher B. Coleman
Mayor

Enclosures



CITY OF SAINT PAUL
Christopher B. Coleman, Mayor

25 West Fourth Street
Saint Paul, MN 55102

Telephone: 651-266-6700
Facsimile: 651-266-6549

Comments on the Draft 2040 Housing Policy Plan

Date: September 25, 2014

To: Metropolitan Council

From: City of Saint Paul – *Recommended by the Planning Commission 9/19/14*

Overview of the Housing Policy Plan

Suggested Plan Organizational Improvements

- The demographics provided in this report are very useful and provide keen insight as to what is expected to occur within the region. It would be useful if all of the demographic information were brought to the front of the report instead of being placed within subsections of the report. Specifically, the information presented in the Livability Section (p. 34) would be helpful to have while reading the earlier sections because it provides a good overview of the expected aging of the population and how that impacts housing choice.
- The Plan provides excellent information on affordable housing. In some instances it seems like too much information buried within disparate sections of the Plan. To make the plan more readable, consolidating that information into an appendix and making reference to it might make it more accessible.
- The Plan needs to use a consistent definition of affordable housing throughout the document; it seems to go back and forth between the general definition of housing affordability (30% of gross income) and affordable housing at a set income level (e.g. 50% of AMI).

Policies Supported by the City

- The strategy, “Incorporate Housing Performance Scores as a scoring element in the Regional Solicitation for Transportation Funding,” on p. 42 and p. 56, “Propose to the Transportation Advisory Board the inclusion of the Housing Performance Scores (existing and as updated in this plan) as a scoring element in the Regional Solicitation for Transportation Funding” are strong strategies with sound policy direction. In a similar vein, the “data-driven approach to measure[ing] progress” strategy to address “Accountability” on p. 47 is strongly supported.

- The document recommends that the Metropolitan Council (p. 50) move to a three tiered threshold of affordability (<30%; 30-50%, 50-80%) instead of one threshold (<60%) and establishing adjustment factors (p. 51) to measure need. Both of these policies are strongly supported.
- The discussion on Housing Performance Scores (pp. 53-54) illustrates a more nuanced way to calculate HPS, which should give communities more attainable and measurable ways to ascertain progress. In addition, there is an action identified on p. 54 that the Council will use the HPS as a funding application evaluation element. Both of these strategies are strongly supported.
- In Part III: Council Policies and Roles, beginning on p. 48, the City strongly support the concepts of the Metropolitan Council offering expanded technical assistance to local governments and, in particular, are strongly supportive of the Metropolitan Council acting as a “convener” to “elevate housing dialogue” (p. 60).

Suggested Policy Review or Reconsideration

- The stewardship section discusses “naturally occurring” affordable housing or unsubsidized affordable housing. For Saint Paul this type of housing is often found in areas of disinvestment—whether single-family homes or aging apartments. On p. 5, the Plan acknowledges that “many of these aging units have become more affordable but may not be viable.” Without direct subsidy of these properties (as is suggested in bullet points five and six of this section through tax abatement, fee waivers, local financing tools, reduced inspection fees, and home rehabilitation grants), any investment in them will decrease their level of affordability and then they are neither “naturally occurring” nor “unsubsidized.” The City suggests that the Plan examine this issue more deeply and provide recommendations that are tailored for single-family and multi-family housing to ensure that naturally-occurring affordable housing is adequate housing.
- Accessory dwelling units are mentioned briefly in the *Maintain, manage, and preserve the Region’s housing stock and housing choices* section (p. 18), but there are no Met. Council or local government roles established. The City suggests adding additional role language related to accessory dwelling units.
- Increasing density is identified in the section *Leverage housing investments with our existing infrastructure* (p. 23). A stronger recommendation for a local role should be added that cities should plan for additional density into their comprehensive plans and allow for it through their official controls.
- Saint Paul supports working with developers to design high-quality projects. On p. 23, the recommendation is to do such, but the recommendation would be stronger if it were to recommend that cities review and adopt official controls to require high quality housing projects and neighborhoods.

- In Saint Paul, Concentrated Areas of Poverty (CAPs) and Racially Concentrated Areas of Poverty (RCAPs) are of critical concern. The City supports the Council's efforts to bring this to the forefront of its policy efforts. On p. 70, the Plan discusses the Council's role to "build wealth and expand investment in Areas of Concentrated Poverty." The first bullet point is to "work to mitigate [these areas] by better connecting their residents to opportunity and catalyzing neighborhood revitalization." There are no action steps identified. One key action that the Metropolitan Council should identify in this Plan is to convene the transit service providers to identify ways to connect affordable housing options in the CAPs and RCAPs to the jobs opportunities in the greater region. Regional transit service between the CAPs/RCAPs and the broader region is inadequate. Many of those living in CAPs/RCAPs are transit-dependent riders, yet to get to jobs outside of Saint Paul is often challenging or not possible. Additionally on p. 26, the Plan identifies a local role to "identify opportunities to improve links between existing housing clusters and job concentrations" and to "explore how to improve residents' ability to access jobs, services, and amenities without a personal vehicle." Again, a role for the Council is to identify mechanisms through public transit agencies to better serve areas where people who are transit dependent.
- On p. 33, it seems a role for the Council and/or local governments could be to provide improved education to landlords on how to rent to Section 8 voucher recipients.
- On p. 37, the discussion on placemaking assumes that transit-oriented development (TOD) projects are inherently mixed-income. As this is not necessarily the case, one of the Council's roles should be to advocate for mixed-income projects in TOD areas through the implementation of the LCDA-TOD and TBRA-TOD programs.
- On p. 35 the Plan speaks to "Plan Housing Choices for the Growing Senior Population." Earlier in the Plan it states that ¾ of net new households to 2040 will be headed by seniors age 65+. This is a startling statistic and a demographic reality that deserves more in-depth discussion of how the needs of these new households will be met and more robust roles for the Met. Council and local governments than those listed. The following are the City's recommendations:
 - There should be a more detailed discussion of the how the Met. Council and local governments can work toward providing a sufficient strategy for low- and moderate-income senior housing.
 - A role for the Met. Council should be included in the Plan is to convene a group of regional providers of low- to moderate-income senior housing, local governments, and funders to discuss strategies for provision of this type of housing.
 - A second addition role for the Met. Council should be to work with the Minnesota Housing on improved allocation of tax credits to affordable senior housing project
- Perhaps one of the most critical elements of the Draft Housing Policy Plan is the introduction of Part IV: Opportunities for impact where six items in the Metropolitan Council's future housing policy workplan are outlined. These are:
 1. Reduction of barriers to development of mixed-income housing;
 2. Exploration of inclusionary housing strategies;
 3. Assessment of feasibility of strategies to share risk;

4. Shared regional strategies to affirmatively further fair housing and address housing discrimination; and
 5. Building wealth and expanding investment in Areas of Concentrated Poverty.
- These are excellent strategies and are strongly supported by the City. However, a critical missing piece is that there are no initiatives identified to lobby the federal government or state government to assist in achieving this goal. While convening interested parties is important, real change must often come from policy makers in higher office.

Finally, the City is very supportive of Section V: Implementation and Next Steps, particularly the table identifying measures, baselines, and desired outcomes (pp. 75-76). However, while identifying and measuring indicators is very important, funding must follow in order for those goals to be achieved. As the Metropolitan Council is a significant funder, they must ensure that their funding guidelines and criteria align with the goals outlined in the measures and desired direction table.

Additional Housing Issues for Consideration

The following items are currently not addressed in the Plan, but roles for the Met. Council and local governments should be considered in the Plan:

- Policy direction on housing the homeless population;
- The implications of the Minnesota Homeless Youth Act and the issue of homeless youth;
- A discussion on provision of housing for ex-offenders; and
- Existing and future need for increased supportive housing including the following specific roles for the Met. Council:
 - Provide technical assistance to local governments on best practices to allow for supportive service providers to be integrated into housing projects.
 - Work with Minnesota Housing to identify a means by which to fund supportive services in housing projects.



Susan Haigh, Chair
Metropolitan Council
390 Robert St. North
St. Paul, MN 55101-1805

Metropolitan Council

SEP 25 2014

Received Chair's Office

September 18, 2014

RE: The City of Shakopee's official comment on the draft Transportation Policy Plan and Housing Policy Plan

Dear Chair Haigh:

The Shakopee City Council thanks the Metropolitan Council for the opportunity to review and comment on the draft Housing Policy Plan and Transportation Policy Plan. This letter constitutes the Shakopee City Councils formal comment for the record on both.

As you know the City of Shakopee commented on the "Thrive MSP 2040" document, and we believe it is worth reviewing the City's concern in preparation for the comments on the Housing and Transportation Policy Plans (TPP). In the 1980s the Metropolitan Council designated the City of Shakopee as a "freestanding growth center." In the 1990s, as development of the suburbs reached out to meet the growth engine that was and is the City of Shakopee, the Metropolitan Council designating the City as "developing/MUSA community." In 1990 Shakopee's total population was just under 20,000. From about 1996-2006 Shakopee was the fastest growing city in the Region by rate. The City of Shakopee is now home to about 40,000 residents, double its 1990 population. As you can imagine, it was at best ironic to learn that under "Thrive MSP 2040" this city, which doubled in size in 24 years was being downgraded to the category of "suburban edge." We understand that the City's classification and "Thrive MSP 2040" are now a fait accompli by virtue of its adoption. However, we believe it is important to understand the concerns which Shakopee (and other cities and counties) expressed because that document sets up goals and policies in the Housing and Transportation Policy Plans that will work at cross purposes with one another.

Under the proposed Transportation Policy Plan it is clear that significant investments in transit will only occur in the core (Minneapolis and St. Paul) and those cities that are designated as suburb, and even then only where there are existing and designated future transitways. Unfortunately for Shakopee and the other cities in Scott County, as a result of the adoption of "Thrive" they are not within the first category. And, despite the regional importance of the TH 169 corridor from the Twin Cities to Mankato (40 percent of all Minnesota jobs are located within 10 miles of TH 169), and despite years of demonstrating that this corridor warrants designation of a future transitway, the TPP continues to ignore this corridor. This, per se, means that resources for transit investment for Shakopee and Scott

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County will be very limited at best through the 2028 comprehensive planning cycle. In the Regional Solicitation process, the Metropolitan Council proposes to assign a large number of "equity" points to projects in areas of concentrated poverty. Since these areas are limited largely to the two core cities and close-in suburbs, other areas of the Metro (like Scott County) will not compete well, and this will result in geographic inequity in the distribution of funds."

One could reasonably conclude that since the region does not contemplate transit investment in Shakopee and Scott County that it might be more circumspect about the land use changes, types of housing and densities it expects from these communities. It has long been clear that increases in residential density and the supplies of affordable and life cycle housing strongly require more transit alternatives for those that are to occupy the housing. Because the TPP contemplates that there will be no additional transit investments in Scott County, this will not be possible.

Comments Specific to the Draft Transportation Policy Plan:

1. Many of the concerns about the TPP are addressed on page one of this letter in the introduction. Specifically, the City's designation as a Suburban Edge Community without a designated transitway and in Transit Market Area IV means that no significant transit investments will be made in this part of the Region, and it will be largely limited to express bus service for years to come. Especially if the City is to, as suggested in the Housing Policy Plan, provide denser, and more affordable housing, efforts to do this will be seriously hampered and undermined. Such affordable housing development, if it is to be successful, must in turn offer better transit and transportation options to those who would occupy such housing in the future.

Comments Specific to the Draft Housing Policy Plan:

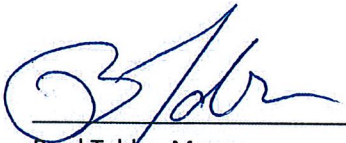
1. The City is pleased to see that at page 12 of the draft the Council cites to specific evidence/authority that demonstrates that affordable housing has "...no long term negative impact on surrounding property values." The contention that affordable housing reduces other property values has long been the most heard criticism in communities of allowing affordable housing. The references cited to should be helpful in answering such criticisms.
2. The draft asserts that "...the Council assists local comprehensive plans that advance local visions" To the contrary, the current draft housing policy doesn't present a framework for advancing the vision of individual communities, but rather sets forward a uniform framework and percentages for communities for providing affordable and life cycle housing moving forward. This is even more concerning because the draft does not include the proposed need and goal calculations so that they can be commented on. Instead it is proposed that the Housing Policy Plan be adopted long before the actual need and goal numbers are available for local review. That fact will leave very little opportunity for local governments to comment on, or even challenge these numbers at a later phase of the comprehensive planning process.
3. The Council's approach to affordable housing needs and goal numbers for cities continues to ignore the extent to which the provision of affordable and life cycle housing is a function of the private

marketplace, instead suggesting that cities have a much greater ability than they in fact do to "produce" affordable and life cycle housing. This is especially true for Shakopee and its neighboring city, Prior Lake, where thousands of acres of land are owned and controlled by the neighboring Shakopee Mdewakanton Sioux Community (SMSC), and where the development of housing will be limited to housing for the members of the SMSC.

4. The draft housing policy plan clearly states that cities must expand their rental housing licensing and housing inspections programs, and well as the acquisition of land for "inclusionary housing." (See page 29) These clearly imply that city land acquisition programs and staffs will need to be expanded at a significant budgetary cost, and placing a significant burden on both homeowners and renters in the community. Yet, it is not clear that requiring this will meet the goal of preserving the existing affordable and life cycle housing in our communities.

Again, the City of Shakopee appreciates the opportunity to comment on these two important regional documents. We hope that you will take our and other cities' comments very seriously, and amend these two policy plans so that they not only work together, but will, in fact, make it possible for cities like Shakopee to be real partners in meeting regional housing and transportation needs.

Sincerely,



Brad Tabke, Mayor
City of Shakopee



September 25, 2014

Metropolitan Council
390 Robert Street N.
St. Paul, MN 55101

RE: Metropolitan Council Housing Policy Plan – Public Comment

On behalf of the City of Shoreview, the following comments pertaining to the Draft Housing Policy Plan are being presented to the Metropolitan Council for consideration:

Transportation(Transit)/Housing

The Plan establishes principles and outcomes that integrate housing with transportation investments and emphasizes affordable housing and higher density where transit exists or transit investments are planned. As a fully developed community, Shoreview's transportation network is fully established and redevelopment efforts are being focused around the community's core and arterial roadways. Policies that support the integration of higher density and/or affordable housing and transit are supported but implementation becomes difficult due to the limited transit options available and planned in the suburban and outlying communities. This should be recognized and considered by Metropolitan Council when establishing the density and affordability outcomes for the local communities.

Affordable and Life-Cycle Housing

In the past, the Metropolitan Council has allocated the number of units needed in each community based on existing affordable housing choices, further growth opportunities, low wage proximity and transit. While the proposed adjustment factors (low wage jobs/workers, proximity to transit and existing affordable housing) appear to be similar, it is difficult to determine the impact of the revised allocation methodology without additional information. A community that has a lesser share of affordable housing than the region should not be required to add additional affordable housing if there are few low wage jobs in the area and/or transit is limited.

Expanding the threshold for the housing affordability is seen as a positive. There is concern, however, that the use of the area median income for the metropolitan area is not reflective of the sub-regional or local median incomes. As a result, it is more difficult for communities whose

median income level is above the AMI to attain the affordability goals established by the Metropolitan Council and reaching the goals for households earning 30 to 50% of AMI will be extremely challenging.

The Plan does define the demographic changes forecasted to take place through 2040 and establishes policies to expand housing choice and improve livability. The policies and roles established to expand housing options emphasize affordable housing and do not appear to adequately address the forecasted demographic changes specifically related to the senior population.

Financial and Other Considerations

Development opportunities in fully-developed suburbs take the form of infill and redevelopment. This type of development tends to be more expensive due to costs related to site assembly, relocation requirements, environmental constraints, stormwater management, neighborhood character, etc. Therefore, it becomes difficult to expanding housing choice and affordability at the desired densities without financial assistance from public sources. Smaller suburban communities tend to have limited financial resources to provide the needed assistance and look to other financial partners such as the Metropolitan Council and the State of Minnesota. While the Plan address the Council's financial role, the Council should also recognize that financial challenges are present and may inhibit the ability of a local community to carry out these regional policies.

The Plan should also recognize the role of the private sector in housing. While governmental policies and actions can assist in meeting the regional housing goals, housing is a market driven commodity with demand influencing housing costs, housing type, density and location.

I hope these comments are helpful as the Metropolitan Council continues to refine the housing policy for the region. Please contact me if you have any questions or need further clarification regarding our comments. I can be reached at 651-490-4682 or via e-mail at kcastle@shoreviewmn.gov.

Sincerely,



Kathleen Castle

City Planner

St. Louis Park - Comments for Met Council Housing Policy Plan

Housing Affordability

Formula for calculating affordable housing needs/goals for communities:

First, it is difficult to comment on the formula when we don't know the specifics and how this will impact our community but we are submitting the following comments based on what has been noted in the Plan and on past experience.

Existing Affordable Housing

One of our primary concerns in the past is that communities did not receive credit for existing affordable housing. Although we have been told that this was taken into consideration in past analysis and goal setting, we have only recently been able to better assess our own percentage of affordable housing based on a Comprehensive Housing Study completed by Maxfield Research in 2013. The study indicated that 71% of the market rate rental units inventoried was affordable at 50% to 60% ami. This is a reflection of an older housing stock with few amenities.

Our community also administers a Public Housing Program, a Housing Choice Voucher Program – both tenant based and project based and several McKinney funded Permanent Rental Assistance Programs. Our community has also recently agreed to partner with the Hennepin County to administer a new rental assistance program that targets individuals and families coming out of shelters. The Plan specifically talks about the use of Housing Choice Vouchers to expand housing choice. St. Louis Park also offers a number of income restricted programs to assist low income homeowners in maintaining and preserving their homes.

- Greater recognition and consideration needs to be given to communities that are administering programs that meet the needs of the lowest income households, including federally funded rental assistance programs, and that have a significant amount of naturally occurring affordable housing. Greater recognition should also be given for programs that are assisting low income homeowners in the preservation of their housing.

Need versus Goal:

We support establishing the affordable housing goal separate from the need. Although it is understandable that the need guides the goal, establishing a goal that is unattainable devalues the purpose for establishing a goal and can prevent community commitment and engagement in trying to meet the goal.

We also support a negotiated process in determining what each community affordable goal should be. What framework will the negotiated process take? Does this occur after the goal has been established by the Council or is there opportunity to have input prior to establishing the goal.

Preservation of Existing Housing Stock:

We support greater emphasis on preservation of the existing housing stock including the naturally occurring affordable housing in our community. 88% of St. Louis Park's housing stock was built prior to 1960. Also, as stated above, a significant portion of St. Louis Park's housing stock is affordable to households between 50% and 60% of ami. As a fully developed City with an aging housing stock, this is of high importance to our community.

St. Louis Park has implemented Rental Licensing that includes inspection on all rental units, a Crime Free Housing Ordinance to ensure properties are well managed and a Rental Coalition made up property owners and managers that meet on a regular basis to educate and support the management efforts our rental housing owners. Ensuring we have viable, well maintained and well managed properties for households at all income levels requires a multifaceted approach that addresses not only the physical but also the social environment of the community. Addressing the physical preservation requires greater funding

Funding

As your own report states, there are inadequate financial resources to address the region's affordable housing needs. As your own report states, Local communities have competing needs which make funding for the creation of affordable housing challenging. In St. Louis Park, redevelopment costs are high adding to the cost burden to create affordable housing units. There needs to be greater efforts to create a regional funding source to support the creation of affordable units. This could be the Inclusionary Housing Account that was mentioned in the report or it could be the TOD Housing Fund mentioned in the recently completed SWLRT GAPS Analysis. The expectation that the affordable housing goals can be accomplished without additional resources is unrealistic.

Threshold of Housing Affordability

Although establishing various thresholds of affordability would seem to offer more flexibility in determining the need and planning there is some concern that we are not addressing the need for housing at what could be characterized as a moderate income level, 80 to 100% ami. Also, a universal and industry standard is 60% of ami – how will establishing a threshold at 50% to 80% correlate?

Housing Performance Scoring Criteria

What will the scoring criteria be? This is important since it is being suggested that the scores will impact a community's ability to access funding. Many of the same factors noted above in determining need/goal should also be included in the Housing Performance Scoring.

Affordable Housing SAC Credit

We support this idea but why not create a SAC credit for developments that include affordable units?

Reducing Barriers to Mixed-Income Housing

The Plan indicates that one of the barriers is the real or perceived risk in developing these projects, primarily that of the investors or lenders. We support the proposed role of the Council to address this concern.

Developing Strategies and Tools.

The creation of strategies/tools to address the need for affordable housing initiatives could benefit from a more coordinated effort. There are currently a handful of groups in the metro that are researching/analyzing and trying to develop strategies/tools for creating affordable housing. Although they may have a slightly different objective, they appear to all be trying to develop strategies and tools that would result in the creation or preservation of more affordable housing units. The effort is great but there does feel there may be duplication in these initiatives and that there would be some benefit in at least some, if not all, of these efforts part of a larger comprehensive coordinated effort. This would eliminate duplication, focus resources (both staff and funding), and create better alignment with overall regional goal while still considering local interests.

Laura Chamberlain
12800 Whitewater Drive
Suite 300
Minnetonka, MN 55343

September 24, 2014

Susan Haigh, Chair
Metropolitan Council
300 Robert Street North
St. Paul, MN 55101

RE: Draft 2040 Housing Policy Plan (HPP)

Dear Chairwoman Haigh,

The City of St. Mary's Point appreciates the opportunity to comment on the draft of the 2040 *Housing Policy Plan*. While we understand the purpose and need of such an extensive housing policy in the Metropolitan region, we would like to ensure that concerns of the St. Mary's Point Community are considered and addressed. You will find these concerns listed below:

- Various aspects of the *Housing Policy Plan* highlight the roles of local governments, yet it was not made clear if these proposed roles are suggestions or requirements. Additionally, the measurements and metrics of compliance on the part of local governments needs to be laid out, including any consequences of non-compliance.
- Many of the strategies proposed in the *Housing Policy Plan* focus on transit corridors and TOD as opportunities for concentrating affordable housing, mixed income/mixed use developments, job centers. As a Rural Residential Community no transit corridors are planned in or near our community. What planning resources will be available to our community to assist with achieving our affordability goals?
- On a similar note, with such a concentration on TOD and transit's important role in housing and affordability, we want to ensure that funding and resources will be available for communities and projects outside of that framework; especially since affordable developments in communities like St. Mary's Point will most likely be at a smaller scale than urban/suburban projects, but still have similar high costs.
- As the plan acknowledges, housing is a personal and emotional topic for community members. What resources will be available to communities to address/ease public concerns over increasing affordability, density, etc? Will the Council's focus on "technical assistance" include resources for education and attending local public meetings?
- Are affordability indicators determined by regional metrics (AMI for the region) or municipal metrics (AMI for the municipality)?

We appreciate your consideration of the City of St. Mary's Point comments at this time, and look forward to your response.

If you have any questions, please contact me at 763.259.6016 or lchamberlain@sambatek.com.

Sincerely,

Laura Chamberlain
Associate Planner
City of St. Mary's Point

CC: Cindy Reiter, City Clerk
Jay Roettger, City Mayor
Ben Gozola, Senior Planner

Laura Chamberlain
12800 Whitewater Drive
Suite 300
Minnetonka, MN 55343

September 24, 2014

Susan Haigh, Chair
Metropolitan Council
300 Robert Street North
St. Paul, MN 55101

RE: Draft 2040 Housing Policy Plan (HPP)

Dear Chairwoman Haigh,

The City of Victoria appreciates the opportunity to comment on the draft of the 2040 *Housing Policy Plan*. While we understand the purpose and need of such an extensive housing policy in the Metropolitan region, we would like to ensure that concerns of the Victoria Community are considered and addressed. You will find these concerns listed below:

- Various aspects of the *Housing Policy Plan* highlight the roles of local governments, yet it was not made clear if these proposed roles are suggestions or requirements. Additionally, the measurements and metrics of compliance on the part of local governments needs to be laid out, including any consequences of non-compliance.
- Many of the strategies proposed in the *Housing Policy Plan* focus on transit corridors and TOD as opportunities for concentrating affordable housing, mixed income/mixed use developments, job centers. As an Emerging Suburban Edge Community, no transit corridors are planned in or near our community. What planning resources will be available to our community to assist with achieving our affordability goals?
- On a similar note, with such a concentration on TOD and transit's important role in housing and affordability, we want to ensure that funding and resources will be available for communities and projects outside of that framework; especially since affordable developments in communities like Victoria will most likely be at a smaller scale than urban/suburban projects, but still have similar high costs.
- As the plan acknowledges, housing is a personal and emotional topic for community members. What resources will be available to communities to address/ease public concerns over increasing affordability, density, etc? Will the Council's focus on "technical assistance" include resources for education and attending local public meetings?
- Are affordability indicators determined by regional metrics (AMI for the region) or municipal metrics (AMI for the municipality)?

We appreciate your consideration of the City of Victoria's comments at this time, and look forward to your response.

If you have any questions, please contact me at 763.259.6016 or lchamberlain@sambatek.com.

Sincerely,

Laura Chamberlain
Interim Associate Planner
City of Victoria

CC: Ed Shukle, Interim City Manager
Tom O'Connor, City Mayor
Ben Gozola, Interim Senior Planner

From: Batalden, Karl [kbatalden@ci.woodbury.mn.us]
Sent: Tuesday, August 26, 2014 10:11 AM
To: Beard, Tara; Stanley, Jonathan
Subject: Minor comments re Housing Policy Plan

Dear Tara and Jonathan,

The City will be submitting formal policy comments on the Housing Policy Plan, but I did catch a few minor grammatical issues / technical concerns for you:

1. On page 7, you state that "The seven-county region has 57,900 publicly-subsidized affordable rental units, including public housing and units built with capital generated by Low-Income Housing Tax Credits." While the tone of the comment is perfect, I would be a little concerned that you are referring to LIHTC equity as a subsidy. Legally and technically it is not a subsidy. In the court of public opinion it probably is. I bring this up because there are a lot of time when us City folk are highlighting private sector investment of corporate equity through the aegis of a tax credit as a way of developing affordable housing without having to subsidize.
2. On page 19, the middle paragraph that begins with "Much of this stock was..." includes an unneeded "and" in between the words roofing and electrical. Maybe alphabetize all four?
3. On page 29, the 3rd bullet down in the local role section states "...options through for new...". I would cut either the through or the for.
4. On page 60, in the big paragraph that starts off with "The Council and the Council's...", in the fourth line from the bottom the text reads "home lending patterns are result from". I recommend cutting the word "are".

Best regards,

Karl

Karl Batalden

Housing and Economic Development Coordinator

<http://www.woodburyloans.com>

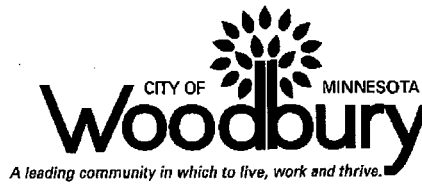
City of Woodbury

8301 Valley Creek Road Woodbury, MN 55125

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September 19, 2014

Susan Haigh, Chair
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101

Re: Draft Housing Policy Plan

Dear Chair Haigh:

The City of Woodbury appreciates the opportunity to comment on the Draft Housing Policy Plan (Plan) as well as the participation in the Plan's working group. The City looks forward to continuing its partnership with the Metropolitan Council ("Council") to make the Twin Cities area a great place to live, work and prosper for the next thirty years and beyond. We do not completely agree with the underlying assumptions that went into the creation of the Plan and while we offer the following comments for your consideration, the six comments below should not be considered an exhaustive or all-inclusive list.

1. On pages 58 and 72 of the draft Plan, there is language surrounding incorporation of the Plan as well as "new review criteria" into the Local Planning Handbook. Given the critical role that the Local Planning Handbook will play in shaping Woodbury's 2040 Comprehensive Plan, this language deserves better clarity.
2. With regard to the allocation of affordable housing need and subsequent opportunity to negotiate LCDA housing goals, Part III of the draft Plan identifies the definitions and constraints of these measures. However, the implementation language on page 72 clearly states that the methodology for determining the 2021-30 allocation of affordable housing need will occur only after the adoption of the Plan. Woodbury strongly disagrees with this approach. The City hereby requests that adoption of the Plan be delayed until such a time as the final allocation of need can be included within the Plan. Frankly, it is very difficult to comment on the Plan when one of the chief metrics is not yet defined.
3. With regard to the allocation of need of affordable housing units, Woodbury is concerned that resources for subsidizing these units are so scarce the needs may appear unable to be met and as such risk being dismissed as irrelevant. I believe that the residential demand for a private-market townhome product will come back at some point in the future but for now—at least in Woodbury—there is no new development of affordable housing by the private market. Even with future construction of market-rate and market-financed townhomes, many of those units will not be affordable to households earning 80% of AMI.

Woodbury has seen a wide variety of affordable housing units constructed in the recent past, but for this sake of this letter we wish to highlight our partnership with Twin Cities Habitat for Humanity and some of the costs connected to this development model.

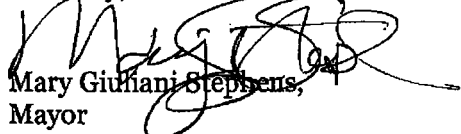
For purposes of illustration, according to Habitat's "Certification of Funding Sources" submitted jointly to Woodbury and Washington County, there were \$202,244 in sources for

the unit located at 600 Gateway Place in the Garden Gate 2nd Addition. Of these sources, there were \$66,901 or from the federal CDBG, HOME and SHOP programs. Additional Woodbury EDA funds that were invested to assist with the land acquisition component of the unit were not included in the Certification. I would like to highlight the amount of subsidy required to finance this project. If you apply the \$66,901 per unit subsidy and multiply it by our decennial need of 2,057 units, it would require Woodbury to offer \$137,615,357 of subsidies over ten years. This is simply neither possible nor reasonable. Woodbury, nor any other municipality, does not have 137 million dollars available to subsidize affordable housing.

4. Woodbury appreciates the Council's decision to change the definition of affordable housing to include homes that house families who earn up to 80% of area median income. This increase from the 60% of area median income level threshold of the 2011-2020 timeframe will hopefully allow for the return of market-driven affordable housing in the event that a suburban townhome product re-enters the home builders' portfolios. This will also, as stated on page 50 of the draft Plan, allow for affordable ownership options rather than a focus on rental units.
5. Woodbury appreciates the language on pages 5-8 of Part I of the draft Plan that focuses on the need to preserve existing housing stock in the region. Hopefully, upon the publication of the allocation of affordable housing need numbers at the municipal level, the Council will better recognize the importance of the 125,000 single-family and 16,000 multi-family units in the region that were built prior to 1960. Specific to Woodbury, we have long held a policy position of building a 50-50 split between single-family and multifamily homes. As such we have a large number of homes that we believe to be affordable to families earning 80% of AMI. This portion of our housing stock should receive acknowledgement when the Council determines its allocation of affordable housing need.
6. Woodbury would oppose a blanket requirement that all municipalities be required to license rental properties as discussed on page 18. Licensing should be a question of local control and the amount of regulation should remain a local decision. Each community's housing stock is unique and as such rental property licensing strategies vary by City. Woodbury's City Council has discussed this policy issue several times and while we do license multi-family rental properties, we have chosen not to license individual homes that are leased.

Thank you for seeking comments on the draft Plan. Should you have any questions regarding this letter, please contact Dwight Picha, Community Development Director, at (651) 714-3533.

Sincerely,


Mary Giuliani Stephens,
Mayor

cc: Councilmembers
Clint Gridley, City Administrator
Dwight Picha, Community Development Director
Patricia Nauman, Metro Cities
Tom Poul, Messerli and Kramer



October 1, 2014

Comments on the Housing Policy Plan were received from the following counties/county entities:

Carver County
Carver County Community Development Agency
Dakota County Community Development Agency
Hennepin County Department of Housing, Community Works and Transit
Washington County Housing and Redevelopment Authority



Office of County Commissioners
Carver County Government Center
Human Services Building
602 East Fourth Street
Chaska, MN 55318-1202
Phone: 952 361-1510
Fax: 952 361-1581

September 16, 2014

Susan Haigh, Chair
Metropolitan Council
300 Robert Street North
St. Paul, MN 55101

RE: Draft 2040 Housing Policy Plan (HPP)

Dear Chairwoman Haigh,

The Carver County Board stated in its Thrive 2040 comment letter dated April 15, 2014, "the Board and County Staff look forward to continuing discussions, and an open process in the development of regional policy plans and system statements – one that allows for, and accepts input as the details of regional policy are fleshed out." Despite the Board's invitation for open dialogue, and significant staff effort to provide constructive comments, the County has significant concerns with the Metropolitan Council's (Council's) process which has concurrently developed Thrive MSP 2040, the 2040 HPP, and the other system policy plans. This concurrent process has resulted in policy plans that lack clear connection vertically to Thrive, and horizontally with each other. In sum, the concurrent process is producing disjointed documents that lack a common format and results in a review process that is overwhelming to communities.

The Board's April 15th letter to you, along with staff comments sent on April 23rd to Council staff, provides specific input to the Council about Carver County's housing needs. The County has stated in these communications and will continue to communicate that significant investment in housing options will be needed to attract and retain a competitive workforce and meet the changing needs of seniors in Carver County. Although Carver County's numbers are smaller for these populations, maintaining and expanding affordable options, and encouraging aging in place are crucial. A regional housing policy plan and investments must be attentive to local dynamics by providing investment strategies and options that fit all community types.

Unfortunately the adopted Thrive 2040 plan, and now the draft HPP falls short of offering solutions that fit Carver County and its communities in a number of ways. The following will note some key areas where Carver County believes that HPP can be improved. In addition, County Staff will supplement this letter by providing specific edit suggestions for the HPP directly to Council staff.

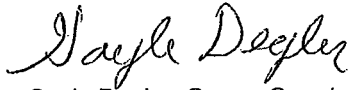
1. The Council has strongly emphasized the impacts that the region's aging population in its development of 2040 forecasts. The HPP states, "from 2010 to 2040, 74% of net household growth will be among households in the home downsizing years of age 65 and above." The HPP policy however is largely silent on the Council's role in responding to the needs of an aging population. The Council should consider opportunities to leverage its data collection and education functions to assist communities in developing capacity to meet the needs of emerging senior populations by creating opportunities to age in place.

2. The HPP has been written with sections that align with each of the five outcomes and three principals of Thrive 2040. To maximize clarity and usability, all policy plans should follow a consistent strategy that aligns the policy statements and implementation efforts with outcomes and principals of Thrive 2040.
3. The HPP must clarify whether identified local roles are requirements or suggestions. The HPP also must clarify how compliance with identified local roles is determined, and the consequences of non-compliance.
4. Policies stress affordable housing development along transitways. Since no transitways are planned for Carver County, this creates a significant lack of support for affordable housing development in Carver County. Carver County housing cost burden measures are comparable to all other metro counties. This fact supports a need for investment in housing options within Carver County communities that are not along existing or planned transitways.
5. The County supports the Council's identified role to collect and disseminate standardized datasets related to HPP implementation and inventorying affordable housing throughout the region. The Council should involve local communities, housing redevelopment authorities, Community Development Agencies, and other affordable housing stakeholders to identify data needs and define regional measures.
6. Throughout the document, affordable housing development is encouraged in conjunction with Transit Oriented Development (TOD).
 - a. Currently, the Council does not consistently recognize transit investments and transit planning in suburban edge communities. This is a disincentive for communities to proactively plan for transit supportive development.
 - b. The Council should clearly and consistently recognize existing and planned Park & Rides in suburban edge areas as eligible for TOD investment.
 - i. Although the TOD map available on the Council's website is difficult to interpret, it appears that Chanhassen Station, Clover Field P&R, and the new Carver P&R are not recognized for TOD while East Creek Station, and SouthWest Village are.
 - ii. The Council must clearly recognize the role of suburban transit providers in all policies that impact transit service planning and station area development.
 - c. The Council Office of TOD's current failure to recognize opportunities and develop models relevant to developing suburban areas undermines credibility of the office as a regionally relevant resource. Currently a very select few communities can benefit from the Council's approach to TOD, and as a result most communities have little incentive from the Council to pursue this development model.
7. Pg. 56 of the HPP states, "the Council is recommending that the Regional Solicitation process use the Housing Performance Scores." This is also an identified 2014 priority on pg. 72.
 - a. Despite this objective in the HPP, The Transportation Policy Plan (TPP) fails to define how the regional solicitation process will incorporate housing performance scores which results in confusing policy between the two documents.
 - b. The TPP uses the term "Housing Performance Score" only once in Table F-5 on page 246 with no discussion about how the score will be incorporated into the Regional Solicitation for Transportation Funding.

- c. Counties and local communities responsible for developing transportation networks should have input into how this should be done.

The Board and County Staff look forward to continuing discussions related to the 2040 HPP and the other regional policy plans as we continue to define our regional vision and implement Thrive MSP 2040.

Sincerely,

A handwritten signature in black ink that reads "Gayle Degler". The script is cursive and fluid.

Gayle Degler, Carver County Board Chair

cc. Gary Van Eyll, District 4 Council Member
Jennifer Munt, District 3 Council Member
Angela Torres, Sector Representative

From: Torres, Angela
Sent: Thursday, September 25, 2014 11:16 AM
To: Starling, Libby; Beard, Tara; Stanley, Jonathan
Subject: FW: Draft 2040 Housing Policy Plan (HPP) – Staff Level Comments

FYI – Additional technical comments from Carver County staff regarding the Housing Policy Plan.

Angela R. Torres, AICP

Senior Planner | Sector Representative
P. 651.602.1566 | F. 651.602.1674

From: Nate Kabat [mailto:nkabat@co.carver.mn.us]
Sent: Thursday, September 25, 2014 10:46 AM
To: Torres, Angela
Cc: Paul Moline; John Sullivan; Brenda Lano (BrendaL@carvercda.org)
Subject: Draft 2040 Housing Policy Plan (HPP) – Staff Level Comments

Dear Angela,

This letter is the supplemental Carver County Staff comments mentioned in the County Board's HPP letter to Chairwoman Haigh dated September, 16, 2014. This letter is intended to build on the comments submitted by the County Board to provide specific edit suggestions and questions for clarification about the HPP to the Metropolitan Council (Council).

1. Pg. 18: Notes local communities should, "provide technical assistance programs to homeowners."
 - a. The County requests the Council to define "technical assistance" to delineate what type of assistance the Council expects communities to provide as opposed to the type of assistance the Council plans to provide.
2. Pg. 19: Notes local communities should, "include preservation opportunities, goals, and incentives in the housing element of comprehensive plans..."
 - a. The County requests that the Council support this suggestion to local communities by working with state agencies and non-profits involved in the housing sector to develop programs that support affordable housing preservation in all communities including rural centers within the metro. Many rural centers have small numbers, but relatively high proportions of low-income populations. Often the housing stock in these communities is "naturally affordable," and need assistance to keep existing units viable. In the past Carver County Communities have not been funded through SCDP as meeting the rigid criteria is difficult.
3. Pg. 21: States, "...the Council guides new housing to locations that leverage the region's existing infrastructure investments."
 - a. To provide equitable options across the region, the Council needs to also support workforce and affordable housing options in developing communities with established or planned and approved sewer and water service. The County requests this text be amended to read, "...the Council guides new housing to locations that leverage the region's existing and planned infrastructure investments."
4. Pg. 26 & 29: Notes the Council should, "Expand viable housing options by investing in and encouraging new affordable housing in higher-income areas of the region, particularly in areas that are well-connected to jobs, opportunity, and transit."
 - a. The County encourages the Council to expand this statement to also improve connections to jobs, opportunity, and transit around existing and new affordable housing in developing areas of the region.
5. Pg. 35: Notes the Council should, "Encourage and invest in a wide variety of housing options throughout the region to serve an increasingly diverse population, including viable housing choices for low- and moderate-income households and senior households."
 - a. This is a good role for the Council, however this is also very broad. The County recognizes that the Council will continue work to define implementation steps that will "encourage" and identify sources and strategies to "invest". To encourage collaboration, avoid duplication, and identify effective strategies, the

County encourages the Council consult communities at all stages of development when developing policies and programs in line with this identified role.

6. Pg. 44: Notes a number of Council roles to link housing and land use with transit development.
 - a. Carver County is committed to SouthWest Transit as its primary transit service provider. Policy development related to development around transit stations and density expectations to support service should involve SouthWest Transit.
7. Pg. 50 defines a “three band allocation” to be used in the allocation of affordable housing need calculations. Bands will be defined as under 30%, 30-50% and 50-80% of AMI.
 - a. Carver County supports the allocation of housing need in three affordability bands of 30% AMI, 50% AMI, and 80% AMI versus one single affordability band. The broadened affordability measure also helps to account for higher cost market areas in the County. Furthermore, the three proposed affordability bands are consistent with other housing finance programs. The statutory authority for GO bonds is 80% AMI for housing developments. The tax credit program and many other housing programs use 30% AMI and 50% AMI as income requirements.
8. Pg. 57: Discusses developing an “Affordable Housing SAC Credit” that would only apply in areas of concentrated poverty.
 - a. WAC and SAC fees are a barrier to affordable housing development throughout Carver County regardless of poverty concentration. The County seeks to provide housing options for all of its residents, and supports developing innovative financing strategies for housing development both inside and outside areas of concentrated poverty.
9. Pg. 59-60: Identifies Council goals and objectives to provide technical assistance related to housing planning and development, and pg. 72 indicates the Council will, “inventory existing best practices to expand housing choice.”
 - a. Carver County supports these roles of the Council and recognizes that as the regional planning agency, the Council is in a position to learn from and disseminate information about efforts throughout the region to develop housing options within various community types.
 - b. As acknowledged in Thrive 2040, each community type face a unique set of challenges, are at different stages of development, and have varying levels of capacity. The County emphasizes that technical assistance and best practice inventories should be sensitive to local goals, visions, situations and needs; and the Council should be prepared to provide assistance relevant to all community types that submit a request.
10. Pg. 72: Indicates the Council will, “Evaluate the potential utility of using the Housing Elements and Implementation Plan components of local comprehensive plans as an assessment component under the Scores.”
 - a. Carver County encourages the Council to be careful to allow communities to define a vision that is developed and supported by the community rather than defined by regional policies derived by the Council.
11. Pg. 73: Asks, “what if some of all planned fixed-route transit ways do not materialize?”
 - a. Carver County encourages the Council to include supporting development around existing park-and-rides operated by all transit providers as part of the answer to this question. To the Council’s point, investments in existing and established facilities with a track record of success are safer than investments in non-existing facilities that may never materialize.
12. Pg. 75-76: The table needs significant clarification to address the following:
 - a. The Council needs to define who is accountable for achieving progress on the defined measure set and how the measures and targets were developed. If Cities and Counties are accountable, then a process should exist to challenge results, definitions, and impacts of the measures.
 - b. The heading for column 2 is vague – please clarify whether this column is intended to indicate the goal being measured. If so, please specifically note where the goals are defined within the text of the HPP.
 - c. Definitions of the measures are not clear. Please clarify by defining the data source, the underlying calculation, and the numerators and denominators of the percentages.
 - d. Transit station areas fail to recognize existing park & ride facilities.
 - e. Please clarify what arrows that point up at a 45 degree angle indicate.

Thank you for the opportunity to comment on the HPP. We appreciate the Council's consideration of our comments and welcome a response to our questions and suggestions. If further discussion would be useful to the Council, staff is willing to engage.

Sincerely,

Nate Kabat, Planner

nkabat@co.carver.mn.us | desk: 952.361.1829 | general: 952.361.1820 | fax: 952.361.1828

Carver County Public Health and Environment, Planning and Water Management

Government Center, Admin. Bldg., 600 East Fourth Street, Chaska, MN 55318

<http://www.co.carver.mn.us>

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Carver County Community Development Agency
705 Walnut Street · Chaska · MN · 55318 952.448.7715

Metropolitan Council

September 18, 2014

SEP 22 2014

Received Chair's Office

Susan Haigh, Chair
Metropolitan Council
300 Robert Street North
St. Paul, MN 55101

RE: Draft 2040 Housing Policy Plan (HPP)

Dear Chairwoman Haigh,

Thank you for the opportunity to comment on the Draft 2040 Housing Policy Plan. The Carver County CDA supports the Metropolitan Council's overall Housing Policy Plan to create housing options that give people in all life stages and of all economic means viable choices for safe, stable and affordable housing.

The CDA is committed to providing a variety of housing options in Carver County. The CDA believes that the economic benefits of a diversified housing stock are critical to a healthy community that supports and allows for economic development. In the 2013-2016 CDA Strategic Plan, the CDA and its Board outline the need to support housing in Carver County by developing and implementing a master plan for a broad array of housing needs that include workforce, homeless, senior, and affordable housing. As part of that mission, the CDA currently owns and manages over 700 affordable rental units of housing in Carver County and we have done so since the early 90's.

In mid-2014, the CDA engaged the services of Maxfield Research to conduct a county-wide housing study as part of our CDA Strategic Plan. The Maxfield 2014 Carver County study was coordinated with the Metropolitan Council's Thrive 2040 and planning process and utilized key demographics and population projections. We shared the draft study document with Metropolitan Council planning staff. What the study concluded was that Carver County needs the following:

- Carver County is projected to have a demand for 36,965 new housing units between 2014 and 2040. Between 2014 and 2040, approximately 78% of the housing demand will be owned housing, with the remaining 22%, or approximately 8,105 units consisting of rental demand.

The CDA will typically allow the private sector to build the demand for the 78% new single family housing and owned properties. However, the private sector as well as the public sector cannot build the required 8,105 units of projected rental demand (mostly workforce, senior and affordable) and make a profit or even get financed. The reason for this is the cost to build is much higher than local rents can support.

Making new construction affordable rental housing work in Carver County requires a substantial subsidy, and financial programs from the Metropolitan Council, among others, are crucial and necessary to make affordable housing financially feasible and successful.

In Carver County and since the 2008 financial crisis, many local government budgets have suffered and the ability to fund new housing projects is dismal at best. There are severely inadequate financial resources currently available to address housing challenges in Carver County. Local cities could waive fees, but in Carver County all of our City Councils have placed large outlays of capital for utilities and public infrastructure, further challenging the local governments and cities ability to pay for these infrastructure investments without an assessment to pay back the debt. So, what then can the Metropolitan Council do to help Carver County?

One suggestion is a stronger financial role by the Met Council in the housing programs created in the Livable Communities Program to address the challenges outlined here and in the Housing Policy Plan report. The Livable Community Demonstration Account has been a useful tool for many cities in Carver County; however, it is not an affordable housing financing tool. Given what is at stake for the region in terms of access of housing choices, additional funding should be allocated to the Local Housing Incentives Account as well as the Inclusionary Housing Account.

The Met Council should consider expanding the use of credits against the Sewer Availability Charge for all affordable housing developments. There is an expectation that cities waive local permit fees in order to help produce affordable housing. Construction costs are on the rise again. It is also recommended that the Metropolitan Council expand the applicability of a SAC credit for affordable housing developments.

Current Metropolitan Council policies heavily stress affordable housing development along public transit ways and light rail lines. Since no transit ways or light rail lines are planned for Carver County, this creates a significant lack of support for affordable housing development in Carver County. Not all of the population in the state or the twin cities metro likes to live along transit ways or in downtown urban environments. With all types of housing, choice of location is important and a necessity for consumers.

Carver County housing cost burden measures are comparable to all other metro counties. This fact supports a need for investment in housing options within Carver County communities that are not along existing or planned transit ways or light rail lines.

The Council has strongly emphasized the impacts that the region's aging population will have in its development of the 2040 forecasts. The HPP states, "from 2010 to 2040, 74% of net household growth will be among households in the home downsizing years of age 65 and above." The HPP policy however is largely silent on the Council's role in responding to the needs of an aging population. The Council should consider opportunities to leverage its data collection and financial options to assist communities in developing housing to meet the needs of emerging senior populations by creating opportunities to age in place or move to senior housing.

There is no single resource for affordable senior housing and developers and local communities face an uphill battle to meet the imminent senior wave. The Metropolitan Council should support legislation to create an additional program, policy, and funding source to help local jurisdictions create affordable senior housing.

The CDA supports the allocation of housing need in three affordability bands of 30% AMI, 50% AMI, and 80% AMI versus one single affordability band. The broadening of measuring affordability also helps to account for higher cost market areas in the county. The three proposed affordability bands are consistent with other housing finance programs. The statutory authority for GO bonds is 80% AMI for housing developments. The tax credit program and many other housing programs use 30% AMI and 50% AMI as income requirements.

In summary, it is clear that we are facing a shortage of affordable housing for all sectors of the population and the ability of local communities, counties and non-profits to fill those needs is limited. The Carver County CDA appreciates the efforts of the Metropolitan Council to draft a document that supports affordable housing and would be willing to continue a dialog regarding ideas for the final product.

Sincerely,



Cindy Monroe, Carver County CDA Board Chair

cc. Gary Van Eyll, District 4 Council Member
Jennifer Munt, District 3 Council Member
Angela Torres, Sector Representative



Dakota County
Community Development
Agency

1228 Town Centre Drive | Eagan, MN 55123
PHONE 651-675-4400 | TDD/TTY 711
www.dakotacda.org

September 24, 2014

Susan Haigh, Chair
Metropolitan Council
390 Robert Street North
Saint Paul, MN 55101

Re: Housing Policy Plan Comments

Dear Chair Haigh:

Dakota County Community Development Agency (CDA) appreciates the opportunity to comment on Metropolitan Council's Housing Policy Plan draft.

The stated purpose of the plan—to *create housing options that give people in all life stages and of all economic means viable choices for safe, stable and affordable homes* - reflects the work of the CDA.

The Board of Commissioners is proud of the CDA's accomplishments and believes our experiences in the provision of quality housing services in Dakota County provide a good background to influence regional housing policy. Given the significance of the draft Plan and its proposed policy changes, the Dakota County CDA Board of Commissioners is providing, in the attached pages, our concerns and comments.

If you have any questions about our comments or would like clarification, please contact Mark Ulfers (651-675-4432) at mulfers@dakotacda.state.mn.us.

Sincerely,



Thomas A. Egan, Chair
Dakota County CDA Board of Commissioners

cc: Mark Ulfers, Executive Director
Brandt Richardson, Dakota County Manager

Attachments

Dakota County Community Development Agency (CDA)/Dakota County Comments on Metropolitan Council's Housing Policy Plan

General Comments:

Prior to commenting on specific sections of the draft plan, we wish to provide some general comments regarding the plan and its foundation:

1. The amount of time allowed is insufficient to adequately review and provide thoughtful and meaningful input on this comprehensive policy document. The CDA/Dakota County encourages the Metropolitan Council to slow the process and open a dialogue with key stakeholders. The CDA is among the largest and most successful housing agencies in the State of Minnesota, and yet our input on the development of this document was not requested. In addition, given the timeline to review and comment, it seems that the input we can offer at this time through the public review period, will have limited impact on the final document.
2. The CDA/Dakota County supports housing choice. In general, the policy changes reflected in this document are too heavily influenced by the Metropolitan Council's over-arching belief that affordable housing must be adjacent to transit services. This approach to future development of affordable housing ignores the many successful and highly desirable housing projects in suburban areas that do not have access to transit services. A one-size-fits-all approach to this issue will effectively eliminate new housing options and choices for those who choose to live in areas that offer other important characteristics than access to transit.
3. The CDA/Dakota County strongly disagrees with the Housing Policy Plan's position on Transit Oriented Development (TOD). For example, in Lakeville, the CDA has developed four workforce housing developments totaling 139 units that are near commercial and industrial areas with access to jobs, high performing schools, low poverty rates, safe parks, recreational opportunities and many other amenities, goods and services. And yet none of these units is within a ½ mile of transit services. There is a waitlist of more than 500 families for these units.
4. The imposition of the draft plan policies will have the effect of adding affordable housing in existing concentrated areas within the urban core and inner-ring suburbs. There are very few sites in Dakota County served by high-frequency routes or transit stations, which will further exacerbate the concentration of poverty and limit housing choice.

5. The draft plan is virtually silent on the need for affordable housing for the growing senior population. Additional thoughtful research and dialogue should be prioritized by the Metropolitan Council to address this growing and unmet need in the region..
6. The allocation of Affordable Housing Need and Housing Performance Scores should be detailed and updated in conjunction with the Housing Policy Plan. Given the use of such scores in evaluating other areas of funding such as in the Regional Solicitation for transportation funding, it is critical that cities and counties understand this methodology and have an opportunity to comment on the allocation of need and housing performance scores.

Part I—Housing for a Growing, Thriving Region

- **Choice, Place and Opportunity**
 - Communities should strive to address a broad continuum of housing options at all ages of life and incomes. Affordable housing should be placed in areas without a concentration of poverty. Desirable characteristics of affordable housing locations should include those with access to high performing schools, close proximity to jobs and goods and services. Creating connected environments that allow for multiple transportation options should be considered an important amenity, but not a threshold requirement for workforce affordable housing.

Part II—Outcomes: Using our housing resources wisely to create a prosperous, equitable, and livable region for today and generations to come

- **Stewardship**

Manage, maintain and preserve the region's existing housing stock and housing choices.

- Preservation of existing housing stock, particularly existing publically subsidized housing and addressing deferred maintenance to protect affordable units, are extremely important. The CDA/Dakota County welcomes the opportunity to work with the Metropolitan Council, cities, and other partners to identify priorities for preserving affordable housing, securing resources, developing methods to monitor potential opt-outs and working together to rehabilitate and preserve existing affordable housing.

The CDA/Dakota County support emphasizing the importance of a strong local role in securing continued participation of subsidy programs, marketing the Section 8 Housing Choice Voucher program to local landlords, providing program information when issuing rental licenses and/or conducting property inspections, and preserving affordable housing by engaging property owners.

Address how “naturally occurring” or unsubsidized affordable housing meets the region’s housing needs.

- We agree with the need to preserve and reinvest in “naturally occurring” or “unsubsidized affordable housing”. However, Metropolitan Council should acknowledge that additional funding sources are needed to address this need. Focus should be placed on efforts to assist with a change in ownership and/or management of these developments/units, so that the owners who have failed to maintain their properties are not unduly rewarded for their disinvestment.

In addition, instead of the Council creating the opportunity for the right of first refusal or the right of first offer for housing partners, it is suggested that a better role for the Metropolitan Council would be to develop a central repository of “for sale” properties that housing partners could utilize when seeking available affordable housing opportunities.

- Prosperity

Plan for a range of options to house the workforce and enhance regional competitiveness.

- The Plan references a local role in providing resources for housing construction or rehabilitation either directly or through funding programs such as Community Development Block Grants. The CDBG Program and other federal funding sources such as HOME should not be given much emphasis, as funding is at historic lows.

- Equity

Expand the supply of housing options accessible to people with disabilities.

- The Metropolitan Council should strengthen its role beyond encouraging universal design in projects funded through Livable Communities Act. There is a large need for affordable housing for persons with all types of disabilities, including mental

health and development disabilities, as well a shortage of physically accessible affordable housing. We encourage the Council to emphasize the importance of local governments in creating additional units to meet these needs and to provide housing choices for persons with disabilities. Private developers have not always freely identified the needs for housing choice and integrated settings for persons with disabilities.

Of critical importance to this area, that we have just started reviewing is the implications of the 2013 Minnesota Olmstead Plan with the State and it is premature, at this time, to know the impacts of the plan. Although much is yet to be determined on the Olmstead implementation, cities will be integral to increasing housing options that promote choice and access to integrated settings. Cities will need assistance in addressing new issues relating to and resulting from the implementation of the Olmstead requirements. The Metropolitan Council should be a partner with the Department of Human Services, counties and cities in working through those changes and impacts resulting from the implementation of the Olmstead requirements. The CDA/Dakota County welcomes the opportunity to work proactively with cities and providers to identify and build resources to meet these needs.

- **Livability**

Plan housing choices for the growing senior population.

- Despite the significant projected increase in the senior population between 2010 and 2040, the plan does not recommend increasing funding for the development of affordable senior housing. Since there is no State funding for the production of affordable senior housing, the Metropolitan Council's plan should emphasize the need for and work with affordable housing partners to develop legislation creating a program and dedicated funding source to create opportunities for affordable senior housing development.

Part III—Council Policies and Roles to Expand Viable Housing Options

- Allocation of Affordable Housing Need (the need), Livable Communities Act Affordable and Lifecycle Housing Goals (the goal) and Housing Performance Scores (the score).

Threshold of Housing Affordability.

- Clarification is requested on the effects of the proposed changes to the allocation of affordable housing and movement to an upper threshold of 80% of AMI. The move to a three band allocation could be a positive move toward acknowledging housing needs across a continuum of income and will better show the need for affordable housing for lower income households (30% AMI).
- In measuring a city's progress, the Council should consider that there are very few housing programs that can meet the needs of households between 0-30% AMI. Additionally, cities lack funding resources to incent the development of affordable housing. The Metropolitan Council can encourage cities to not only approve developments with units affordable to low income households, but also provide incentives to cities for removing barriers to the development of affordable housing.

Adjustment Factors.

- Proximity to transit: Although recognizing the importance of transit to low income households is critical, limiting the funding of new affordable housing to sites within ½ mile of a transit station negatively affects areas outside the urban core that do not have a highly developed transit system, and will further increase income disparities and the geographic concentration of poverty in the suburbs. This approach will severely limit the number of affordable housing sites in locations outside the urban core where transit options are limited but where employment, education and other opportunities exist. It will also restrict a community's ability to improve its Housing Performance Score and provide housing choice.
- Existing affordable housing: The CDA/Dakota County are supportive of placing new housing where affordable housing is scarce as an effective method to provide housing choice and integrate all income levels.

Housing Performance Scores.

- In addition to those areas already identified in the Plan, we recommend that the Framework for developing new Housing Performance Scores take into consideration:
 - Preservation and substantial rehabilitation of existing affordable housing
 - Acquisition of sites for future affordable housing developments (land banking)

- Use of tax forfeiture to acquire affordable housing sites
 - Brownfield clean up, redevelopment preparation for area that includes planned affordable housing units.
 - When providing “credit” for the purchase of affordable homes, the applicable purchase price should be adjusted by bedroom size.
 - Communities who host and support developments serving special needs, large families and homeless should receive bonus points.
 - Communities should receive points for efforts to expand landlord participation in the Section 8 Housing Choice Voucher Program.
- Changes in the criteria for determining Housing Performance Scores needs to be detailed, updated and provided for review and comment in conjunction with the Housing Policy Plan; especially given the use of such scores in evaluating other areas of funding such as in the Regional Solicitation for transportation funding.
- Council as a Funder of Housing

The Livable Communities Act.

- The CDA/Dakota County strongly encourages the allocation of more resources to the Local Housing Incentives Account. This program is funded at about \$1.5 million per year, making it by far the smallest of LCA programs. Given the need for “gap” funding resources, funding for this program needs to be increased substantially.

Leveraging other funding streams.

- Sewer Availability Charge (SAC): The SAC Credit should not be limited to demolition of blighted buildings in defined Areas of Concentrated Poverty. The Credit should be available for the demolition of any blighted property as long as the credits are used to offset SAC charges for a bonafide affordable housing development.
- Transit Oriented Development: The CDA/Dakota County have strong reservations about prioritizing LCA Grants along transit areas, as currently defined. As evidenced by a recent survey of CDA workforce housing residents, less than 1% felt being near a bus line was a key consideration in moving to the development. Residents were much more concerned about being close to jobs, family and their faith community. This type of funding priority makes the feasibility of funding affordable housing in many Dakota County cities where transit isn’t prevalent much harder. The concept

of what constitutes TOD development in the suburban context is not clear. The quality of and access to schools, jobs, services, community amenities should be given stronger consideration than mere access to transit.

- Expanded Technical Assistance to Local Governments Around Housing
 - References to several expanded technical roles, including available support “*to evaluate strategies for site control (including acquisition, assembly, and funding sources), liaise with the development community, market housing opportunities, provide knowledge of complex development financing, and taking on a convening role*” are suggested in the report. This role appears to be duplicative for the Metropolitan Council to take on; instead, the Metropolitan Council should offer financial support (technical assistance grants) to assist with coordination of or supplementing organizations already serving in this capacity.
 - In “*identifying resources to accomplish site assembly or site control*” the Metropolitan Council should consider funding or supporting a program that provides 0% interest deferred loans to communities that want to acquire sites for affordable housing, without capturing appreciation, to help ensure that future affordability is feasible. It should also consider forgiveness of the loan when the result is an affordable housing development serving Section 42 eligible households.
 - It is recommended that the Council utilize this role to monitor city’s action plans to ensure that projects are completed to meet negotiated goals and the proposed housing plans are implemented.

Part IV—Opportunities for Impact

- Future housing policy workplan: Reducing barriers to development of mixed-income housing.
 - The financial feasibility of developing buildings with a mix of incomes is good public policy but very difficult from a financial feasibility standpoint. Despite the boom of multifamily rental housing in the core cities and a few ideal suburban locations, most cities have not seen a market rate general occupancy apartment development in ten years or more, let alone a mixed income development. Developments with 100% affordable units in projects of less than 50 units should be encouraged.

- It is our opinion that most of the ideas cited by the report are unlikely to have any impact. The first, third and fourth strategy are current practice and the second strategy is likely not financially feasible. It is likely that the 4% Low Income Housing Tax Credit and Tax Exempt Bond structure requires increased strength, which in turn will require Congressional action or significant changes in current market factors. Alternately, new viable financing tools will need to be introduced.



Hennepin County Department of Housing, Community Works and Transit

701 4th Avenue South, Suite 400
Minneapolis, Minnesota 415-1843

612 / 348-9260, Phone
612 / 348-9710, Fax

September 26, 2014

Metropolitan Council
ATTN: Housing Policy Plan
390 Robert Street North
Saint Paul, MN 55101

RE: Public Comments – Housing Policy Plan

The Housing Policy Plan is one of three Metropolitan Council documents addressing housing. The other two documents are the “Choice, Place and Opportunity: An equity assessment of the Twin Cities region” (formerly known as the Fair Housing & Equity Assessment or FHEA), and the “Thrive MSP 2040.”

“Choice, Place and Opportunity: An equity assessment of the Twin Cities region” was adopted by the Metropolitan Council and submitted to the U.S. Department of Housing and Urban Development (HUD) as a requirement of the Sustainable Communities Regional Planning Grant that provided partial funding for Corridors of Opportunity.

Thrive MSP 2040 sets the policy foundations for systems and policy plans developed by the Council: the Transportation Policy Plan, the Water Resources Policy Plan, the Regional Parks Policy Plan, and the Council’s first Housing Policy Plan update in nearly 30 years. Thrive MSP 2040 was adopted by the Metropolitan Council on May 28, 2014.

In support of Thrive MSP 2040, the Metropolitan Council has drafted a new regional Housing Policy Plan, its first since 1985. According to the Metropolitan Council’s website, the purpose of this planning process is to provide a forum to discuss regional housing issues and

- Advance and refine the Council’s housing policy direction as defined in Thrive MSP 2040
- Facilitate a meaningful, inclusive regional conversation on housing;
- Identify local and regional needs and priorities for housing;
- Promote housing options that give people in all life stages and of all economic means viable choices for safe, stable and affordable homes;
- Connect housing to the other Council system plans (e.g. Transportation, Regional Parks, and Water Resources);
- Incorporate recommendations from Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region;
- Provide a “toolkit” of best practices, strategies and technical assistance to local communities;
- Help inform and provide guidance for local housing planning.

1. The Housing Policy Plan describes multiple strategies that advance the Metropolitan Council's overall policy priority:

- Create housing options that give people in all life stages and of all economic means viable choices for safe, stable, and affordable homes.

This premise and policy are generally consistent with the Hennepin County's overarching goal of self-sufficiency ("People achieve success with the support of essential services, have access to affordable housing and opportunities for life-long learning"), and Public Work's goals for Livability (support job creation and economic vitality; provide a full range of housing opportunities; enhance the mobility and connectivity of our workforce).

2. Thrive MSP 2040, and the Housing Policy Plan, requires communities to "plan for a range of housing types to meet the needs of residents at varying income levels and life stages," but is silent on the financial resources necessary to construct and/or preserve housing (especially affordable housing). Federal housing resources have declined significantly in recent years, and state resources have been generally constrained. Hennepin County encourages the Metropolitan Council to provide communities with sufficient financial resources to meet the growing need for affordable housing (Hennepin County has expended over \$50 million since 2000 for the creation/preservation of over 5,300 affordable housing units).

3. The Housing Policy Plan touches on the concept of Racially Concentrated Areas of Poverty (RCAPs), which were initially introduced in the Council's *Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region*. RCAPs are defined as contiguous areas of one or more census tracts in which at least 50 percent of the residents are people of color and at least 40 percent of the residents live in households with incomes below 185 percent of the federal poverty line (\$42,589 in annual income for a four-person household in 2011).

The Metropolitan Council finds that because both racially concentrated areas of poverty and areas of concentrated poverty limit the economic mobility of their residents and discourage private investment, our region simply cannot afford to allow these areas to persist or grow. The Metropolitan Council commits to using public resources to catalyze investment these areas to help the region grow and prosper more equitably.

Hennepin County supports the notion "that all people live in communities that provide them access to success, prosperity, and quality of life." It is our understanding that the Metropolitan Council's intent is to promote equitable investment throughout the region; not to disinvest from RCAP areas. Hennepin County recommends the Metropolitan Council allocate additional resources to support the promotion of affordable housing development in non-RCAP census tracts. Additionally, it is unclear from the Housing Policy Plan as to how RCAPs will shape current and future Metropolitan Council Housing Performance Scores (one of several criteria used in allocating Metropolitan Council resources).

4. The Housing Policy Plan's attention to housing for persons with disabilities (Expand the supply of housing options accessible to people with disabilities (Part II: Outcomes (Equity); page 31-32)) focuses on physical disabilities. Consistent with the 2013 Minnesota Olmstead Plan, Hennepin County believes the Housing Policy Plan should address a broader range of disabilities and the immediate need to expand affordable housing for those with mental health, developmental and other disabilities.

- There are no references to persons with disabilities in the critical funding priorities or the Housing Performance Scores that will be used for the next two decades.
- There is no priority or suggested allocation for this population in Scattered Site Section 8 Vouchers.
- Other areas show great attention to detail and implementation. This section's recommendations are to "identify people, barriers and resources needed" – no commitments to funding or strategies for forward progress.

A more robust plan is needed if the region is to meet the court directed requirements of Olmstead.

5. Address how "naturally occurring" or unsubsidized affordable housing meets the region's housing needs (Part II Outcomes (Stewardship); page 19). The Housing Policy Plan suggests encouraging owners of naturally occurring affordable housing to keep their properties in good condition and to maintain their "natural" affordability is an important part of the region's overall strategy to maintain a range of housing choice. Hennepin County believes this could be a costly endeavor giving shrinking resources; the Metropolitan Council should commit funding in support of this activity.

6. The Housing Policy Plan incorporates Housing Performance Scores as a scoring element in the Regional Solicitation for Transportation Funding. We are interested in the way this score intersects with the Transportation Policy Plan. Hennepin County is concerned that the full impacts of this connection have not been evaluated.

Hennepin County thanks the Metropolitan Council for the opportunity to comment on the draft Housing Policy Plan. Please do not hesitate to contact me at (612) 348-2270 if you have any questions or would like additional information.

Sincerely,


Kevin D. Dockry
Assistant Director
Housing, Community Works and Transit



September 26, 2014

Susan Haigh, Chair
Metropolitan Council
390 Robert Street N
St. Paul, MN 55101

Dear Chair Haigh:

The Washington County Housing and Redevelopment Authority (the "Authority") appreciates the opportunity to comment on the Metropolitan Council's draft Housing Policy Plan. The comments below are informed by meeting with staff from communities in the county as well as the Washington County HRA Board. On behalf of the Authority Board, I submit the comments below for consideration according to the "Parts" of the draft Housing Policy Plan.

Part 1:

1. The Washington County HRA supports the overall policy priority of the Housing Policy Plan to create housing options that give people in all life stages and of all economic means viable choices for safe, stable and affordable homes. The Plan echoes the vision of the HRA to provide a variety of housing choices for current and future workers, seniors, and families who want to find housing affordable to them in the communities where they want to live. Further, the Plan identifies and documents the economic benefits of a diversified housing stock, including a broader tax base and stronger resilience to economic changes in the marketplace. Especially worthwhile is the section entitled "affordable housing helps build communities" which provides solid information supported by research that addresses the common arguments against affordable housing. One additional area to include is some data/research on the positive impact stable housing has on family health issues. Even more compelling is the analysis of the disparities of income, poverty, and homeownership along racial and ethnic lines.
2. It is important to document that there are "inadequate financial resources to address housing challenges", but it should also be noted that a majority of communities do not have direct control over the financing tools cited in the section and many do not have the financial resources to assist with financing. Certainly cities through zoning and permit fees can contribute to assisting with affordable housing and they play a crucial role in identifying land areas for housing; however, cities can only go so far in supporting the financing of housing developments.
3. A stronger financial role by the Met Council in the housing programs created in the Livable Communities Program is warranted to address the challenges outlined in the report. The Livable Community Demonstration Account has been a useful tool for many cities in the county; however, it is not an affordable housing financing tool. Given what is at stake for the region in terms of access of housing choices, additional funding should be allocated to the Local Housing Incentives Account and the Inclusionary Housing Account. This strategy would help ameliorate the point raised in #2 above.

Part 2:

4. In addition to increasing the supply of affordable housing, the Washington County HRA supports the effort to preserve existing affordable housing, especially in older communities, and to better leverage the use of existing unsubsidized housing stock. Code enforcement and rental licensing programs are typical regulatory tools to help insure buildings are safe and up to code. It should be clear however that communities have sole discretion over the extent of regulations. Two changes are recommended:
 - a. It is suggested that the language on page 18 be revised to delete “require” (and in fact on page 20, more permissive language is used on a similar topic) to state “consider” or “evaluate”.
 - b. The phrase “naturally occurring” housing causes some confusion. The more direct definition of housing that is unsubsidized tends to be more explicit. Naturally occurring infers a process.
5. The focus on concentrating housing around transit, while worthwhile, cannot be accomplished in many parts of the county, and Met Council funding resources will be needed to preserve or to create new housing. In order to create a robust program of new affordable developments, in many cases developments may not be located near transit in the county. The local and county roads, county state aid highway system, and principal arterial roads will continue to provide the major transportation role to and from Washington County. The county is fully engaged in the corridor analyses for Gateway, Rush Line, and Red Rock Corridors; however, development sites outside of these corridors provide the opportunity to build affordable housing in the foreseeable future before significant service is available in the corridors (as well as creating additional density for the future). These opportunities will be imperative in meeting the significant workforce and senior housing demand.
6. The HRA supports the policy to provide grants to support brownfield and infill site redevelopment to create new housing developments. Redevelopment is expensive and oftentimes takes several years. The HRA and cities need additional help to revitalize areas and to assemble parcels for development. In many cases, the redevelopment costs exceed municipal budgets several times over. Developers will need financial assistance for affordable housing and for market rate housing, where the market cannot support high enough rents to make market rate projects feasible.
7. The Met Council role for planning for the growing senior population needs to be stronger. On page 36 the only Council role is to support “flexible design principles”, which it is assumed are universal design principles. It has been the HRA experience that a majority of tax credit financed units are occupied by families and many senior households prefer to live in developments that are for “senior living”. Another role should be added that Met Council, through the Metropolitan Housing Implementation Group (MHIG) process (see page 45), creates a policy to fund affordable senior housing for households at or below 30% AMI through the “super RFP” process. Finally, there is no single resource for affordable senior housing and developers and local communities face an uphill battle to meet the impending age wave. Another role suggested is to support legislation to create an additional program, policy, and funding source to help local jurisdictions create affordable senior housing.

8. The HRA supports the allocation of housing need in three affordability bands of 30% AMI, 50% AMI, and 80% AMI versus one single affordability band. Previously the threshold of affordability was measured against the ability of a household income of 60% AMI. This approach negated the impact of private sector housing products that were affordable to owner occupied households at or below 80% AMI. The broadening of measuring affordability also helps to account for higher cost market areas in the county. The three proposed affordability bands are consistent with other housing finance programs. For example, 80% AMI is consistent with the statutory maximum of general obligation bonds financing housing developments. The tax credit program and many other housing programs use 30% AMI and 50% AMI as income requirements.

Part 3:

9. Like the population, household, and employment projections distributed prior to Thrive 2040, many communities want to understand the impact of the “allocation of need” in their communities in relationship to the policy plan and upcoming comprehensive plan preparation. In general, communities are requesting clarification of the impact of the allocation need, the nature of the requirements that cities will need to address in their comprehensive plans, and the consequences of not meeting negotiated goals.
10. Include the county housing performance score when evaluating priority projects through the Regional Solicitation for Transportation Funding. It is understood that including a community’s housing score in the evaluation process would provide an incentive for communities to be more open to affordable housing. In some situations however, affordable housing projects can take three to six years to be funded and completed, and a community may have a lower performance score because they cannot “count” their investment, but the transportation project is needed. Further, many smaller cities rely on the county to complete affordable housing programming and HRA levies exist in some communities. Somehow, the county’s performance score should be included in the calculation process as a means to compensate for the issues described in this paragraph and in item #2 above.
11. The Met Council should consider expanding the use of credits against the Sewer Availability Charge for all affordable housing developments. There is an expectation that cities waive local permit fees in order to help produce affordable housing. Construction costs are on the rise again. It is recommended that Met Council expand the applicability of a SAC credit for affordable housing developments.
12. Strategic acquisitions of land for affordable housing development will be critical in future transit corridors in Washington County. Creating a source of funding to acquire development sites will be important as owners/developers begin platting processes, and would assist cities and counties to properly anticipate and plan for the location of housing developments.
13. Clarify what aspects of the “local role” comments will be ‘mandated’ versus suggested policies to consider. There are several areas where the word “require” is used and elsewhere other more permissive language is used. Additional clarification on what cities should expect as part of comprehensive plan reviews should be more clearly identified in the technical assistance section.

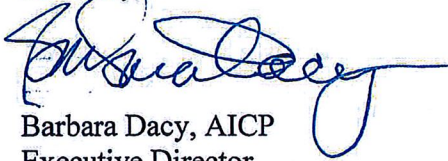
Part 4:

14. It is suggested that Part 4 be clarified as recommended below:

- a. It is suggested that the "mixed income housing" section be revised. The HRA experience is that financing for mixed income housing is challenging from both affordable and market rate investors; investors/lenders have an aversion to risk in financing deals that are different from their standard templates/business models. It is suggested that the text be amended to delete the last sentence of the second paragraph and the remainder of that section. It is further suggested that the list of potential strategies to reduce impediments be deleted as these suggestions do not address the risk an investor perceives in financing a mixed income housing development. One suggestion on the list that could remain is the last bullet on public funding. It is recommended that providing data on existing mixed-income developments that objectively show that the risk is not any greater or less than a solely market rate or solely affordable product could serve as a Council or local role in breaking down the barriers. It is further recommended that a Council role of arranging a work group with local investors and lenders to identify exactly where they see the risks to be and working as a region with our private partners would go a long way as well in breaking down the impediments.
- b. In a similar vein, the remaining sections identify important topics to evaluate, however a broader approach now to set the stage for more in depth analysis later may be more effective. A broader approach would mean language stating that the Council will work with partners to evaluate a spectrum of impact ideas, including inclusionary housing, mixed income housing, creating wealth strategies, fair housing and risk sharing (and less definitions). The plan does not discuss the "partnership" roles the private sector and nonprofit sector has played with local communities in affordable housing to date, both in urban areas and suburban areas. This may be helpful to portray the positive progress made in housing to date and also help identify where new tools would be needed, and that the Council's research would be aimed at building partnerships with the development and investment community, the equity in place communities, and local jurisdictions to achieve the objectives of the plan.

Thank you for your consideration of these comments, and do not hesitate to contact me if I can be of further assistance.

Sincerely,



Barbara Dacy, AICP
Executive Director



October 1, 2014

Comments on the Housing Policy Plan were received from the following elected officials:

Representative Diane Loeffler

Representative Diane Loeffler's feedback on the draft Metro Council 2040 Housing Policy Plan

I appreciate that this represents a lot of work on the part of staff and those closely involved. But as an elected representative who follows a wide range of issues and public engagement strategies, I must admit to being quite disappointed in several of its components and the lack of balance in attention to all populations with affordable housing needs. I hope that this is taken as constructive criticism and will result in "catch up" planning to present a more balanced, integrated, and data rich and accountable plan for the next 25 years.

Diane Loeffler

State Representative District 60A – the fifteen neighborhoods of Northeast and northern Southeast Minneapolis.

1) The plan is totally inadequate in addressing the housing needs of those with disabilities (p31-32)

Minnesota is under federal court order to quickly come into compliance with the U.S. Supreme Court Olmstead ruling that established the right of persons with disabilities to live a life in the community with maximum independence and integration. The federal judge overseeing this Minnesota specific ruling (the Jensen Settlement) recently rejected the proposed plan and implementation proposals of the state of Minnesota as not moving fast enough or being specific enough in establishing measureable baseline and progress measures.

Achieving compliance in the metro area with the court directed housing requirements for persons with disabilities will require the use of the Met Council's partnership and financing tools.

Whether or not there were court mandates, I would have been very disappointed with the lack of attention to housing for persons with disabilities – it's two pages of 106 . It focuses on physical disabilities but should have reflected a broader range of disabilities for those with developmental disabilities, disabling mental health challenges, and other disabilities which often are not combined with physical accessibility needs. It references the Olmstead Plan but doesn't seem to understand the seriousness and breadth of that federal court directed need to immediately begin creating a wider range of affordable housing choices than group homes, assisted living complexes and other traditional group housing.

Persons with significant disabilities are generally in the low end of poverty measures due to their dependence on government subsidies and wage scales that legally can be below the minimum wage in some circumstances. No discussion about affordable housing planning should ignore this greatly under met need. We already have 1,000 in home ownership in a pilot program and more will likely be able to achieve this with the parallel effort to move people to market wage competitive employment.

References to the needs of persons with disabilities need to be added in the critical funding priorities and the Housing Performance Scores that will be used for the next two decades (and finalized by the end of this year).

No priority or suggested allocation for this population is noted for Scattered Site Section 8 Vouchers. Other areas show great attention to detail and implementation. This section is "identify people, barriers and resources needed" – no commitments or strategies for forward progress. Totally inadequate.

Background: The State of Minnesota is now subject to federal court supervision for inadequate progress in creating opportunities for persons with disabilities to all have a wide variety of housing and employment choices and live in the most integrated setting possible with regular interaction with and opportunities to form ongoing relationships with persons without disabilities and people who are not paid care staff. A U.S. Supreme Court ruling - Olmstead - establishes this as a basic constitutional right. A Minnesota specific court case resulted in the Jensen Settlement in which the state committed to a variety of efforts to achieve legal compliance and develop and implement a Olmstead Plan. Years of a multi-agency state agency planning has led to a draft Olmstead Plan which the court recently rejected as inadequate in its specificity and inadequate involvement of and activation of partners in the work.

2) Senior housing plan provisions are also completely inadequate *(One page – p 35 out of 101)*

Senior housing shows little understanding – while information is provided about “aging in place” and the need for retro fits and “universal design” incentives, they too don’t get attention in the key measures or financial priorities. References to “senior housing” seem to assume 55plus segregated housing even though senior surveys have consistently shown most seniors prefer age integrated settings (the Boomer population that will be looking for housing alternatives in the decades this plan is to cover rejects age segregated housing at even higher rates).

The large boomer demographic wave will be followed by a long term slump in senior populations. We already have communities with overbuilt senior housing in anticipation of a wave that will not peak for assistance in living for some time. As a result some struggle now with high vacancies and are incented to market to people who could more cheaply and preferably be served with visiting services in their own long term homes. The end result of this may be higher public dependence in later years. Serving seniors in integrated housing developments as much as possible will help us avoid the inevitable “what do we do with these failed and empty senior housing complexes” at the end of the 25 year planning period if we continue to overbuild now.

Measures for this population are also inadequate to define the current situation or to measure progress. Senior housing is not referenced in the performance measures. No establishment of baseline data on one level living units or universal design housing is established for a baseline on which to measure progress. To serve seniors in the integrated settings they desire, clear priority must be given to one level living and universal design in ALL subsidized affordable housing. That will enable people of all income levels to age in place.

3) Inclusionary housing policies must include more focus on persons with disabilities and seniors

Neither those with disabilities or seniors are referenced in the extensive discussion of “inclusionary” housing which seems focused on race and poverty segregation. Yet these populations too are routinely segregated and have a difficult time having access to housing in all communities.

4) Persons with disabilities and seniors should be a priority for inclusion in transit associated housing

Disability and senior populations are not noted as a priority in this area either even though they are the most transit dependent groups. Achieving compliance with Olmstead requirements for having people with disabilities

work in competitive employment rather than isolated sheltered workshops will require both access to mainstream transit and nearby affordable housing.

5) Lack of balance in over attention to transit oriented development

High priority and lots of detail is provided for “transit oriented development” but the definition excludes areas not slated to get light rail, bus rapid transit or other major new capital investments. That excludes many parts of the metro area whose current volume of good basic bus or express service could support the mobility needs of persons needing affordable housing. Given the huge tax base benefits of being a “winner” on a new transit mode, equity for other areas “left behind” in that competition must require special attention.

6) Inadequate attention to naturally occurring (non publicly subsidized) affordable housing (pages 19 and 20 out of 101)

While “naturally occurring affordable housing” that is, non-publicly subsidized housing now provides 60% of the affordable rental housing in the area, there is no Met Council funding suggested for making maintaining and improving this housing feasible. Their age requires re-investment. We will not be able to achieve affordable housing goals without solid attention to this segment.

There is too much emphasis on project based funding and too little on the huge impact nurturing this segment could have both on capital and operating demands. It is a private based model that merits public partnership in grants and low interest loans without so many strings that it scares away potential owners. This affordable housing is a result not of public subsidy but of a private landlord willing to serve working class residents. Often these relationships result in longterm stable housing situations and strong connection to community – a key component of high risk family success. Minneapolis has in the past identified the oldest rental housing in its city as being the most affordable, often has the largest amount of 3 bedroom units and yet is in the worst condition due to age and the lack of public home improvement financing.

This housing often provides a route out of poverty for skilled low income households and should be encouraged. In Minneapolis the naturally occurring affordable housing is often early 19th century duplexes, triplexes, and fourplexes that often offer yards, basements for winter play, bike storage, and mixed income neighbors not available in the newly built and heavily subsidized affordable housing development. I represent over 5,000 rental units, most of which fits this description. Often owner occupied they have lower operating costs as well and provide a route to savings for education and retirement for many low income families willing to assume the responsibilities of being an owner occupant of a small scale rental building. As mortgages get paid off, they can provide a route out of poverty for many handy but low income households who often work in low wage work.

Enforcement strategies for landlords is noted with limited support for local city financial help. (Financial support for rehab is however stated as a priority for publicly subsidized housing). This to me is outrageous given the high per unit subsidies for new construction. Failure to preserve this 60% only makes the affordable housing crisis worse. Monitoring the availability of this key component of the housing mix is also not in the suggested measures of success. **Small scale and naturally occurring affordable housing needs to be a key component of**

meeting our current and future affordable housing needs and included in the performance measures and financial priorities.

7) Totally inadequate data and specificity on timelines, measures of success and financial priorities (p 72-76 out of 100)

I am a planner professionally and it is hard to say this is a “plan”. It has lots of aspirational goals but no baseline data to identify the current situation and gaps or on which to measure the adequacy of the proposed goals. As noted earlier, key components of the problem and suggested remedies are not reflected in these measures or priorities. As a guide to establish priorities and to measure progress it would need an analysis of the impact of various alternative levels in order for informed decision making. If those discussions have taken place, the document should reflect that and why these measures and formulas were selected over others. That can yet be developed but the timeframe would need to be adjusted.

8) Community and public engagement in the development of this has been inadequate.

I’m sure that the insiders (development professionals in both the public and private sectors and some city electeds) have been reached out to and actively engaged. But the general public and key constituencies have not. I only heard of this effort in the past two weeks and have talked recent days with many involved in the issues I mentioned above who had never heard of it.



October 1, 2014

Comments on the Housing Policy Plan were received from the following organizations:

Asamblea de Derechos Civiles
Asian Pacific Housing Consortium
Builders Association of the Twin Cities
Catholic Charities
Equity in Place
Homes Within Reach, City of Lakes Community Land Trust, Housing Preservation Project
Housing Preservation Project, et al
Institute of Metropolitan Opportunity
Jewish Community Action
LISC (Local Initiatives Support Corporation) Twin Cities
Metro Cities
Metropolitan Consortium of Community Developers
MICAH (Metropolitan Interfaith Council on Affordable Housing)
Mid-Minnesota Legal Aid, Minneapolis Office
Saint Paul National Association for the Advancement of Colored People, Roy Wilkins Branch
The ARC, Greater Twin Cities



September 26th, 2014

Dear Metropolitan Council,

I am sending this letter on behalf of Asamblea de Derechos Civiles (The Assembly for Civil Rights), a faith based organization that represents members of predominantly Latino churches in the Twin Cities and across the state. We are involved with Equity in Place coalition and we support the recommendations that were made on behalf of the group wholeheartedly. We also wanted to take this opportunity to share with you some additional thoughts through the lens of our work in our specific community.

Housing Issues Affecting Latinos

Asamblea has been involved in a number of campaigns over the last several years related to housing, to improve living conditions, defend tenant's rights, preserve affordable housing and to prevent the demolition of Latino neighborhoods. It is important that the HPP not just speak to where new affordable housing should go, but also acknowledge the struggle that Latinos and other communities of color are facing in the housing they are already in now, in order to be able to bring stability and opportunity where we are at.

The majority of our members either rent apartments or live in manufactured home communities (where they own their homes and rent the land). In both of these scenarios, Latinos are vulnerable to displacement and poor living conditions due to systemic injustice. Throughout the region we have seen Latinos, people of color, and low-income families lose their housing due to redevelopment, unlawful evictions, and code enforcement actions that penalize tenants rather than the landlords responsible.

We would like the FHEA to consider the potential impacts of transit corridor development on *existing* affordable housing (subsidized and unsubsidized), to ensure that low-income communities and communities of color near station areas are able to remain there to access the other opportunities public transit brings. Many in our community are unable to afford the new "affordable" housing that is being planned along the corridors.

We would like to see more attention to manufactured housing in the FHEA because it is a major source of non-subsidized affordable housing for Latinos (and other communities of color and low-income communities) in the suburbs. It is also a source of housing that is highly at risk. A 2007 Report produced by a manufactured homeowners tenant's union and the Higher Education Consortium of Regional Affairs (HECUA) found that while people of color represented around 10% of the manufactured home park population in Minnesota (according to the 2000 Census), they represented 54% of people who had been displaced by the numerous closures and redevelopment of manufactured home communities; with Latino communities representing the largest group among communities of color. The report also

documented segregation and other racial disparities in access to basic services and cost of housing between Latinos and whites in manufactured home communities.

Many manufactured home communities in the region almost certainly meet the threshold of a Racially Concentrated Areas of Poverty that the Met Council has identified. A few examples are: Jackson Heights (Shakopee), Cedar Knolls (Apple Valley), Southridge Park (Inver Grove Heights), Queen Anne (Lakeville), Riverview Terrace (Chaska), and Southgate Village (Bloomington). To be clear, we believe the solution must involve engagement with these communities to access stability and opportunity where they are at, not to displace them and eliminate affordable housing choices for future generations.

Larger Scale Systemic Barriers Impacting Housing Equity

While the Met Council clearly does not set federal immigration policy, it is important to consider that for many in our community, there is no current means by which to adjust one's immigration status or become a US citizen. This directly limits access to virtually all of the opportunities and indicators the Met Council has identified (education, employment, housing, etc.) Furthermore, we know the Census often undercounts Latinos, and that when predominantly Latino low-income neighborhoods are lumped into predominantly white and affluent Census tracts our numbers are less visible (such is the case with manufactured home parks).

In Conclusion, this letter really only scratches the surface of the challenges the region faces in achieving equity for Latinos. But we are committed to changing this reality. At Asamblea we have knocked on thousands of doors and trained hundreds of leaders who are dedicated to achieving a vision for justice. We are always looking for partners who share this vision. We hope you will seize this opportunity to build a relationship with us and hear more of our stories.

Sincerely,

Antonia Alvarez
Co-Founder, Asamblea de Derechos Civiles
612-207-9260, alvarez_antonio_2005@yahoo.com

Subject: 2014 Minnesota Housing Finance Agency Affordable Housing Plan

We want to thank the MN Housing Finance Agency (MHFA), the Metropolitan Council, and the Legislature for their public listening sessions on the 2014 MHFA Affordable Housing Plan. To clarify an earlier memo to MHFA, we still believe that affected stakeholders including minority organizations and communities should be actively involved in the development and decision making of the plan from the start and throughout the process, instead of just commenting on what has been developed by others.

The Metropolitan Council indicated convening meetings that included some nonprofits as they were developing their plan that supports the MHFA Housing Plan, but these were not known to all the affected stakeholders whereby they could actively participate in the development and decision making.

The Legislative process is transparent and enables more active participation by stakeholders and the public, and they will be given the opportunity in future hearings. Member organizations of the Asian Pacific American Consortium will also have opportunity for input.

The Asian Pacific American Consortium member organizations provide cultural and linguistic specific services to Minnesota's Asian Pacific community of over 266,000 people from 42 countries, U.S. territories and state; 59 ethnicities, languages and cultures. Four organizations have served the Hmong population of about 66,000. The details of other cultural specific population numbers are in the U.S. Census 2010.

A. Funding:

The Asian Pacific organizations serving the Asian Pacific community has never received MHFA funding, except for Hmong American Partnership and Lao Assistance Center who were "HUD approved" counseling agencies before laws and rules changed to create barriers for the other organizations to become "HUD approved". But even they have not received adequate funding since before 2009.

Instead of technical assistance and helping the Asian Pacific organizations become "HUD approved" counseling agencies, MHFA laws and rules were changed each year that increased the barriers. This included changing funding provisions so only "HUD approved" counseling agencies had access.

Barriers exist in the proposed Housing Plans that will prevent Asian Pacific organizations emerging as "HUD approved" counseling agencies from receiving capacity building, housing education/counseling/training (HECAT), and other funding from MHFA.

HUD requires a nonprofit to provide at least one year of service with a certified housing educator/counselor before application. They also have a quota on the number of clients served. Once application is made, there is a lengthy and costly review process. Organizations have had to raise funds for this. However, once approved, a nonprofit has access to federal funds, programs, free education & training, travel and lodging, leveraging the federal funds for other funds, etc.

There was opposition to Asian Pacific organizations receiving direct funding from the Legislature as other nonprofits were able to get in 2008-2014. There's less transparency in pre-selecting entities receiving funds from State agencies, sometimes before the agency receives legislative funds, and asking others for support including organizations who believe they will have access. Exceptions are funds specifying "public housing authorities" or "land trust" entities. Minnesota Homeownership Center (MHOC) and MHFA make the initial decision on which organizations get funding.

Around 2008, Lutheran Social Services in Greater Minnesota received \$150,000 from the Legislature for 3 FTE separate from funds available through State agencies. Metro costs were about \$70,000 per FTE compared to large state agencies allocating \$100,000 per FTE. A nonprofit serving homeless veterans, but discriminated against Asian & Pacific veterans - receives \$750,000 per year through the Dept. of Veterans Affairs, plus other funding from MHFA and other State agencies. A non-ethnic nonprofit contracted with Hmong American Mutual Assistance Association to provide cultural and linguistic housing education for \$10,000, despite receiving substantially more for the services. The contract ended when Lao Assistance Center and Hmong American Partnership each received about the same from MHFA.

Recommendations:

- 1) Fund each minority nonprofit in the process of becoming “HUD approved” counseling agencies or serving Asian & Pacific veterans with 2 FTE of at least \$50,000 per FTE per year.
- 2) Separate MHFA education and training funds from program funds so minority emerging housing organizations can receive free education and training for the mandated certifications and building capacity. Once an organization has become “HUD approved”, they can access federal funds for continued education and training certifications, program funds, and funds for staff.
- 3) Provide technical assistance and related funds to help minority emerging housing organizations become “HUD approved” counseling agencies.
- 4) Remove the barriers, disparities, and discrimination including a) limited funds or no funds, b) lack of same technical assistance, education and training available to MHFA funded organizations or in MHOC’s network – that affects minority emerging housing organizations including the process for becoming “HUD approved” counseling agencies. There has been evidence whereby the funding process is not based on fair competition, including existing MHFA laws and rules created by some people to favor large established organizations, eliminate competition, increase disparities, and permit discrimination and backlash for “whistle blowing” or opposing unfair provisions and practices. Incidents also support the need to directly fund minority organizations instead of the current funding review process.

B. Mandated certifications:

The State required housing counselors and educators to get certifications. M.S. 58.13 (23) and M.S. 327B.09 (6)(iv) refers to certifying entities able to provide the certifications. AARP, HUD, MN Home Ownership Center (MHOC), MN Mortgage Foreclosure Prevention Association (MMFPA), and the national NeighborWorks America. However, MHFA rules requires MHOC add-ons to NeighborWorks America certifications in Homeownership and Foreclosure certifications.

- 1) These add-ons are not available to organizations not funded by MHFA or not in MHOC’s network, including having full scholarships for education, training, and lodging scholarships as NeighborWorks America provides.
- 2) The MHFA required courses for certifications are not available to organizations not funded by MHFA or not in MHOC’s network in Minnesota, even when NeighborWorks America has come to Minnesota to provide the trainings since 2010. These disadvantaged housing organizations including emerging “HUD approved” organizations must pay their own way for travel out-of-state for NeighborWorks America certifications, HUD and AARP program certifications.
- 3) MHFA stopped recognizing MMFPA certifications.
- 4) There is no public registry of certified educators/counselors in MHFA, Dept. of Commerce or other agencies promoting public contact with certified educators/counselors. Their information, materials, websites and connections with other entities only promote contact through one certifying entity – MHOC and their network. This eliminates competition and business for other certifying entities and their certified educators/counselors.

Recommendations:

- 1) Provide minority housing organizations a) access to NeighborWorks America education training in Minnesota that’s been available to MHFA funded organizations and organizations in MHOC’s network; b) access to MHOC’s add-on education and training required by MHFA; c) and full scholarships to the add-ons. Priority should be based on those with the most need and smaller size of applicants and organizations because larger funded organizations have more capacity to absorb costs themselves including large HUD approved counseling agencies having federal funds.
- 2) Eliminate the disparities where disadvantaged housing organizations, including minority emerging “HUD approved” organizations that are not funded by MHFA nor are in MHOC’s network, must pay their own way for travel out-of-state and related costs to obtain the needed certifications. (MHFA requires 3 courses. Disadvantaged organizations out-of-state costs average \$5,000 per course per person.)

- 3) Reinstate recognition of MMFPA certifications, and fund the education and training as done for other education and training required by MHFA whereby its free to educators/counselors being certified.
- 4) Public registry of all certified educators/counselors from the different certifying agencies, must be easily accessible to the public, equally promoted or marketed, and equally included in state agency materials, websites, and connections with other entities.
- 5) Provide free education, training and technical assistance to nonprofits for development projects funded or approved by MHFA, similar to the assistance provided to lenders, realtors and perhaps developers on MHFA products.

C. HUD approved counseling agency:

To become a HUD approved counseling agency, having access to federal funds, federal programs, and free training, lodging and travel – requires having a certified staff serve clients for at least one year, and meet the quota of clients served – before applying.

- 1) The barriers to certification are listed above.
- 2) M.S. 580.06 refers people in foreclosure to only the MN Home Ownership Center (MHOC). Success included having people sell their homes before foreclosure was finalized and counted as a foreclosure. MHOC member realtors and lenders are part of the process. Organizations outside MHOC's network must get their clients from out-of-state where funding for clients comes from sources other than MHFA or they help in-state clients with no resources. **Several nonprofits have gone above the call of duty in helping in-state clients without having the resources stay in their homes, respond to court action, etc., and their numbers and cost figures are not in the MHFA Housing Plan nor MHOC data. So the number of people needing help with foreclosure prevention and intervention is higher.**
- 3) MHFA Rules markets and refers people, businesses, agencies and others to MHOC's Homestretch instead of including organizations with NeighborWorks America certification. Organizations with just NeighborWorks America certification must get their clients from out-of-state to be paid like clients pay MHFA funded organizations and entities in MHOC's network.
- 4) MHFA, Met Council, and other State agency laws and internal policies that direct people and entities to only use MHOC and their members - diverts people and entities from using organizations and certified educators/counselors not funded by MHFA or not in MHOC's network and adversely affects organizations trying to obtain HUD approval and federal funds for their programs, staff, training, and organization, especially required quotas on numbers served.

Recommendations:

- 1) Remove the barriers to getting certifications in Minnesota.
- 2) Change M.S. 580.06 so organizations not funded by MHFA or not in MHOC's network can also access clients and resources.
- 3) Change MHFA Rules on marketing and referrals to include organizations with NeighborWorks America certification, even if they don't have equitable access to MHOC's add-ons per above.
- 4) Change laws and internal policies of MHFA, Met Council, and other State agencies that cause disparities and inequities, and work with affected stakeholders on solutions, equity, reducing disparities, and a fair and just process.

D. EMHI

A number of minority professionals and organizations who were decision makers and actively involved in the Emerging Market Housing Initiative's beginnings and development, were not included in the EMHI program transferred to the MN Homeownership Center. The original EMHI group included 4 different ethnic councils and MHOC was on the Board. Asians leadership in the "for profits" had different agendas than those from nonprofits. Trusted professionals and organizations seeking to help the community and people - continued the work under newly formed APAHC. No comment can be made as to how EMHI changed, since there were barriers to access.

Recommendations:

If there is any State or federal funds that will be involved in this program, it should be accessible to all stakeholders.

E. Homeless

Around 2012, the Wilder survey listed over 14,000 as “homeless”. This include if those in shelters or with relatives. About half were children. A veteran nonprofit estimated about 700 homeless veterans as “in the streets”. Asian veterans were not being considered “veterans” and are not in the numbers. Asians who are homeless, are also not in the count because they don’t make themselves known. So the numbers are higher.

Some laws and policies create conditions contributing to people being at risk of homelessness or becoming homeless, create barriers to successful homeownership, and create other disparities including relating to race that “homeowner training and financial literacy training” doesn’t remedy. These include “homes must in good condition”; compounding charges on interest charged; assessment of unfair fees, interest, and penalties; discrimination and unfair/unjust targeting of ethnic homeowners and renters.

Recommendations:

- 1) Funding Asian Pacific organizations serving the homeless as stated in “A” above.
- 2) Collaborations in rezoning as some cities are now doing from repeated requests. This allows for better use of existing, remodeled or redesigned homes to accommodate more people, multi-generational families, larger and extended families. For reduced households, extra income can be generated from extra space available for rent. Zoning changes can also support “live-learn”, “live-work”, and multi-use housing including “incubators for entrepreneurs and start-ups”. Zoning changes can allow for reduced housing and lot sizes in housing seniors, students, the homeless, and others with limited income and need for “low or no maintenance” housing. Some East Coast and West Coast homes are as small as recreational vehicles, some even 260 sq. ft. for 2 people.
- 3) Common Bond has reduced the resistance to homeless veterans living in “barracks” in their rehab of barracks at Ft. Snelling. There was resistance to housing all the homeless veterans at Camp Ripley which can accommodate up to 200 people per barrack.
- 4) Impact assessments, prevention and intervention on new and existing laws and policies that create risks or cause homelessness, foreclosure or other adverse conditions. This includes cities and counties ordinances based on laws that allow for fees, tax liens, evictions, foreclosure, and punishment including incarceration for a home “not in good condition.” Weather causing minor chipping of paint, grass higher than 8 inches, someone throwing rubbish in the yard, wind or storm damage, etc. are some conditions where these have applied. Especially when properties are targeted for “take-over” and the residents have no other home; not enough income for attorney fees; legal aid doesn’t cover; or being disabled, elderly or vulnerable whereby they can’t respond.

F. Seniors

Various situations affecting seniors are covered above. MHFA, the Met Council, other state agencies, and the Legislature may or may not have influence over increasing income of residents, but they can impact values of homes and repair/maintenance of older homes.

Low-income seniors, the disabled and vulnerable need help with required repairs/maintenance of their homes, especially as home owners. Solutions lie in collaborations between agencies; funds for new programs similar to personal care attendants, but related to doing required repairs/maintenance of homes; discount purchasing by state agencies for materials needed including those covered by grants and loans; the list goes on.

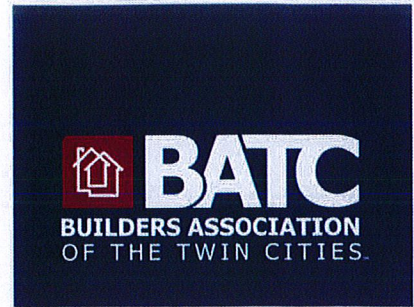
G. Other

There are further barriers created in laws and agency policies that must be remedied to eliminate the disparities and barriers that keep Asian Pacific organizations out of being able to provide services to their people whereby the Asian Pacific community remains unserved and underserve. 2013-2014 HF 993 and other bills that stalled from opposition, were trying to remedy the problems.

Partnerships and help is needed from appropriate staff from MHFA, the Metropolitan Council, other state agencies, and the Legislature in workable solutions to eliminate discrimination and disparities faced by Asian Pacific nonprofits helping the communities, the unserved and underserved. Some people have tried to address the concerns, but policy changes and perhaps funding is needed beyond brief meetings or acknowledgement to get to the solutions.

People are near death, dying or committed suicide because the remedies and help are not available, yet funding the ethnic organizations who could serve them could have saved them. The need is Urgent, but past actions and the plans have provided not provided nor seem to provide the help where it's needed. So forgive the cultural bluntness or way of presenting the information where some people have made things "personal" despite our work to seek help and solutions.

Respectfully submitted,
Jean Lee, Pres., Exec. Dir.
Children's Hope Intl/R & R Family Ctrs. and for APAHC-- the Asian Pacific Housing Consortium
c/o childrenshopeinternational@hotmail.com



September 26, 2014

Chair Susan Haigh
Metropolitan Council
390 Robert St. N
St. Paul, MN 55101

VIA E-MAIL

Re: Draft Housing Policy Plan Comment

Dear Chair Haigh,

I am submitting this letter on behalf of the Builders Association of the Twin Cities ("BATC"), in response to the Metropolitan Council's ("Council") release of the Draft Housing Policy Plan ("HPP"). By way of background, BATC represents nearly 1,100 member firms engaged in all phases of the home building, land development and remodeling industries in the Twin Cities area, including contractors, sub-contractors and suppliers. BATC is dedicated to providing a diverse selection of quality and affordably-priced homes in our region. BATC strongly supports policies that promote housing of all types. Unfortunately, the HPP does not directly address the major cost-drivers affecting housing affordability.

General Observations

The HPP charts an ambitious course for affordable and subsidized housing policy goals over the next decade. The HPP priorities of preserving existing housing stock and promoting environmentally-sustainable structures are shared by BATC. However, like *Thrive MSP 2040*, the HPP assumes and incents a denser, more transit-oriented growth pattern reliant on large-scale redevelopment. For the same reasons we outlined in our comments in *Thrive*, BATC believes that future growth in our region will not follow the vision outlined in the HPP, but rather will follow a familiar market-oriented growth pattern with nuanced changes in higher density growth in the developed portions of our region.

Following a thirty-year hiatus without a published plan for housing, the HPP returns with little to offer for housing policy outside of the affordable, subsidized housing arena. For the BATC members that are developing, building and remodeling the overwhelming majority of homes in our region, the primary

obstacle to greater affordability and housing access is the hidden, unnecessary and duplicative regulatory costs that drive the cost of housing and limit access, especially for those seeking their first home. The HPP doesn't adequately acknowledge this important factor in the cost of housing and doesn't demonstrate a basic understanding of the relationship between regulatory costs, land use policy, and the housing market. This is unfortunate as we believe housing affordability for all Minnesotans is the single-most important policy issue facing the housing industry today.

Specific Comment

- I. **Redevelopment and Infill Development Emphasis Unrealistic**
- II. **Inclusionary Housing Must Remain Voluntary**
- III. **Regulatory Footprint and Common Interest Community (CIC) Policy Items Missing from HPP**

I. Redevelopment and Infill Development Emphasis Unrealistic

On page 4 it states "...Demand for central locations and accessibility will create opportunities that exceed the costs and challenges of redevelopment, and more growth will be in areas with higher levels of urban services, including neighborhoods along transitway corridors...This redevelopment, infill development, and higher densities in the older, urbanized, and most accessible parts of the region more efficiently use existing regional infrastructure, but can also be complex and costly for developers and LGUs."

The Council has not identified a viable pathway towards the greater redevelopment opportunities it continues to promote. Urban redevelopment remains the most challenging and expensive way to develop housing. The costs, neighborhood resistance, and lack of demand for centrally located redeveloped housing make the reliance on this type of development a flawed policy.

Recent consumer preference data refutes the overarching policy theme of high density and redevelopment demand forecasted in the HPP. According to the National Association of Homebuilders' (NAHB) 2012 *What Home Buyers Really Want*, 75% of Millennials want a single-family home, 11% want a townhome, 4% want a rental apartment/condo. In the 'type of area preferred', 66% want to live in suburbs, 24% want to live in rural areas, and just 10% want to live in central cities.

Additionally, neighborhood resistance to redevelopment continues to be a major barrier. In the past six months alone, both Minneapolis and Golden Valley have placed land use moratoria on housing developments amidst neighborhood resistance to new growth. In Golden Valley, the current moratorium aims to preserve large-lot single-family homes amidst pressure for greater density.

These factors add to costs, delays, and uncertainties in the development process and make redevelopment an unlikely tool to accommodate large-scale growth in the future. The Council should re-write this section to emphasize market demand and reduce the emphasis on redevelopment as a primary option to support future growth.

II. Inclusionary Housing Must Remain Voluntary

On page 66 it states *“Council Role with Inclusionary Housing – Convening Inclusionary Housing Discussions”*.

Inclusionary housing is a complex and controversial policy that has been a topic of discussion over the past fifteen years in housing policy forums. Of greatest concern to BATC is the effect of Inclusionary Housing policies on home prices. NAHB found that the cost of housing in cities that adopted inclusionary zoning increased about 2-3 percent faster than cities that did not adopt such policies.

BATC was heavily involved in the legislative debate on the issue in 2002, when Minnesota’s planning statute was amended to include specific language addressing voluntary inclusionary housing agreements. BATC supports voluntary inclusionary agreements but opposes any mandate. We believe most cities in the metropolitan region agree with BATC’s position. We suggest that stronger language be added to the HPP to confirm that these policies will be pursued as voluntary agreements.

BATC Housing Priorities

BATC has introduced two broad policy concepts in its Housing Policy discussions with the Council in *Thrive* and the HPP: elevating discussions about the growing and costly regulatory footprint in housing and supporting policies to address the litigation crisis in common interest communities. From our perspective, addressing unnecessary regulatory cost drivers is the best way to begin to seriously address housing affordability. Unfortunately neither were given serious attention in the HPP.

The Regulatory Footprint in Housing – Nearly 30% of the final price point of a home is attributable to regulation. This is the single largest threat to housing affordability in our region and the threat continues to grow. Across the multiple agencies that regulate housing, the quickening pace of regulation is the leading impediment to housing affordability and access.

Though oftentimes lost in housing policy discussions as simply an accepted ‘soft cost’, housing regulations add directly to the final price of a home. Locally, for every \$1,000 of price increase 2,009 families are priced out of the market based on current lending standards. The Dayton Administration’s recent mandate of sprinklers in single-family homes carries a \$10,000 price tag which would place a given home out of reach to over 20,000 homebuyers in our region. The inter-connected nature of housing assures that these price increases will affect all corners of the housing market including existing homes. This is an issue that all housing segments, from market rate to subsidized housing, should collectively seek to address.

BATC agrees with the majority of the regulations placed on the industry to ensure protection of homebuyers and natural resources. But our regulatory burden is the largest in the Midwest because we have multiple agencies regulating the same area and too often policy makers have placed unnecessary regulations upon housing. To seriously address affordability in housing, the Council must begin with the growing regulatory footprint and the associated costs.

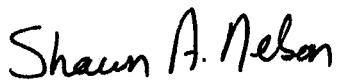
Litigation crisis in common interest communities – Across the region many developers are hesitant to build multi-family projects for sale and those that build them, do so at a higher cost due to the litigation and risk management costs associated with building in common interest communities (CIC). This has a chilling effect on project feasibility and places another challenge in front of the Council's goals for denser growth plans.

The legislature could make common sense changes to the Minnesota Common Interest Ownership Act (MCIOA) by addressing the communication gap among CIC residents and attorneys initiating legal action on behalf of residents in a CIC association. BATC supports legislative changes to MCIOA which would require written notice to all owners prior to the initiation of litigation by a CIC board. Additionally, the CIC board should notify homeowners that the board's decision regarding pending litigation or unsatisfied judgments against the CIC association may impact the unit owners' ability to refinance or sell their unit. Finally, the CIC association should include the date, time and place of a board meeting to finalize the decision to institute litigation. These basic communication requirements would help to avoid frivolous litigation that is currently plaguing CIC development and impeding construction of for-sale multi-family housing. We urge the Council to address this directly in the HPP.

Conclusion

The HPP presents an expansive look-ahead at affordable and subsidized housing policy. For BATC, our response to the HPP is less about what is contained in the draft and more about what was omitted, namely the lack of acknowledgement of the regulatory costs that negatively impact access to all housing. We recognize and support the statutory limits placed upon the Council for housing and are not advocating for an expanded Council role in the housing industry. However, the lack of acknowledgement regarding the cost of a growing regulatory footprint in housing substantially reduces the value of the HPP as a true regional housing plan, beyond the narrowly defined affordable and subsidized housing space.

Respectfully,

A handwritten signature in black ink that reads "Shawn A. Nelson". The signature is written in a cursive, flowing style.

Shawn A. Nelson
2014 BATC President



CATHOLIC CHARITIES
of St. Paul and Minneapolis

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September 26, 2014

Metropolitan Council
390 Robert Street North
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public.info@metc.state.mn.us

Re: Comments on the Draft 2040 Housing Policy Plan

Dear Chair Haigh and Metropolitan Council Members,

Catholic Charities of Saint Paul & Minneapolis appreciates the opportunity to comment on the most recent version of the 2040 Housing Policy Plan. We value the Metropolitan Council's regional perspective and leadership on finding the most effective ways to use public resources to increase the availability of affordable housing for low- and moderate-income Minnesotans. Through our direct service to thousands of children, adults, and families living in poverty, we know that every success in life begins with a home.

As the largest comprehensive social service organization in the Greater Minneapolis-St. Paul region, we offer our comments with the belief that a thriving region requires both growth and equity – a focus on meeting the needs of the most vulnerable and on creating opportunities for all to prosper.

Affordable housing must be located in communities where families and individuals have access to employment, education, and services. Research has also shown that the combined costs of housing and transportation are directly related to the success and sustainability of vibrant communities. With this in mind, Catholic Charities supports strategic, transit-oriented development. We are confident that a data-driven strategy that examines the effectiveness of housing policies will further demonstrate the importance of transportation options located near where individuals and families live.

Catholic Charities applauds the Metropolitan Council's emphasis on expanding options for low-income households, including the plan to increase Section 8 voucher mobility and landlord participation throughout the metropolitan area, and the plan's emphasis on the creation of new affordable housing options in communities that currently lack them. In our work, we also clearly see the barriers to qualification for housing, such as poor credit, and look forward to the Metropolitan Council's response to expected upcoming federal guidance on this topic. We see this issue in particular among people who are 55 years of age and older, a population that are using our homeless shelters and housing programs at an increasing and alarming rate.

It is clear from this policy draft that there is a preference for voluntary cooperation, negotiated goals, and incentives to local communities. The notion of mandatory inclusionary zoning that makes demands of local communities regarding affordable housing is rejected in favor of the creation of voluntary systems and rewards such as density bonuses to developers. While voluntary cooperation towards a goal of greater regional equity may avoid contentious community meetings, we are not certain that cooperation

from enough local communities will be forthcoming or that this approach will create enough momentum toward reaching important goals.

Concentrated poverty is a problem that kills opportunity. Job training, economic development, transit, and affordable housing policies need to work in concert in a way that provides opportunity and a way out of poverty.

Thank you again for the opportunity to comment. As the Metropolitan Council continues to examine the region's housing policies, particularly as it further identifies methodologies for determining the need for affordable housing, Catholic Charities will continue to offer input and insight. We look forward to our continued partnership to prevent and end homelessness, and to build a Greater Minneapolis-St. Paul region where there is opportunity for all.

Sincerely,

Jessie Sorensen
Vice President, Public Engagement
Catholic Charities of St. Paul and Minneapolis

September 26th, 2014

Equity in Place is a diverse group of strategic partners from place-based, housing, and advocacy organizations. We believe that everyone in the Twin Cities region deserves to live where they want to live and have access to opportunity. Our region has many assets, but we continue to be unable to translate these benefits to everyone, specifically to communities of color.

Equity in Place engages community-based organizations in influencing planning and investments that will shape the future of the Twin Cities region. We believe:

- Equitable growth is good for everyone—individuals, communities and the greater region.
- Equitable growth requires intentional planning, policymaking and implementation.
- Government plans about communities of color need to be completed in partnership with communities of color.

As a group we want to correct the profound impacts of our region's history of policymaking and planning that has impacted communities of color in our region.

Below you will find our thoughts and comments on the Metropolitan Council Housing Policy Plan.

We appreciate and encourage the retention of the following elements of the Council's draft Housing Policy Plan:

- Ensuring more affordable unit are built with existing resources by making the Housing Performance scores are meaningful and effective.
 - Applying them with as much weight as possible to transportation funding and Livable Communities funding.
 - Reviewing the housing elements in all Comprehensive Plans to make sure local city policies are really designed to meet their affordable housing goals.
- Funding the Inclusionary Housing Account as a way to incentivize cities to adopt inclusionary Housing and other innovative policies. Because this program supports a broad range of affordability and in many cases the higher end affordability targets should be attained by regulatory incentives, use of these funds should emphasize benefit to very low income households.

- Focusing housing development around transit development, while proactively working to preserve housing affordability near station areas.
- Continuing your commitment for deep and real community engagement of community residents in racially concentrated areas of poverty.
- Recognizing that the allocation of affordable housing need should take into account multiple income levels (especially extremely low income households) and that more needs to be done to advance region-wide mobility for Section 8 voucher-holders.

All of these concepts are extremely important to our communities and we strongly encourage the Council to resist any attempts to remove them or weaken them in any way.

We believe the draft Housing Policy Plan could be improved and strengthened by the following actions:

- More clearly defining how housing plans will be woven into the Transportation Policy Plan and other system plans. We believe it is very important that there is a very high degree of integration so that the positive elements of the Housing Policy Plan attain a greater degree of likelihood of being implemented. Each system plan should consider ways that housing affects local government plans around water management, transportation and parks, and in each such case, local governments should include and connect housing strategies to local government plans for water management, transportation, and parks.
- Calling for both the Met Council and cities along transit corridors to put into place specific policies to ensure affordable housing gets produced and preserved along these corridors.
- Assuming a leadership role for the Council in securing resources for fair housing testing. This could mean supporting resources for other agencies, such as the Minnesota Department of Human Rights, or community based organizations to implement significant levels of fair housing testing.
- Including strategies to support manufactured housing development:
 - We support recommendations for more attention to manufactured housing in the Housing Policy Plan because manufactured housing is a major source of non-subsidized affordable housing for Latinos (and other communities of color and low-income communities) in the suburbs. It is also a form of housing that is highly at risk. A 2007 Report produced by a manufactured homeowners tenant's union and the Higher Education Consortium of Regional Affairs (HECUA) found that while people of color represented around 10% of the manufactured home park population in Minnesota (according to the 2000 Census), they represented 54% of people who had been displaced by the numerous closures and redevelopment of manufactured home communities; with Latino communities representing the largest group among communities of color. The report also documented

segregation and other racial disparities in access to basic services and cost of housing between Latinos and whites in manufactured home communities.

- Many manufactured home communities in the region almost certainly meet the threshold of a Racially Concentrated Areas of Poverty that the Met Council has identified. A few examples are: Jackson Heights (Shakopee), Cedar Knolls (Apple Valley), Southridge Park (Inver Grove Heights), Queen Anne (Lakeville), Riverview Terrace (Chaska), and Southgate Village (Bloomington). To be clear, we believe the solutions must involve engagement with these communities to access stability and opportunity where they are at, not to displace them and eliminate affordable housing choices for future generations.
- Failing to address a conflict between housing need allocation and lower Livable Communities Act (LCA) housing goals. The law requires that cities develop specific plans to address their portion of regional affordable housing **needs**. If the Council continues to negotiate LCA housing goals that are less than the affordable housing need the City is to plan for, the LCA process undercuts planning based on what families in our region actually need. Also, language in the Plan which calls for negotiating LCA goals in order to give cities greater ownership of the goals raises concerns that this will lead to goals less ambitious than they should be.
- *Housing Measures*. Instead of simply an up or down arrow, the Council should be measuring progress against numerical goals over time.
- *SAC Charges*. In connection with funding the Inclusionary Housing Account referenced above, the Council should facilitate affordable housing development by waiving sewer availability charges (SAC) for inclusionary housing developments with an emphasis on benefitting the lowest income households possible.
- *Community Land Trusts and Affordable Ownership Opportunities*. The Plan places its major emphasis on affordable rental housing, but there is an important need to promote affordable ownership opportunities as well. One strategy which has received too little attention is the use of Community Land Trusts as a means to ensure that one time public investments can ensure permanent affordability. This tool is particularly important in areas of rising land costs like transit corridors.

Finally, we offer the following feedback on community engagement:

- Be more explicit about resources allocation to support robust community engagement of traditionally underrepresented constituencies.
- Recent examples of City Council actions in Brooklyn Center and Brooklyn Park filing fair housing complaints are examples of city based decisions related to housing, with both local and regional implications, that were made without the engagement of the communities who stand to be most impacted by the housing policy changes those cities seek.

Equity in Place Partners:

African Career Education and Resource Inc., Alliance for Metropolitan Stability, Black Women's Business Alliance, Center for Urban and Regional Affairs, Community Stabilization Project, Frogtown Neighborhood Association, Hope Community, Just Equity, La Asamblea de Derechos Civiles, Minnesota Center for Neighborhood Organizing, Minnesotans Standing Together to End Poverty, Native American Community Development Institute, Northwest Community Collaborative, Organizing Apprenticeship Project, Urban Homeworks, West Side Community Organization



September 24, 2014

Council Chair Susan Haigh
Housing Policy Plan Comments
Metropolitan Council
390 Robert Street North,
Saint Paul, MN 55101

Dear Chair Haigh:

On behalf of the Housing Preservation Project, Homes Within Reach, and the City of Lakes Community Land Trust, we appreciate the opportunity to comment on the Metropolitan Council's Draft Housing Policy Plan. We understand that this plan will set the direction for Regional Housing Policy for the next decade. We write because the current draft barely mentions a key strategy in closing one of our greatest racial disparities, the homeownership gap—Community Land Trusts.

Page 19, "naturally occurring" affordability

Community Land Trusts and shared equity housing create an opportunity to take a one-time affordability investment and allow that investment to assist multiple low-to-moderate income households achieve affordable homeownership upon subsequent homeowner resales. Especially useful in transit corridors where housing values have proven to increase at rates greater than the average housing costs, CLTs are a means to keep homes affordable over time.

The majority of down payment or rehab loans either are forgiven over time and/or returned to the subsidy provider. This works just fine if home values, labor costs, and materials stay constant or go down over time. The reality is these costs have historically increased over time, which means it will take more funding the next time these funds revolve, if they revolve at all, to be applied to another housing opportunity. Community Land Trusts ensure the one-time investment can keep pace with these costs.

Page 20, "Council Role"

The plan suggests the opportunity to utilize a right of first refusal or first offer as a strategy. Another benefit of Community Land Trust homeownership is that the right of first refusal is already embedded into the Community Land Trust Ground Lease with the homeowners, allowing the CLCLT to ensure the next homeowner is a low- to moderate income household who is able to take advantage of the opportunity.

Page 23, "Local Role"

There is an ability to tie the benefits of Community Land Trust homeownership to higher-density incentives at a local level. In exchange for higher-density in a condominium development, for example, the developer could be incented to create affordability through the incentive or contribute to an affordability fund "in-lieu" of units. These funds could be then used for other affordable homeownership along the transit. Community Land Trusts are already a proven vehicle to deliver affordable condo units in large mixed-income developments in the Twin Cities Metro.

Page 24, "Focus Housing around emerging transit investments"

There is both a Council and Local role to assist existing residents of these transit corridors and opportunity to live in the corridors either through creating affordable homeownership opportunities through existing homes or by tying affordability incentives to newly proposed higher-density developments. Both of these opportunities to preserve and create affordable homeownership are provided through Community Land Trusts and smart Inclusionary Zoning opportunities tied to affordable homeownership.

Page 30, "More Equitable Region"

In both high-income and high-poverty neighborhoods, Community Land Trusts have proven to be a strong tool to address the challenges facing the economic realities of each. The needed housing rehab that accompanies the Community Land Trust purchase and assurance of permanent ownership both play a role in stabilizing housing in higher-poverty neighborhoods. Conversely, Community Land Trusts are able to "de-commoditize" a portion of the ownership housing stock in high-income neighborhoods, allowing for mixed-income communities to flourish after housing values have already increased.

Page 31, "Local Role"

In addition to the requirement that Community Land Trusts require all homeowners take homebuyer and Community Land Trust education classes prior to purchasing their homes, the Community Land Trusts maintain ongoing trainings and support to homeowners through the life of their homeownership. Community Land Trusts have continued to serve households of color at rates two to three times the rate of local communities and recent local studies have demonstrated significant increased Community Land Trust household incomes since the time of purchase, further building household and community

Page 65/66, "Inclusionary Housing Strategies"

The Inclusionary Housing and Inclusionary Zoning strategies listed in this section of the plan are strategies worth continued exploration and implementation. There is an increased community and household benefit that could be applied to each of the strategies listed in this section by complimenting the incentive to the long-term affordability and support provided through Community Land Trusts.

Page 75/76, "Measures Chart"

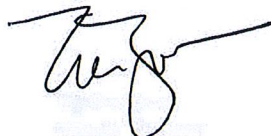
We believe there is opportunity to either add a measure that speaks to the region's goal of increasing the number of perpetually affordable homeownership opportunities or a positive percentage goal of increasing the number of new and preserved shared-equity homeownership opportunities in the Twin Cities Metro.

In addition to the specific recommendations and comments provided above, we offer some generalized supportive language to the plan as it relates to Community Land Trusts (CLTs) and Inclusionary Zoning in the document that is attached to this letter.

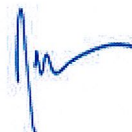
Respectfully submitted,



Janet Lindbo
Executive Director
Homes Within Reach



Tim Thompson
Executive Director
Housing Preservation Project



Jeff Washburne
Executive Director
City of Lakes CLT



Community Benefits of Transit Development Using Community Land Trusts and Inclusionary Housing Policies

Community Land Trust (CLT)s

LEVERAGE OVER TIME – Community Land Trusts (CLTs) provides a mechanism to invest in affordable homeownership and ensure the one-time investment remains with the home for subsequent resales.

RACIAL EQUITY – CLTs currently assist Community of Color households at a rate two to four times the local averages.

ECONOMIC EQUITY – CLTs create a way for households currently priced out of achieving homeownership a way to realize responsible, sustainable, supportive homeownership. In addition, it makes maximum use of existing buildings and communities' infrastructure and revitalizes the housing inventory.

BALANCED APPROACH TO GENTRIFICATION – By investing in affordability today, homes will remain perpetually affordable when surrounding properties become cost prohibitive, since the recycling of funds from owner to owner ensures the home remains affordable for 99+ years.

COMPLEMENTARY TO INCLUSIONARY HOUSING –Initial benefits of the Inclusionary Housing policies are preserved through the CLT because the affordability recycles with each new homeowner, offering added value and benefit to developers to create affordable units using the Community Land Trust practice.

SUPPORTIVE HOMEOWNERSHIP – CLT Homeownership is supportive homeownership and enhances residential stability. CLTs provide pre- and post-purchase education and support to homeowners – ensuring their success in the community.

Inclusionary Housing

ENGAGES THE PRIVATE SECTOR – Inclusionary Housing creates a mechanism for market rate housing providers to create affordable housing beyond what public subsidies can provide.

MIXED-INCOME HOUSING – Creates an opportunity to economically integrate housing options where otherwise impossible.

COMPLEMENTARY AFFORDABLE HOUSING – Inclusionary Housing policies may also allow for “in lieu” investments in other developments if affordability is impossible for a particular development.

BENEFICIAL TO FUNDING OPPORTUNITIES – Several funding sources, including the federal New Starts program provide significant funding preference to proposals that include Inclusionary Housing policies.

CAPTURES BENEFITS OF OTHER PUBLIC INVESTMENTS - Inclusionary Housing is a mechanism to capture and retain many of the benefits created through transit development and Tax Increment Financing.

Metropolitan Council
390 Robert St. North
St. Paul, MN 55101

September 25, 2014

RE : Regional Housing Policy Plan

Dear Sir/Madam :

On behalf of a group of organizations and individuals dedicated to making progress on affordable housing (listed at the end of this letter), we offer the following comments on the Housing Policy Plan.

We applaud the Met Council for taking on the long overdue task of updating regional housing policy. Much has changed in the last thirty years, both in terms of the challenges to be addressed, as well as how the Council can make use of the tools available to it to meet these challenges.

Important Initiatives in the Current Draft Plan

The Plan currently contains a number of initiatives that we fully support, and if anything, would like to see the Council strengthen in the final draft. The following features of the Plan we see as particularly valuable.

Using the Council's Funding Decisions to Incent Local Governments. Changes to the Housing Performance Scores will, if properly implemented, sharpen the effectiveness of this tool as a means to incent local governments to prioritize affordable housing efforts. This will only be true, however, if the scores really matter to local governments, which necessarily means applying them to the Council's transportation funding decisions as well as LCA, and with sufficient weight to make a difference.

Stronger Comprehensive Plan Housing Elements. Initiating for the first time a qualitative review of the housing elements and implementation plans of comprehensive plan updates, combined with increased technical assistance, is another major step forward. Stronger housing elements will lead to more affordable housing units, and more of them in high income communities.

Inclusionary Housing. This work of raising the bar on local government housing efforts will be further reinforced by the Plan's commitment to finding funding for the Inclusionary Housing Account, and by helping to lead a region wide effort to examine how and where inclusionary housing policies can be effectively implemented. Because the Inclusionary Housing Account program encourages a broad range of affordability and in many cases the higher end affordability targets should be within reach by regulatory incentives, use of Account funding should emphasize benefit to extremely low income households.

Focusing on Concentrated Poverty. The Council's commitment to addressing problems associated with areas of concentrated poverty is a critically important new emphasis.

Additional Important Steps. Finally, the Council has taken major steps forward by recognizing that the allocation of affordable housing need should take into account multiple income levels (especially extremely low income households), that more must be done to promote region-wide mobility for Section 8 voucher-holders, and that conversations must begin between the housing sector and the education sector about the ways that the housing and school systems mutually affect each other (including coordinating housing with school desegregation efforts).

Further Changes Needed

We see a number of areas in the Plan that need further development in order to be effective.

Ensuring Suburban Production of Affordable Housing . As noted, the Plan includes a number of provisions designed to increase the effectiveness of local government housing practices, but without a clearly stated rationale for why this is necessary. The problem, widely recognized but nowhere mentioned in the Plan, is that suburban affordable housing efforts have not equaled those of the two Central Cities. Over the recently completed 15 year period of LCA goals, Minneapolis and St. Paul together met 111% of their affordable housing goals, while the suburbs collectively met 48% of their goals. For the current decade, suburban jurisdictions are allocated 87% of the affordable housing need but in the first two years have produced only 36% of the affordable units produced, while the central cities have produced 64%. A greater affordable housing commitment is needed by suburban communities. To achieve that result, the housing needs allocation, the Livable Communities Act goals, the Housing Performance Scores, and Comprehensive Plan reviews all must work together to increase the likelihood this will happen.

Calculation of Housing Needs. Currently, in the housing need allocation formula under consideration, the jobs/worker ratio is a major factor that proportionately adjusts the housing need upward in the central cities and downward in many suburbs. On the other hand, the amount credited for already existing affordable housing is a far less proportional adjustment downward for the central cities and upward for many suburbs. Both factors should be calculated on the same proportional basis, to ensure a fairer division of need between the central cities and the suburbs. It is striking that in spite of the fact that the central cities have met or exceeded their past LCA goals while collectively the suburbs have fallen far short, the new formula appears to assign a greater relative need to the central cities and less to the suburbs, than the previous formula.

Undercutting the Legal Implications of the Needs Allocation with LCA Goals. The Plan still fails to address a conflict between LUPA housing need allocation and LCA housing goals. As noted above, LUPA requires that cities develop specific plans to address their share of regional affordable housing needs. If the Council negotiates LCA housing goals that are less than the affordable housing need the City is to plan for, the LCA process inevitably undercuts the LUPA

process required by state law. Also, language in the Plan which calls for negotiating LCA goals in order to give cities greater ownership of the goals may be a worthy goal in the abstract, but it does raise our fears that this will lead to goals less ambitious than they should be, even taking into account our limited housing resources.

Incorporating Housing Language Into Systems Plans. The current Plan simply refers to “housing will be woven into planning and decisionmaking as pertains to water management, transportation, and regional parks strategies and investments.” (p.42) The Housing Plan must go farther in providing guidance on how housing should be incorporated into system plans. Each system plan should consider ways that housing affects local government plans around water management, transportation and parks, and in each such case, local governments should include and connect housing strategies to local government plans for water management, transportation, and parks.

Housing Measures. We believe the Measures need greater discussion. There is insufficient clarity about what is the baseline against which to compare the measures—the previous year, a baseline year, or something else. We think there are several other relevant measures that should be considered, and that some of the details on the current measures need changing. Also, instead of simply an up or down arrow, we should be measuring progress against measurable/numerical goals over time. See attached more detailed comments.

Review of Comprehensive Plans. The discussion on p. 58 on developing a means of effectively reviewing Housing Elements and Implementation Programs should reference the earlier list of local roles set out at p. 29-30, in order to make clear the scope and range of local activities to be covered by this process.

Fair Housing. The current draft of the Plan has moved the Fair Housing section from an area of declared Council commitments to one for more study. With the additions suggested herein, the section should be restored to its original status in the Plan.

First, the discussion of discriminatory acts is well covered with respect to private discrimination, but is silent on actions by government that can violate the Fair Housing Act, including actions by local governments that limit housing choice for protected class persons. This type of discrimination needs to be acknowledged. Second, in the same way that the Council has exerted leadership on issues like convening stakeholders over “ Racially Concentrated Areas of Poverty,” (RCAPs) , the Council should take leadership to ensure not only that resources are committed to identifying the extent of discriminatory practices (racial steering, lending discrimination) affecting housing choice within the Region, but that if such practices are determined to be present, the Council will help ensure that appropriate entities within the Region take necessary action to eradicate such practices. (Currently the Plan simply notes that “ it is unclear who in the Region is responsible for addressing such issues”.)

Third, the Council can incorporate specific Fair Housing practices in its own policies (for example, reasonable accommodation of disabled persons) and can expect that such practices

also be incorporated, where appropriate, as conditions in the grants it provides. Fourth, the Council can reinforce the Fair Housing obligations taken on by local governments as part of their Fair Housing planning duties (Regional Analysis of Impediments) by aligning and incorporating those obligations in comprehensive plan housing elements guidance and in the methodology for Housing Performance Scores.

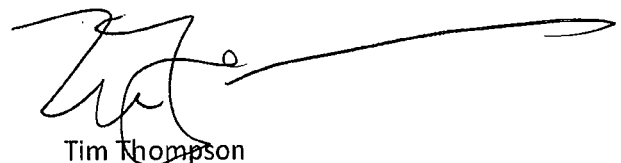
SAC Charges. In connection with funding the Inclusionary Housing Account referenced above, the Council should facilitate affordable housing development by waiving sewer availability charges (SAC) for inclusionary housing developments, consistent with the priorities of the Housing Policy Plan and where local matching commitments are made.

Community Land Trusts and Affordable Ownership Opportunities. The Plan places its major emphasis on affordable rental housing, but there is an important need to promote affordable ownership opportunities as well. One strategy which has received too little attention in the Plan so far is the use of Community Land Trusts as a means to ensure that one time public investments can ensure permanent affordability. This tool is particularly important in areas of rising land costs like transit corridors.

Met Council Budget. There is one final point to make that is not addressed in the Housing Policy Plan but which will do much to determine its fate. The priorities of the Plan, particularly those aspects mentioned above, will only be realized if they are also prioritized in the Met Council's budgeting process. Funding determines priorities. Identifying adequate funding to resurrect the Inclusionary Housing Account program should be one such priority.

Thank you for the opportunity to comment. We know a number of Council members have indicated an interest in leaving a legacy when it comes to affordable housing policy for the Region. When the issues we've cited above are addressed, along with the strong provisions already in the Plan, we think this Plan will leave just such a lasting legacy, to the benefit of the thousands of current and future residents in need of an affordable home.

Regards,

A handwritten signature in black ink, appearing to read 'Tim Thompson', with a long horizontal flourish extending to the right.

Tim Thompson
President
Housing Preservation Project

Submitted on behalf of the following organizations and individuals :

Housing Preservation Project
ISAIAH
Minnesota Housing Partnership
Mid Minnesota Legal Assistance
Institute on Metropolitan Opportunity
CommonBond Communities
Minnesota Center for Environmental Advocacy
Take Action Minnesota
Neighborhoods Organizing for Change (NOC)

Rev. Bruce Arnevik
All Saints Lutheran Church
Minnetonka

Rev. Eric Aune
All Saints Lutheran Church
Young America

Rev. Oby Ballinger
Community United Church of Christ
St. Paul Park

Rev. Chris Becker
Amazing Grace Lutheran Church
Inver Grove Heights

Rev. Chris Bellefeuille
Valley of Peace Lutheran Church
Golden Valley

Rev. Matt Bersagel
Crown of Glory Lutheran Church
Chaska

Rev. Christine Chiles
Maple Grove Lutheran Church
Maple Grove

Rev. Laurie Eaton
Our Saviour's Lutheran Church
Minneapolis

Rev. James Erlandson
Lutheran Church of the Redeemer
St. Paul

Rev. Dan Garnaas
Grace University Lutheran Church
Minneapolis

Rev. Peter Geisendorfer-Lindgren
Lord of Life Lutheran Church
Maple Grove

Rev. Diane Goulson
Ev. Church of the Redeemer
Henderson

Rev. Fred Hanson
Woodlake Lutheran Church
Richfield, MN

Father Herb Hayek
Pax Christi Catholic Community
Eden Prairie

Rev. Kristie Hennig
Family of Christ Lutheran Church
Chanhassen

Rev. Eric Hoffer
Prince of Peace Lutheran Church
St. Louis Park

Nina Joy, Diaconal Minister
Family of God Lutheran Church
Brooklyn Park

Rev. Linda McPeak
St. John's Lutheran Church
Shakopee

Rev. Doug Mork
Cross of Glory Lutheran Church
Brooklyn Center

Father Bill Murtaugh
Pax Christi Catholic Community
Eden Prairie

Rev. Josh Nelson
Family of Christ Lutheran Church
Chanhassen

Rev. Wayne Peterson
St. Barnabas Lutheran Church
Plymouth

Rev. Randall Romsdahl
St. James Lutheran Church
Crystal

Rev. Diane Roth
Woodlake Lutheran Church
Richfield

Rev. Paul Slack
New Creation Church
Minneapolis

Roxanne Smith, Social Justice Director
St. Joseph the Worker Catholic Church
Maple Grove

Rev. Deb Stehlin
Lakeville

Rev. Gordon Stewart
Shepherd of the Hills Presbyterian
Chaska

Rev. Steve Sylvester
Our Savior's Lutheran Church
Circle Pines

Rev. Mark Vinge
House of Hope Lutheran Church
New Hope

Rev. Morris O. Wee
Advent Lutheran Church
Maple Grove

Affordable Housing Advocates Group
Comments on draft Housing Policy Plan Measures (p. 75-76)

Where possible, the Measures should do more than simply point up or down. Where up or down arrows are used, clarification will be needed as to up or down from what point in time—the preceeding year, or some base line year, or what ? A simple up or down arrow also provides no indication of the magnitude or extent in time of the good or bad trend, so more information may need to accompany the arrow. Where feasible, also identify a numerical target, so we know what we're shooting for.

The Housing Cost Burden measure (#1) should be calculated separately for each of the three income bands. The New Housing created measure (#2) should be paired with a comparable measure for Affordable Housing preserved.

Measure 4 gets at the balance of low income households and affordable housing in a transit station area. This may be useful but it doesn't capture all we would want. The problem with just focusing on the number of low income households now living close to station areas is that many of those station areas currently house few low income households, or even any households in some cases, but we want them to house more in the future. Something broader is needed, including using corridor wide housing plans and their goals where they exist. At the very least, we want to track new units built and preserved along transit corridors. Changes in patterns of overall housing affordability along these corridors would also be useful.

One additional new measure to consider would get at the question of how many units are we producing/preserving with the public resources we have—are we getting more or less bang for our buck. This could be done by tracking the level of gap funding per publicly funded unit.

Measure 6 (new affordable units in higher income areas) should also include the share of new units in those areas, along with total numbers. Defining "higher income" is important enough that it should be in here. We're assuming "higher income" is viewed as a proxy for the more complicated "high opportunity" notion. It's worth thinking about a more nuanced definition here, since higher income areas don't always equate to higher opportunity for low income households. Has Minnesota Housing identified areas they consider uniquely suited for new affordable housing proposals ?

Measure 7 gets at changes in the share of the population living in RCAPs. Other useful ways to measure changes in RCAPs could be the number of census tracts in RCAPs and changes in median income for each RCAP area.

A new measure should be created for progress in meeting LCA production goals, broken down by region, by Local Government, and by the Council's community designations. This is the most obvious place where we have a numerical target against which we can measure progress.

Measure 8 (voucher holders living in RCAPs) is important but it might also be useful to track changing portability rates in and out of RCAPs or between central city and suburban Section 8 programs, if it can be feasibly done.

9-24-14

Comments of the Institute on Metropolitan Opportunity on the Metropolitan Council's Draft Housing Policy Plan

September 26, 2014

One of the most severe obstacles for the Twin Cities in the 21st century is the concentration of poverty and segregation, and the divisions they are creating across the metropolitan region. Unfortunately, the Metropolitan Council's draft Housing Policy Plan, which perpetuates the region's segregation while failing to affirmatively further fair housing, is insufficient to overcome these obstacles.¹

The Plan itself clearly acknowledges many of the challenges it faces. Its first and second parts – “Housing for a Growing, Thriving Region” and “Outcomes,” respectively – discuss the disparities that afflict the Twin Cities. However, the substantive policies described in the third part, “Council Policies and Roles to Expand Viable Housing Options,” barely attempt to reduce those disparities. Rather than proposing any sort of aggressive measures to remedy the problems it had described, Part III in many cases “adopts” policies that the Council already follows – policies which, with the benefit of hindsight, we can confidently say have *actively contributed to* the region's disparities. A change of direction is needed, but the current Plan manifests nothing so much as a desire to stay the course.

This is wholly inadequate. In order to reverse current trends, major adjustments need to be made to the Council's housing policy – adjustments which the Housing Policy Plan does not require, or even consider. Most strikingly, the Plan is almost completely bereft of strong incentives to encourage local governments to address housing disparities, and in particular, appears to envision no consequences for cities which ignore the Council's housing guidance. Moreover, the Plan makes no attempt to reinstitute the more effective approach of previous years, where bold and easily-understood policies attacking segregation and income disparity were supported with penalties for areas that refused to meet their housing obligations. The Plan as it currently exists is not only unlikely to reverse the deplorable regional trend toward greater poverty and segregation, but is in violation of the Metropolitan Council's legal obligations to combat racial and economic inequality in housing.

The comments below first briefly discuss the extent of racial disparities in the Twin Cities and the Council's legal obligations, then summarize the Plan's description of housing issues and subsequent failure to address those issues. They propose a number of

¹ Metropolitan Council, *Housing Policy Plan* (2014) [hereinafter Housing Policy Plan].

specific policy changes that would dramatically improve the Plan's ability to accomplish its goals.

I. Growing Segregation in the Twin Cities

Housing and schools in the Twin Cities were not always segregated. In the early 1990s, only 3 percent of the region's population lived in majority nonwhite, high poverty areas; only about 2,000 (or 2.5 percent) of the region's nonwhite students were in schools that were more than 90 percent nonwhite.²

Over the previous two decades, this has all changed. By 2010, the percentage of the regional population in majority nonwhite, high-poverty areas rose by three times to 9 percent.³ Today, the two central cities together only contain 23 percent of regional population, but 55 percent of the region's nonwhite residents.⁴ They also contain over half the region's subsidized affordable housing: 37 percent in Minneapolis and 21.7 percent in Saint Paul. The number of schools with more than 90 percent nonwhite students had increased more than seven-fold (from 11 to 83); the number of nonwhite students in those schools had risen by more than 10 times (from 2,000 to 25,400), representing an increase in the percentage of nonwhite students in highly segregated environments from 2.5 percent to 16 percent.

Some of these changes simply reflect the fact that the region became more racially diverse during the period. However, other metropolitan areas of roughly the same size and with similar demographic histories have not shown the same pattern of deterioration. For instance, the number of schools in the Portland region with more than 90 percent nonwhite students was just 2 in 2009 (up from 0 in 2000); in Seattle it was only 25 (up from 14); and in Pittsburgh it was 25 (down from 27).⁵ The neighborhood comparisons are no better. In 2012, 19 percent of low-income black residents of the Twin Cities lived in high-poverty census tracts (up from 13 percent in 2000) compared to just 3.4 percent of low-income black residents in Seattle (down from 3.5 percent in 2000) and 1.6 percent in Portland (down from 1.9 percent in 2000).⁶

Not surprisingly, the Twin Cities region now shows some of the widest racial disparities in the country. Recent data show alarming gaps between whites and nonwhites in income, unemployment, health, and education. Poverty rates for black Minnesotans are more than four times those for whites; while household incomes for blacks are less than half of those for whites; reading proficiency rates for black students are less than half those for whites in most school grades and years; incarceration rates for blacks are 20-25

² Metropolitan Council, *Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region* (2014).

³ *Id.*

⁴ *Id.*

⁵ National school data are from the National Center for Education Statistics. The equivalent numbers for the Twin Cities from this source are even worse than those generated using local data sources: 112 schools with more than 90 percent non-white students in 2009, compared to 37 such schools in 2000.

⁶ National residential statistics are derived from Census data compiled and provided by Paul Jargowsky and the Center for Urban Research and Education at Rutgers University.

times greater than for whites; and black unemployment rates are two to three times those for whites. All of these disparities put the region and the state near the bottom of national rankings.⁷

II. The Metropolitan Council's Legal Obligations

There are at least three independent, though related, sources of law that obligate the Met Council to reduce segregation and pursue fair housing goals: § 3604 of the Fair Housing Act (FHA)⁸, § 3608 of the FHA⁹, and the Metropolitan Land Use Planning Act (MLUPA)¹⁰.

Section 3604

All entities, public or private, are forbidden from taking actions which discriminate in the provision of housing on the basis of race. This proscription is explicitly extended to the implementation of “land-use rules, ordinances, policies or procedures” with a racially discriminatory impact.¹¹ For the purposes of § 3604, discrimination includes actions which perpetuate segregated living patterns – for instance, actions which prevent the construction of racially integrative housing or concentrate segregative housing in a single neighborhood or municipality. Because affordable housing is typically disproportionately occupied by nonwhite populations, the placement of affordable housing has been frequently treated by the courts as a proxy for the placement of segregated housing. The perpetuation of segregation can be established by evidence of disparate impact on a protected racial group or pattern of segregated housing placement and/or occupancy.

Section 3608

Governmental recipients of federal housing funds have an obligation under § 3608(d) of the FHA to “affirmatively further” fair housing, which requires them to use their “immense leverage” to create “integrated and balanced living patterns.”¹²

In a recently proposed rule, designed to provide guidance for recipients of fair housing funding, HUD defines “[a]ffirmatively furthering fair housing” as “taking proactive steps beyond simply combating discrimination to foster more inclusive communities.”¹³ Specifically, the proposed rule states that affirmatively furthering fair housing “means taking *steps to overcome segregated living patterns and support and*

⁷ See, e.g., Jonathan Rose, *Disparity Analysis: A Review of Disparities Between White Minnesotans and Other Racial Groups* (2013).

⁸ 42 U.S.C. § 3604

⁹ 42 U.S.C. § 3608

¹⁰ Minn. Stat. § 473 *et seq.*

¹¹ 24 C.F.R. §100.70(d)(5).

¹² NAACP v. Sec’y of Hous. and Urban Dev., 817 F.2d 149, 156 (1st Cir. 1987) (Breyer, J., holding the Title VIII imposed a duty on HUD beyond simply refraining from discrimination).

¹³ Affirmatively Furthering Fair Housing, 78 Fed. Reg. 43710-01 § 5.152.

*promote integrated communities, to end racially and ethnically concentrated areas of poverty, and to foster and maintain compliance with civil rights and fair housing laws.”*¹⁴

The rule’s commentary further notes:

[R]acially or ethnically concentrated areas of poverty are of particular concern because they couple fair housing issues with other significant local and regional policy challenges. These areas clearly fall in the domain of fair housing, as they often reflect legacies of segregated housing patterns. Of the nearly 3,800 census tracts in this country where more than 40 percent of the population is below the poverty line, about 3,000 (78 percent) are also predominantly minority. . . . *Consequently, interventions that result in reducing racially and ethnically concentrated areas of poverty hold the promise of providing benefits that assist both residents and their communities.*¹⁵

With HUD issuing new guidance on the issue, the outer limits of the obligation to affirmatively further fair housing have not yet been tested, and may still expand. Unquestionably, however, the provision requires affirmative steps above and beyond merely avoiding the activities proscribed by § 3604 and § 3605. Case law has illuminated some of these requirements.

First, and minimally, government agencies must analyze the impact of new housing on racial concentration. This obligation was most thoroughly discussed in the foundational case *Shannon v. HUD*, cited at length in the new HUD rule.¹⁶ According to *Shannon* and its progeny, § 3608 does not merely prevent government agencies from building low-income housing in areas of minority concentration, which would already be unlawful under § 3604(a)’s perpetuation-of-segregation cause of action. It also obligates governments to *undertake the analysis* required to demonstrate that they are not creating segregation, *in advance of* the siting of low-income housing. In other words, while § 3604 disallows certain discriminatory outcomes, § 3608 places on public agencies an additional requirement that they use particular methods. In one notable case, HUD was found to have violated § 3608 for administering grants to the City of Boston without ensuring that the grants were not creating discriminatory effects – even though subsequent analysis showed that no discrimination was occurring.¹⁷ Governments are not permitted to “fly blind”, so to speak, when it comes to housing.

Another consequence of § 3608 is that local agencies with discriminatory practices, or whose practices create a discriminatory effect, can potentially be stripped of their federal housing funds by HUD. In the past, private plaintiffs have successfully sought relief from HUD through fair housing complaints directed at local and state

¹⁴ *Id.* (emphasis added).

¹⁵ *Id.* at 43713 (emphasis added).

¹⁶ *Shannon v. HUD*, 436 F.2d 809 (3d Cir. 1970).

¹⁷ *NAACP v. Sec’y of Hous. and Urban Dev.*, 817 F.2d 149, 156 (1st Cir. 1987).

governments.¹⁸ And under § 3608(e)(5), a claim can be brought against HUD itself “if it is aware of a grantee’s discriminatory practices but has made no efforts to force it to comply with the Fair Housing Act by cutting off existing federal financial assistance.”¹⁹ This standard can place many tens of millions of dollars in local funding at risk, even in cases where a local entity is not itself subject to lawsuit or discrimination claim.

Metropolitan Land Use Planning Act

As acknowledged by the proposed Plan, the Met Council is obligated by MLUPA, which created the Council and governs its activities, to help communities coordinate their housing efforts. The Act requires local governments to adopt regional “fair share” housing requirements and means of enforcing those requirements: comprehensive plans must incorporate “a housing implementation program . . . which will provide sufficient existing and new housing to meet the local unit’s share of the metropolitan area need for low and moderate income housing.”²⁰ The law envisions for the Met Council a key coordinating role in this process: the Act requires it to “prepare and adopt guidelines and procedures . . . which provide assistance to local governmental units” in fulfilling the fair share provisions.²¹ As a result, the Met Council is not only subject to § 3604’s duty to not perpetuate segregation, and § 3608’s duty to affirmatively further fair housing, but, through state law, a duty to implement a true fair share system which pursues an even distribution of housing among local units of government.

III. The Plan’s Discussion of Concentrations of Poverty and Racial Segregation

The Plan does not shy away from identifying many disparities sufficient to trigger these legal obligations, discussing at length the problems that plague housing in the Twin Cities. In a discussion of concentrations of poverty and racial concentrations of poverty, it bluntly acknowledges that “[l]iving in areas of concentrated poverty hurts people in many ways,” and alluding to the high crime, underperforming schools, poor health, and lack of economic mobility that plague residents of these regions.²² A later section cogently lays out the ways which concentrated poverty can self-perpetuate:

The social and supportive services that often arise to address the problems of the community (jobs programs, public assistance offices, supportive housing) only strengthen the perception that investment is a losing proposition. Thus a destructive cycle perpetuates. Public and non-profit investments—in both development and services—become concentrated in neighborhoods where the need now exists. Market-rate investment in

¹⁸ See, e.g., HUD, Letter of Determination of Noncompliance In Re: Diamond State Community Land Trust v. Sussex County Planning and Zoning Commission (Aug. 23, 2012).

¹⁹ *Anderson v. City of Alpharetta*, Ga., 737 F.2d 1530, 1537 (11th Cir. 1984).

²⁰ Minn. Stat. 473.859 subd. 4.

²¹ Minn. Stat. 473.854.

²² Housing Policy Plan 10.

neighborhoods with concentrations of low-income households becomes risky for both the private and public sectors.²³

Admirably, the Plan also recognizes the importance of housing choice. For instance, on page 28, it states that “perhaps above all, people need real choice in determining *where*, in what style, and with what amenities both inside and out their home might be.”²⁴ It continues in the same vein, stating that “[a] region with truly viable housing choice is one that allows households to secure housing affordable to them, *in communities where they would like to live . . .*”²⁵ On page 10, it explicitly connects housing choice and segregation, noting that “[b]arriers that limit residential choices – *such as racial discrimination and a lack of affordable housing in a variety of locations* – hinder the ability of residents to move out of areas of concentrated poverty and contribute to the creation of Racially Concentrated Areas of Poverty.”²⁶ Behind the cautious policy language is a straightforward idea: because there isn’t enough affordable housing in desirable neighborhoods, the Twin Cities are becoming more segregated.

The Plan admits that excessive alarm over gentrification is an obstacle to an equitable housing distribution. Although it does briefly fret over the possibility of distressed neighborhoods receiving *too much* investment – “improvements to an impoverished neighborhood, such as transit investment, may inflate the cost of housing and displace residents . . . just as conditions are improving” – it also concedes that, in some cases, “[t]he scale of these concerns may be *only resident perceptions*.”²⁷ Ultimately, the Plan seems to assert that fear of gentrification primarily serves as an obstacle to housing equity: “[l]ow-income neighborhoods may be as wary of market-rate development as so-called higher-income neighborhoods are of affordable housing.”²⁸ The discussion concludes by prescribing more housing to higher-income regions, and more private investment to low-income neighborhoods: “[i]n addition to attracting a mix of investment to Areas of Concentrated Poverty, creating a more equitable region requires simultaneously increasing housing choices for low- and moderate-income households outside of Areas of Concentrated Poverty.”²⁹

Finally, on page 44, the Plan briefly discusses the well-known interaction of housing and education. The language in this section is needlessly timid. For instance, rather than provide readily-available statistics on school performance and poverty, it only notes that “[a]reas of concentrated poverty have – or are believed to have – poorer performing schools.”³⁰ But ultimately, the Plan does identify the corrosive downward spiral that can bind together poverty and education:

²³ *Id.* at 30.

²⁴ *Id.* at 28 (emphasis added).

²⁵ *Id.* (emphasis added).

²⁶ *Id.* at 10 (emphasis added).

²⁷ *Id.* at 30 (emphasis added).

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.* at 44.

Children living in neighborhoods with concentrated poverty may be less prepared for school and may receive an education inferior to children in neighborhoods with less poverty, limiting their ability to stop the cycle of poverty. Families with enough income to live where they choose are less likely to live in areas of concentrated poverty, in part due to expectations that schools elsewhere are better.³¹

Notably absent from these passages is any substantive discussion of intentional discrimination. However, while intentional discrimination undoubtedly occurs in the Twin Cities housing market, it is not a necessary precursor to any of the legal obligations faced by the Council.

Throughout Part II, the Plan assigns the Council a concrete – if nonspecific and sometimes noncommittal – set of roles in response to the maldistribution of housing and opportunity. It envisions direct investment in affordable housing in higher-income areas (e.g., “[s]trategically invest Council resources to assist community efforts to increase . . . housing types and costs [and] create and preserve mixed-income neighborhoods,” “[i]nvest in and encourage new affordable housing in higher-income areas of the region”³²). It also anticipates close work in collaboration with local municipalities to expand affordable housing options, “especially in areas underserved by affordable housing and to house extremely-low-income households earning less than 30% of the area media income.”

These broad recommendations, however, are not reflected in the Plan’s more specific policy initiatives.

IV. Critique of Proposed Council Policies

Starting on page 49, the Plan discusses a so-called “triumvirate” of quantitative affordable housing measures, which “inform the regional understanding of affordable housing needs.” While there is much benefit in adopting quantitative measures of housing progress, and using such measures to award funding, each of the proposed measures is severely flawed in design or implementation.

Housing Need Allocations

The Council’s first measure, the Allocation of Housing Need, is derived from its obligations under MLUPA, which require that local units of governments design a housing implementation program to “provide sufficient existing and new housing to meet the local unit’s share of the metropolitan area need for low and moderate income housing.”³³ MLUPA also requires the Met Council to coordinate local activity in this

³¹ *Id.*

³² *Id.* at 29.

³³ Minn. Stat. 473.859 subd. 4.

regard.³⁴ The Housing Policy Plan recognizes that these provisions of MLUPA require a “fair share” approach to housing.

In the past, the council has assigned each municipality a base “fair share” target arising out of projected growth, and then adjusted that figure on the basis of three factors: the regional distribution of low-wage jobs and workers, transit access, and the availability of existing affordable housing in a municipality. The Plan proposes using the same three adjustment factors, and recent materials distributed to the Needs Allocation Subgroup of the Housing Policy Plan – the workgroup formed to advise the Council on its fair share calculations for 2020-2030 – outline a similar overall approach for the new plan. All of the proposed methods continue to calculate local “fair share” based on the Council’s growth projections for the period. Proposed adjustments to a basic fair share target included:

- Adjusting the fair share proportionately with the ratio of low-wages jobs within five miles of the town’s centroid and low-wage workers within five miles. For instance, if this ratio is 1.2, the fair share allocation would be increased by 20 percent.
- Increasing the fair share by 20 percent in municipalities in the two highest categories of a four-level measure of transit access and decreasing it by 20 percent in areas in the lowest-access category.
- Adjusting the fair share for existing affordable housing in one of two ways:
 - Proportional adjustments based on the difference between the locality’s current share of affordable housing and the regional average.
 - Lowering the localities target to 10 percent of projected growth if the local share of affordable housing is higher than the 2030 regional target. However, IMO simulations show that this method would not produce region-wide fair targets anywhere close to the calculated need of 54,600. It will therefore not be a factor in the following discussion.

Although this process is incomplete, a number of fundamental problems unite all the methods under discussion.

Housing Need Allocations: Growth Share

First, the proposed methodologies all rely on the Council’s household growth projections. This procedure creates a serious risk of artificially inflated targets in the central cities and inner suburbs while reducing them in middle and outer suburbs. Historically, the Council’s growth projections have always overstated expected growth in core areas. There is significant institutional pressure to project growth in the core of the

³⁴ Minn. Stat. 473.854.

region, as it is politically unpalatable to forecast stable or declining population in the core of the region, where the Council's policies are often designed to enhance growth.

The effects of this can be clearly seen in Maps 1 and 2, below.³⁵ These maps compare earlier Council forecasts for the years 2000 and 2010 to actual population growth over the same periods. In both maps, core areas grew consistently less than predicted, while the outer suburbs received more growth than expected. There is no reason to assume that current projections will not suffer from the same biases.³⁶ Whatever else might be drawn from this, it is important that the Council's housing policy not be based on faulty indicators.

Second, even if the Council's growth projections were reliable, the use of projected growth in this manner is problematic. MLUPA requires each community in the metropolitan area to contribute "the local unit's share" of affordable housing; the Council itself reads this as a "fair share" obligation.³⁷ However, relying on growth to set the base share can potentially insulate communities with stable population growth from any need to contribute additional affordable housing, regardless of whether low- and moderate-income families have housing choice in those areas.

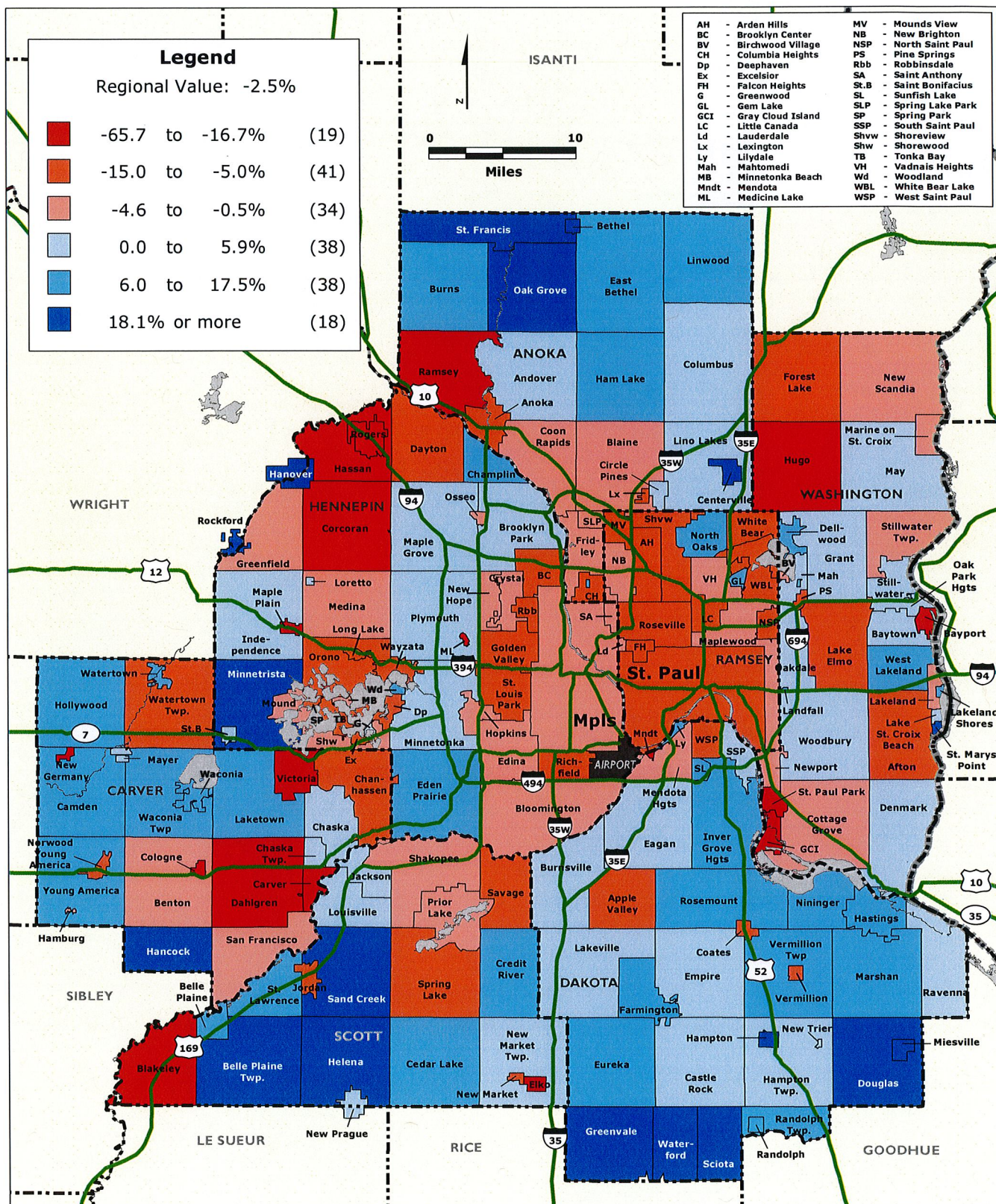
³⁵ These maps are replicated from MYRON ORFIELD AND TOM LUCE, *REGION: PLANNING THE FUTURE OF THE TWIN CITIES* (2010).

³⁶ Despite the fact that the central cities (especially Minneapolis) have had many housing starts/permits in recent years, the most recent data show the old growth pattern re-emerging (as people adjust to higher gas prices, the economy recovers, and the financial/foreclosure crisis eases in the outer suburbs).

³⁷ Minn. Stat. 473.859 subd. 4; *see also* Housing Policy Plan 49.



Map 2: Percentage Difference Between the 2005 Population Estimate and the 2005 Forecasted Population from 2000



Data Source: Metropolitan Council.

Housing Need Allocations: Existing Affordable Housing

The way that the proposed methods adjust for existing affordable housing stocks is also seriously flawed. The targets are given in absolute numbers of housing units, and surpluses or shortfalls in affordable housing are also calculated in numbers of housing units.³⁸ However, under the current method, adjustments to the base share for the existing affordable housing factor are proportional, not absolute.³⁹ In other words, a community with a 20 percent oversupply of housing has its base share adjusted downwards by 20 percent. This is mathematically nonsensical, especially since the adjustment is applied to the growth share, not the community's overall housing. There is simply no reason to expect that an area that has over- or under-provided affordable housing by a certain proportion in the past can be restored to its fair share by over- or under-providing that same proportion of *new* affordable housing growth. Proportional adjustments – increasing or decreasing a fair share target by a percentage – also guarantee that *all* places will be required to add affordable housing even if they already have much greater affordable housing shares than other parts of the region – indeed, even if their existing housing stock is already 100 percent affordable. This directly contradicts MLUPA's description of local fair share obligations, which explicitly allows for communities to meet their obligation by “providing sufficient *existing* or new housing.”⁴⁰

For instance, using the Met Council's estimate of the percentage of current housing (inside the MUSA) affordable at 80 percent or less of regional median income (53 percent according to Council data used to support the Subgroup), Minneapolis had 15,296 more affordable units in 2010 than its “fair share” of 53 percent. Using the current methodology, however, Minneapolis's affordable need allocation is still approximately 10,700 units from 2020 to 2030 – or *82 percent of total projected growth*. What sense would it make to require Minneapolis to build more affordable housing in future years, given that the model already acknowledges that the city's current share of affordable housing exceeds the regional average by an even larger number of units? St. Paul and many inner suburbs are in similar situations.

This flaw is particularly egregious because a fairer and more intuitive method is easily available. Instead of using a proportional approach, the Plan should use absolute figures. Surpluses (or shortages) of affordable units should simply be subtracted from (or added to) fair share targets.⁴¹

Maps 3 and 4 demonstrate the enormous practical implications of this flaw. They show how fair share obligations would be distributed around the region using a proportional affordable housing adjustment (Map 3) versus an adjustment that adds or subtracts units (Map 4). A city's fair share obligation was capped at 65 percent of

³⁸ See Metropolitan Council, *Allocation of Housing Needs 2010-2020*.

³⁹ *Id.*

⁴⁰ Minn. Stat. 473.859 subd. 4 (emphasis added).

⁴¹ Low-wage jobs and workers and transit access are measured in fundamentally different units than housing counts, so it is reasonable to use proportional adjustments in those cases.

projected growth in both simulations, an adjustment suggested in materials submitted to the Needs Allocation Subgroup.

Both of the calculations underlying the maps make proportional adjustments for low-wage workers and jobs and transit access like those used in the past (and outlined in materials distributed by Met Council staff to the Subgroup).⁴² Map 3 shows each city's fair share as a percentage of projected growth, if fair shares were increased or decreased by the percentage that the place's current affordable housing rate differs from the regional average. For instance, in this case the number of additional affordable units required of Minneapolis would be reduced by 9.2 percent because its current affordable housing share is estimated to be 62.2 percent and the regional average is 53 percent.

Map 4 shows each city's fair share as a percentage of projected growth, if current shortages or surpluses are added or subtracted to need allocations in absolute numbers, after adjusting for low wage jobs/workers and transit.

The differences between the two methods are dramatic. Fair share obligations are concentrated in the central cities, inner suburbs and a few middle suburbs west of Minneapolis using the proportional adjustment (Map 3). Using this method, Minneapolis and almost all inner suburbs would be at the maximum percentage fair share (65 percent of projected growth in housing units) while most middle and outer suburbs would have much lower obligations. In this scenario, Minneapolis would be expected to add 8,515 new affordable units during the decade out of total growth of 13,100 units – the 65 percent maximum. Many inner ring suburbs that already have greater than average affordable housing shares – such as Richfield, Hopkins, and West St. Paul – are also at the cap. At the same time, many relatively affluent middle and outer suburbs get relatively low fair shares – like Apple Valley where the fair share would be only 26 percent of projected growth (whether capped or not).

Map 4 shows the results of the alternative affordable housing adjustment. A band of areas along the I-94 corridor with large current surpluses of affordable housing, from Oakdale to Anoka, show much lower obligations, while higher-income middle and outer suburbs with little affordable housing show larger fair share targets.

Overall, the fair share targets in Map 4 correlate much more strongly (negatively) with current affordable housing distributions.⁴³ In other words, the proportional method used in the first simulation (Map 3) would further concentrate poverty in the central cities and some inner suburbs while the additive method (Map 4) would help to spread low-income households more evenly across the region.

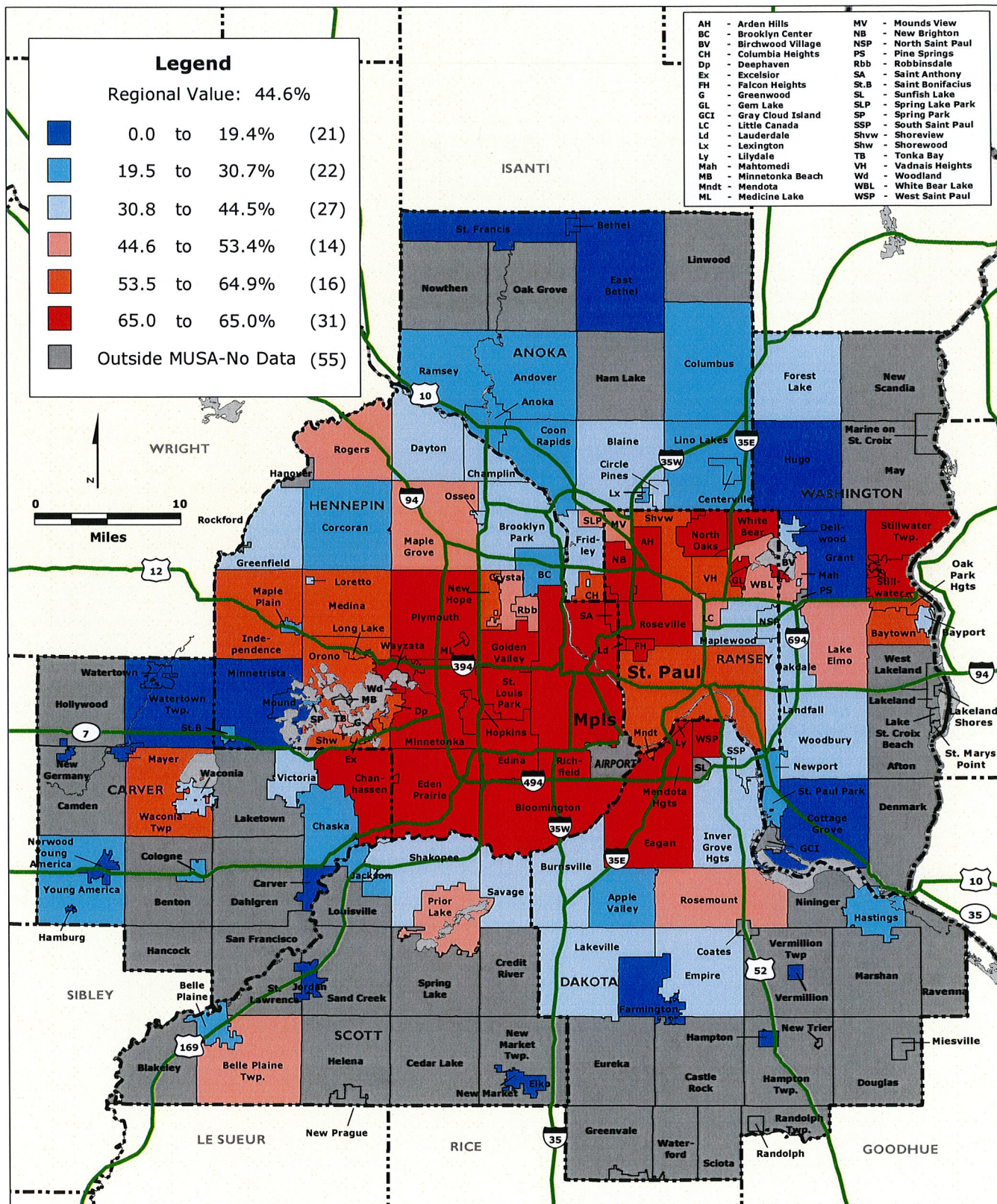
⁴² Each method produces a regional total of fair share obligations reasonably close to the estimated need of 54,600. The proportional adjustment runs produces regional totals of about 65,500 units (uncapped) and 57,000 units while the additive adjustment models give totals of about 62,000 and 45,100. The formulas could be easily fine-tuned to produce the exact amount needed.

⁴³ The correlation between the fair share percentages in Map 3 and current affordable housing percentages is -.34 while it is -.84 for the percentages in Map 4.

The Map 4 distributions would also be much more likely to direct new affordable housing to areas near higher-performing schools. The percentages in Map 4 are strongly positively correlated with local school performance while those in Map 3 are weakly negatively correlated.⁴⁴

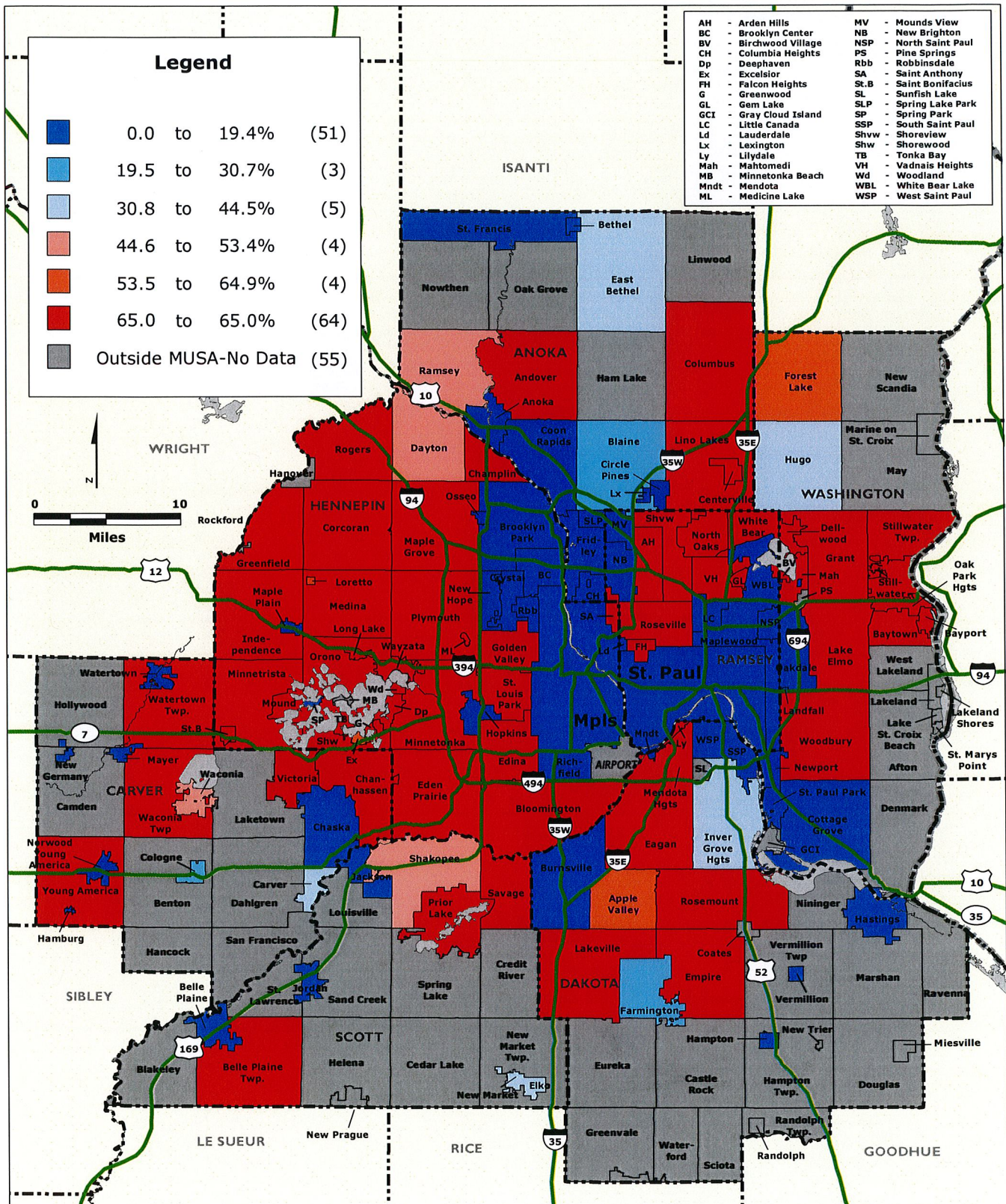
⁴⁴ The correlation coefficients are +.55 for the Map 4 percentages and -.01 for the Map 3 percentages. Local school performance scores were drawn from the data in Metropolitan Council, *Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region* (2014).

Map 3: Fair Share Affordable Housing Targets as a Percentage of Projected Growth from 2020 to 2030 with Proportional Adjustments for Low-wage Jobs/Workers, Transit Access and Existing Affordable Housing



IMO calculation using data from the Metropolitan Council.

Map 4: Fair Share Affordable Housing Targets as a Percentage of Projected Growth from 2020 to 2030 with Proportional Adjustments for Low-wage Jobs/Workers and Transit Access and Additive Adjustments for Existing Affordable Housing



Housing Need Allocations: Affordability Threshold

The current Housing Need Allocation uses a single affordability threshold, at 60 percent of Area Median Income (AMI).⁴⁵ The Plan states that the 2020-2030 Need Allocation will use an upper threshold of 80 percent of AMI, an annual income of \$63,900.⁴⁶ It also says the allocation will be broken into three bands, at 30 percent, 50 percent, and 80 percent of AMI.⁴⁷

At present, however, the materials provided by the Need Allocation Subgroup do not indicate that the banding has been applied. The Plan's proposed income banding is an important and laudable addition to the Need Allocations; it is essential that the Council follow through with the Plan's instructions in this regard. MLUPA requires local units to provide their fair share of low- *and* moderate-income housing; a single income band cannot simultaneously capture both categories, particularly when the band is as high as 80 percent of AMI.

Goals for Affordable and Lifecycle Housing

The second measure of the “triumvirate” is negotiated affordable and lifecycle housing goals. The goals are a statutorily mandated component of the Livable Communities Act of 1995 (LCA). As the goals are individually negotiated with participating cities, the Plan does not include specific instructions for determining a city's goal. However, in the past, the negotiated goals have exhibited extremely worrying trends.

These trends can be seen in Maps 5, 6, 7, and 8. Map 5 shows LCA Goals for the period of 1996 to 2010. Map 6 shows LCA Goals in the most recent period, 2011 to 2020. Comparing Maps 5 and 6 immediately reveals a pattern: the suburban goals dropped significantly between the two periods, while the goals of the central cities increased. Map 7 shows the progress each community made towards its goals in the first period. Map 8 shows the progress each community made towards its *rental housing* goal in the first period. The two central cities both met rental housing goals, with Minneapolis only failing to provide the owner-occupied housing it had promised. Meanwhile, many of the suburban goals were missed by 80 percent or more.

As the Plan acknowledges, the Housing Need Allocations are the base for negotiating LCA Goals, after which adjustments are made for other factors, including, ostensibly, concentrations of poverty.⁴⁸ However, only two communities in the entire metropolitan area maintain goals of 100 percent of their Need Allocation – Minneapolis and Saint Paul. The vast majority of participating communities have had their goals adjusted downwards from the Need Allocation by 30 percent or more.

⁴⁵ See Metropolitan Council, *Allocation of Housing Needs 2010-2020*.

⁴⁶ Housing Policy Plan 50-51.

⁴⁷ *Id.*

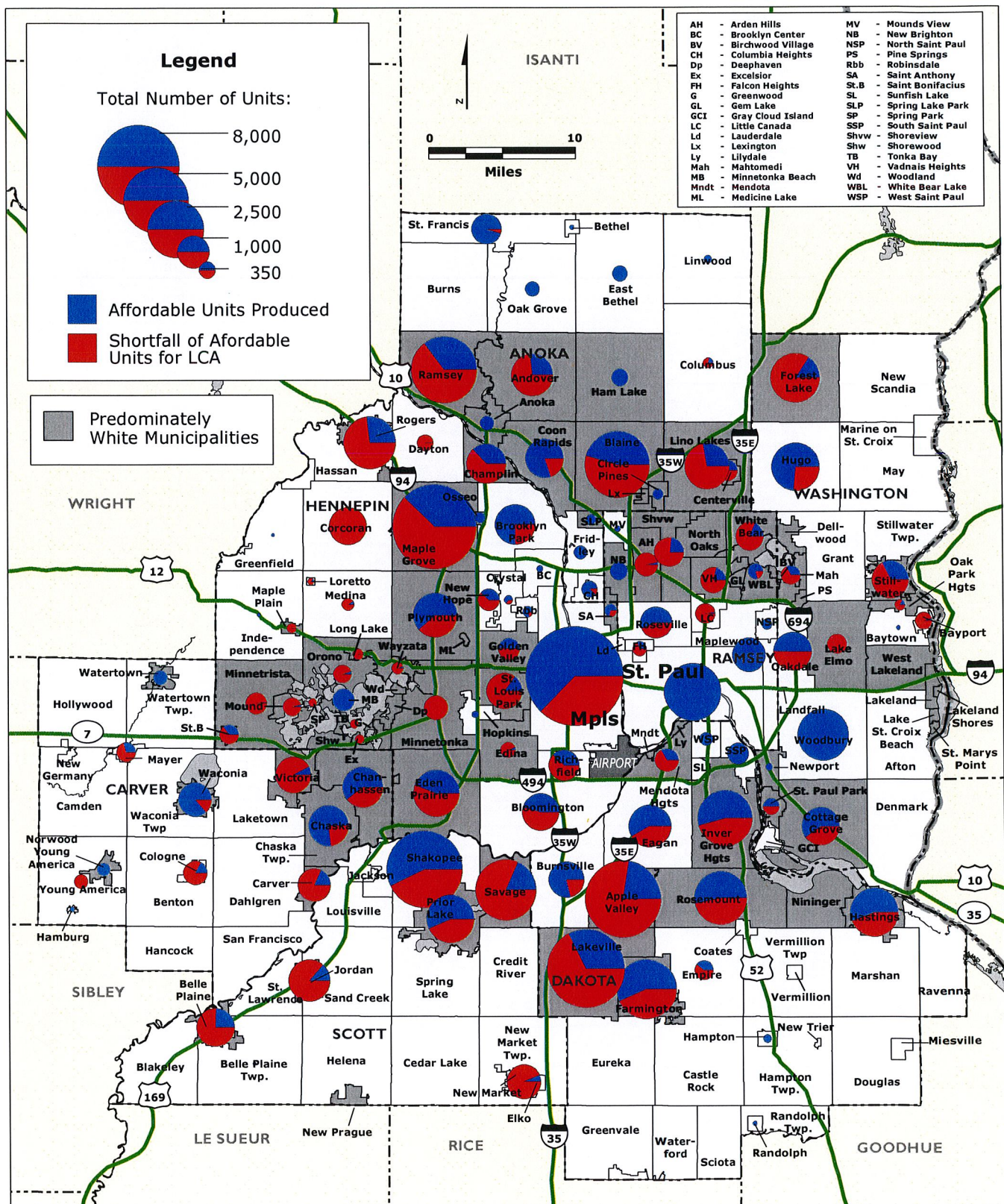
⁴⁸ *Id.* at 52.

These maps and figures suggest that the LCA Goals have been misused by the Council. The Goals are part of a larger scheme wherein cities are incentivized to develop affordable housing, in order to maintain their eligibility for LCA funding. However, when cities have failed to meet their commitments, the Council has appeared to respond by reducing their commitments. By contrast, the cities that met their commitments were only rewarded with increased future goals. This undermines the incentives envisioned by the LCA, and, from a fair housing perspective, is simply backwards. Furthermore, the Council's supposed willingness to account for concentrations of poverty is undermined by the fact that the two central cities, with the most severe concentrations of poverty, have simply been given their original Need Allocation with no adjustments whatsoever.

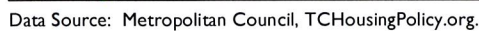




Map 7: MINNEAPOLIS - SAINT PAUL REGION Affordable Housing Production and Shortfall from LCA Goals, 1996-2010



Data Source: Metropolitan Council, TCHousingPolicy.org.



Housing Performance Scores

The third measure in the “triumvirate” is the Housing Performance Scores, a system in which the availability of funding is dependent upon an annual score, generated using quantitative measures of housing progress. This system is already used by the Council with regards to LCA funding, although the Plan suggests that it may be extended to additional sources of funding. The Plan also suggests the score criteria may be revised.

The scoring criteria (both current and proposed) heavily emphasize preexisting affordable housing and recent progress towards creating affordable housing.⁴⁹ The ultimate effect of this system is to give the highest priority scores to municipalities which already contain heavy concentrations of housing – and frequently, high concentrations of poverty and segregation. In 2013, the two highest-ranked communities, with scores of 98 and 97 out of 100, respectively, were Minneapolis and Saint Paul. Of the 179 additional communities also ranked, most of the diverse inner-ranked suburbs fell in the first quartile, while larger white suburbs like Wayzata, Stillwater, or Golden Valley frequently fell in the second quartile or below.⁵⁰ There is a very strong statistical correlation between a city’s Housing Performance Score and nonwhite population – stronger than the correlation between a city’s score and poverty rate, or a city’s score and population.⁵¹

The Housing Performance Scores have great potential to reduce concentrations of poverty and promote fair housing. They appear to be a vestige of the Council’s Policy 39, which was created in 1985 by the Council’s previous housing policy plan.⁵² Policy 39 required the agency to “use its review authority to recommend funding priorities for communities based on their housing performance,” and in particular, to provide or withhold state and federal funding to communities on the basis of their efforts to provide low- and moderate-income housing.⁵³

However, the Housing Performance Scores in their current iteration do not replicate Policy 39’s carrot-and-stick approach. Instead, the current approach effectively removes the stick, and as a consequence, the Performance Scores are likely to worsen the problems Policy 39 sought to ameliorate. This is because, rather than being used to help prioritize *all* funding, the scores are only used to prioritize a limited selection of LCA funding, much of which is used to conduct affordable development. (For instance,

⁴⁹ Housing Policy Plan 53-54.

⁵⁰ Metropolitan Council, Housing Performance Scores 2013, available at <http://www.metrocouncil.org/getattachment/20eb2650-9d34-4773-a27d-14d0114a07c0/.aspx>.

⁵¹ The correlation for nonwhite population was +.62 in 2012 and 2013. For poverty rate, the figures are +.32 and +.31, respectively. For population, the correlations are +.54 and +.56. However, a multivariate regression run with all three factors confirms that racial composition is the most important of the three, as poverty loses its statistical significance altogether, and population, while remaining statistically significant, accounts for less than a 1-point swing in most cities. By contrast, each additional percentage of nonwhite population in a city tends to increase its Performance Score by over one point.

⁵² Metropolitan Council, *Housing Development Guide* 45 (1985) [hereinafter HDG].

⁵³ *Id.*

between 2011 and 2013, LCA funds contributed to the construction 4,338 affordable units within the metropolitan area.)⁵⁴

As a result, rather than facing a financial incentive to think and plan integratively, communities resistant to change are under little pressure to alter their policies. The cost of maintaining economically or racially segregated living patterns is reduced access to Council funds for affordable housing – funds segregated communities never wanted in the first place. On the opposite end of the spectrum, the central cities and racially transitioning suburbs, where nonprofit developers and housing agencies have concentrated most of the region’s subsidized housing stock, are heavily prioritized for Council funding.

To ensure the Performance Scores reduce, rather than exacerbate, the region’s disparities, the Plan must apply them to a wider range of funding, including funding for non-housing metropolitan systems.

Education and Concentrations of Poverty

Despite identifying, in an earlier section, the manner in which concentrated poverty can diminish school performance and, in a vicious cycle, further accelerate the concentration of poverty, Part III of the Plan contains no substantive mention of education whatsoever.⁵⁵ Indeed, the role assigned to the Council in that earlier section suggests that it would rather wash its hands of the matter entirely. Rather than take any direct action itself, it only promises to bring together other groups for unspecified “collaboration” and “empowerment,” agreeing to “[c]onvene housing policy stakeholders,” “[e]xplore how to empower school districts to more effectively comment on local comprehensive plans,” and “[e]ncourage school district planners and local planners to communicate and collaborate.”⁵⁶ This omission is unacceptable and could potentially undermine the Council’s other efforts.

Economically and racially integrative housing could dramatically transform the region’s schools, partially eliminating the low-performing, segregated schools which tend to confound attempts to equitably allocate housing. The Institute on Metropolitan Opportunity has run a simulation of the racial make-up of the region’s schools, after more evenly distributing housing subsidies across the region.⁵⁷ The simulation shows that if Section 8 voucher usage was distributed evenly across the region and the distribution of households was race-neutral, a total of 5,531 nonwhite students currently in predominantly nonwhite schools would instead be attending a racially balanced school. Adding the effects of equalizing the distribution of LIHTC and Section 8 project-based units increases the total number of nonwhite students in racially balanced schools to 9,729.

⁵⁴ Housing Policy Plan 55.

⁵⁵ Housing Policy Plan 44.

⁵⁶ *Id.*

⁵⁷ This simulation will be described in greater detail in an upcoming report. Institute on Metropolitan Opportunity, *Why Are the Twin Cities So Segregated?* (forthcoming 2014).

This represents a very substantial share of the total number of student moves that would be needed to completely eliminate racially segregated schools (predominantly white as well as predominantly nonwhite) in the region. In fact, it represents between two-third and four-fifths of the number of students who would need to change schools to reach that objective.

The Council already plays an important role in the administration of the region's schools. According to MLUPA, the Met Council "shall adopt a development guide" that "will encompass the physical, social and economic needs of the metropolitan area and those future developments which will have an impact on the entire area" including "the location of *schools*."⁵⁸ The Council's authority to coordinate land use in metropolitan area municipalities extends to education: MLUPA requires that local government unit's comprehensive plans, subject to review by the Council, shall contain a statement on "the effect of the plan on affected school districts," and that these comprehensive plans must be submitted to the affected school district for review and comment six months prior to their submission to the Council.⁵⁹ Additionally, it suggests that these comprehensive plans contain an intergovernmental coordination process for cooperation with school districts generally and the siting of public schools in particular.⁶⁰

MLUPA also states that for purposes of the statute "local government unit" means "school district," and the Met Council is required to provide notice of rule changes and related hearings to all school districts in the metropolitan area.⁶¹ The law further requires the Council to "construct an inventory" of all schools in the metropolitan area and the unused space within each school; it may then submit comments to the commissioner of education on any school district facility that is proposed in the metropolitan area.⁶²

Given its considerable statutory authority over the subject, and the interwoven nature of housing and education, it cannot ignore the Plan's effects on schools – particularly because educational trends will, in turn, affect the Council's housing policy. Ironically, the Plan itself notes the importance of a forthright discussion of the interactions of land use and education: "Often these situations involve discussions that are extremely sensitive; acknowledging the relationship between land use and school districts up front can minimize the potential controversy."⁶³ The Council must take its own advice, and rather than glossing over education as component of housing policy, incorporate it fully into the Plan.

Transit-Oriented Development

While the Plan implicitly downplays the importance of education, it seems to consider transit a primary – if not *the* primary – consideration in the siting of housing. It

⁵⁸ Minn. Stat. 473.145 (emphasis added).

⁵⁹ Minn. Stat. 473.858 (2); Minn. Stat. 473.859 (1).

⁶⁰ Minn. Stat. 473.858 (2).

⁶¹ Minn. Stat. 473.121 (6); Minn Stat. 473.852 (11); Minn. Stat. 473.174 (5).

⁶² Minn. Stat. 473.23 (1).

⁶³ Housing Policy Plan 44.

commits to “focus[ing] housing around emerging transit investments,” and envisions a Council role with a large number of well-specified responsibilities.⁶⁴ The Plan describes the Council’s intention to “[p]rovide technical assistance for station area planning,” “[d]efine density expectations for new housing and mixed-used development and redevelopment around transit stations,” “[p]romote transit-oriented development,” and “[d]evelop guidance based on existing best practices, to aid local cities . . . in the identification of high opportunity sites, districts, or areas.”⁶⁵ Where the Council only expressed a limp willingness to play a secondary role in the field of housing and education, it enthusiastically commits to integrating housing policy and transportation policy.

In Part III, the Plan discusses the importance of transit-oriented development (TOD), and expresses a desire to maintain the affordability of housing near “transitways and high-frequency bus routes.”⁶⁶ While transit undoubtedly plays a role in the region’s future housing distribution, the Plan fails to acknowledge the potentially harmful effects of concentrating affordable housing on transit lines. Many of the region’s transit lines in the region are situated in the urban core, particularly in the central cities of Minneapolis and Saint Paul. These same areas often suffer from concentrations of poverty and segregation. As a result, the desire to build affordable housing on transitways must be tempered with policies designed to avoid creating or worsening existing housing disparities.

The problem is particularly severe with regards to the high-frequency (e.g., LRT and BRT) lines that are the focus of most transit-oriented policies. Map 9, below, shows the geographic extent of existing high-frequency lines within the region. The network is entirely situated within the center of the region; only one route, the 515 bus line, does not primarily serve Minneapolis and Saint Paul. (It instead primarily serves Richfield, a rapidly segregating first-ring suburb.) As Chart 1 illustrates, high-frequency station stops tend to be much more nonwhite than the region as a whole. But the problem grows even worse when housing, transit, and schools are all considered together. As can be seen in Chart 2, over 90 percent of elementary school areas at high-frequency station stops have large nonwhite populations; housing sited at these stops is much more likely to be within a segregated school area than housing elsewhere.

TOD is not necessarily incompatible with fair housing. Transitways frequently pass through high-income as well as low-income areas. But without proactive efforts to ensure that affordable development is well-sited, affordable TOD is often located in low-income neighborhoods, where it generates the least political resistance. In these cases, the benefits of TOD are sometimes used as justification for problematic outcomes. TOD must coexist with integrative fair housing policies; it cannot be allowed to trump them.

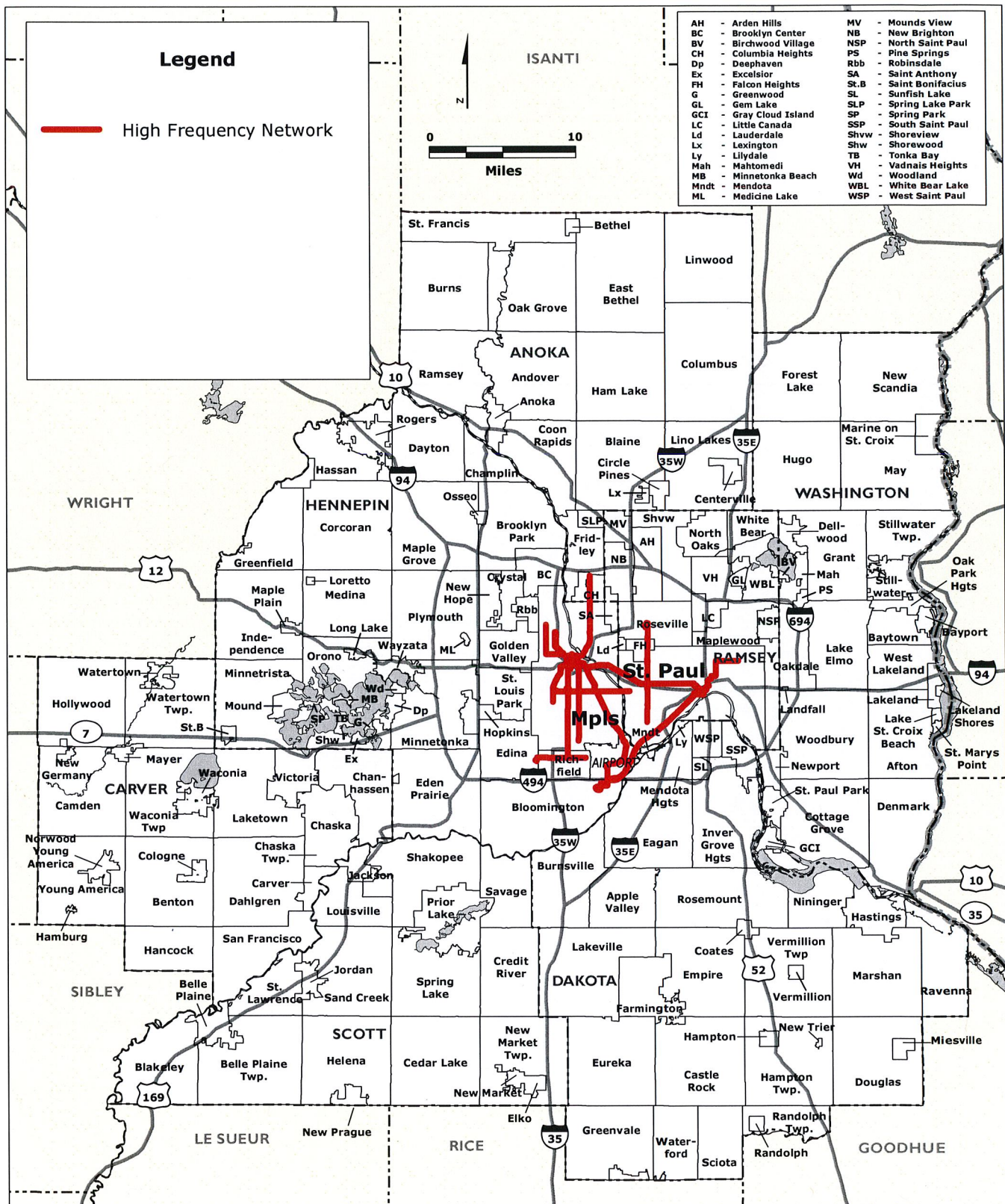
⁶⁴ *Id.* at 23-24.

⁶⁵ *Id.*

⁶⁶ *Id.* at 57.

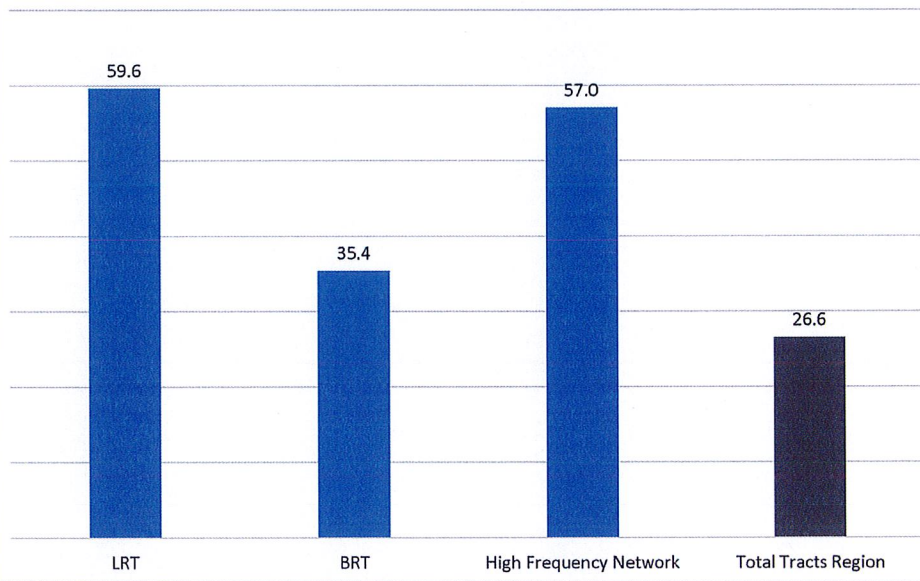
The Plan does not exhibit any awareness of the complexities of this issue. It instead expresses blanket approval of TOD.

Map 9: MINNEAPOLIS - SAINT PAUL REGION High Frequency Network in 2014

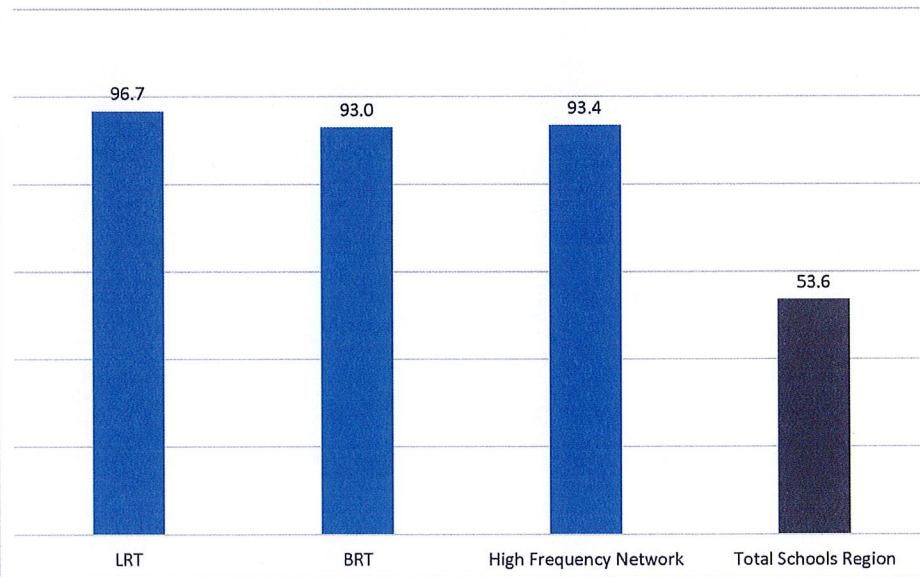


Data Source: Minnesota Department of Education.

**Chart 1: Percentage of Census Tracts With
≥ 30% Minority at Station Stops, 2010**



**Chart 2: Percentage of Elementary School Areas
With ≥ 30% Minority at Station Stops, 2013**



Review of Local Comprehensive Plans

Under MLUPA, the Council is required to review local comprehensive plans for conformity with its own systems plans, compatibility with other communities, and consistency with Council policies.⁶⁷ The Plan accurately recognizes that this review must include a review of the local units' "fair share" low- and moderate-income housing obligations and implementation plan.⁶⁸ This review, however, must be strengthened if the Council is to fulfill its statutory role as regional coordinator.

The review of local comprehensive plans may be the most fundamental of the Council's many powers. MLUPA imposes on municipalities a number of requirements and responsibilities, including the aforementioned "fair share" requirement. But as the Minnesota legislature recognizes in the preamble of the statute's Land Use Planning subsection, "local governmental units within the metropolitan area are interdependent . . . [and] developments in one local governmental unit may affect the provision of regional capital improvements."⁶⁹ In the statute's own words, "there is a need for the adoption of coordinated plans, programs and controls by all local governmental units in order to protect the health, safety and welfare of the residents of the metropolitan area and to ensure coordinated, orderly, and economic development."⁷⁰ The statute seeks to address this need by creating a regional authority – the Council – tasked with aligning local development activity.

As the preamble suggests, the coordination of local comprehensive plans, in order to ensure that each city can meet its MLUPA obligations, is perhaps the Council's primary responsibility. It is therefore extremely problematic that the Plan does not include any specific measures to ensure that plans are compatible with each other or consistent with Council policies. Instead, the only Council actions recommended by the Plan are "[w]ork[ing] with local governments and other appropriate stakeholders . . . to determine how to more effectively review . . . local comprehensive plans" and then "[i]ncorporate [the] new review criteria into . . . the Local Planning Handbook."⁷¹ Whatever criteria the review uses, it is meaningless unless the Council is willing to take action upon finding that a local unit's comprehensive plan is incompatible with the policies of other communities or of the Council itself. As MLUPA requires, or at the very least, allows that Council policy plans be incorporated into systems plans to the extent they are rationally related, actions could include the direct revision of the comprehensive plan as "having a substantial impact on . . . a metropolitan systems plan."⁷² Alternatively,

⁶⁷ Minn. Stat. 473.175.

⁶⁸ Housing Policy Plan 58.

⁶⁹ Minn. Stat. 473.851. The Minnesota Supreme Court has also recognized this interdependence. *Village of Burnsville v. Onischuk*, 301 Minn. 137, 152 (1974).

⁷⁰ *Id.*

⁷¹ Housing Policy Plan 58.

⁷² Minn. Stat. 473.175; see also Minn. Stat. 473.146; Brian Ohm, *Growth Management in Minnesota: The Metropolitan Land Use Planning Act*, 16 HAMLINE L. REV. 359, 380 (1993).

the Council could withhold financial support from the local government in question, a practice it has adopted in the past.⁷³

Reduce Impediments to Fair Housing

The Plan contains a section discussing the expansive requirements of the Fair Housing Act (FHA), but downplays both the law's reach and the Council's own authority.⁷⁴ Section 3608 of the FHA requires entities receiving housing funding from HUD and other federal agencies to "affirmatively further" fair housing.⁷⁵ (In the years 2012 and 2013, the Council received \$58,300,363 and \$57,705,185 from HUD, respectively.) As previously discussed, there is a great deal of legal precedent on the applicability of § 3608 and HUD has released a draft rule clarifying the requirements of the provision.

The Plan, however, does not even mention § 3608, and dismisses the HUD rule, stating that it is "facing political challenges in the U.S. House of Representatives."⁷⁶ This is legally unsupportable, and appears to be premised on a bizarre constitutional theory of unicameral executive power. The obligations of § 3608 are enshrined in federal law and exist regardless of HUD guidance or "political challenges." Moreover, the agency's interpretation of the rule is binding, despite political opposition in one house of Congress. The only means through which Congress can alter the requirements of the FHA, and HUD's interpretations of those requirements, is to pass a bill with the approval of both houses of Congress and the President. Any other interpretation would violate the Presentment Clause of the U.S. Constitution.⁷⁷

The Plan further dodges the issue by stating that "[t]he Council and the Council's Housing Policy Plan have a role to play in the larger regional fair housing conversation but lack the authority to tackle this issue alone."⁷⁸ It goes on to assign the Council a role characterized by timid commitments: "[p]rovide financial support to regional research," "[c]ollaborate in regional initiatives," "[p]artner with HousingLink to connect renter households with opportunities," "[r]ecognize local efforts to further Fair Housing."⁷⁹ The tone is dissembling: "[T]here is no clear agreement who is responsible for ending [discriminatory] practices."⁸⁰ The Plan does promise to "includ[e] Fair Housing elements in the Housing Performance Scores," but as discussed above, this would accomplish little unless the scores themselves are put to broader use.⁸¹ The section concludes with minimalistic, noncommittal policy recommendations, centered around a vague promise of

⁷³ HDG at 45.

⁷⁴ Housing Policy Plan at 67.

⁷⁵ 42 U.S.C. § 3608.

⁷⁶ Housing Policy Plan 69.

⁷⁷ U.S. CONST. art. I, § 7, cl. 2-3.

⁷⁸ Housing Policy Plan 69.

⁷⁹ *Id.* at 69-70.

⁸⁰ *Id.* at 69.

⁸¹ *Id.* at 70.

further discussion: “The Council hopes to engage in a larger regional conversation to develop strategies, roles, and responsibilities to expand fair housing in the Twin Cities.”⁸²

This passage, pitifully weak on its own, is nearly unbelievable when viewed in context of the rest of the Plan. The measures discussed above – the Housing Need Allocations, the LCA Goals, the Housing Performance Scores, and the ability to review comprehensive plans – together and separately represent powerful sources of authority to promote fair housing. Not only does the Council have the power to affirmatively further fair housing by leveraging these policy instruments, it is *required* to do so by federal law. After spending dozens of pages describing housing disparities in the metropolitan area and delineating its plans to promote its own housing priorities, the Council simply cannot credibly reverse course and claim to be powerless over the issue. While some fair housing problems – in particular, private market discrimination – may be out of the Council’s direct control, it has the resources to institute protective measures. And other fair housing problems – namely, the distribution and maldistribution of affordable and subsidized housing units – are in fact under the Council’s direct authority.

Without major revisions, the Plan’s cursory dismissal of fair housing almost certainly places it in direct violation of the FHA.

V. Eliminated Policies

The striking weakness of the Plan’s policy section is particularly conspicuous when compared to the strong policies the Plan formally abandons. The 1985 Housing Development Guide, which served as the Council’s previous housing policy, contained aggressive measures designed to combat segregation, reduce disparities, and promote fair housing. (Curiously, the new Plan claims that “Council actions in 1998 and 1999 eliminated [the previous plan] from the metropolitan development guide,” but neither independent research nor multiple information requests have been able to identify the Council actions in question.⁸³ The Council’s own response suggested that the policies were eliminated by implication through nonenforcement, apparently relying on a legal theory in which regulated entities can assume a law has simply evaporated if it goes unmentioned for a few years. None of this inspires much confidence that the Council will pursue its new Plan with vigor, especially because the new Plan is incomparably more vague.)

The most noticeable absence is the previous policy’s strong enforcement power, which leveraged the Council’s role as funder of regional systems in order to promote better housing outcomes. This was contained in Policy 39, which states:

In reviewing applications for funds the Metropolitan Council will recommend priority in funding based on the local government’s current

⁸² *Id.* at 69.

⁸³ Housing Policy Plan 14.

provision of housing opportunities for people low and moderate incomes, and its plans and programs to provide such opportunities in the future.⁸⁴

The commentary to Policy 39 states:

Many communities have demonstrated a commitment to expanding their supply of low income and modest cost housing. They take justifiable pride in their efforts to provide housing for their citizens and to help solve regional housing problems. To encourage and support such local efforts, the Council uses review authority to recommend funding priorities for communities based on their housing performance. The priorities reward communities that have provided a full range of housing opportunities. They also help communities compensate for any additional costs for services that might be incurred by subsidized lower income units.

*This policy applies to all local applications for state and federal funding. These funds include community development block grants, and transportation, parks open space and aging grants among others.*⁸⁵

This powerful policy, whose enforcement has long been ignored by the Council on dubious legal grounds, reveals the fundamental weakness of the current Housing Performance Scores and other ostensible attempts to promote a more equal distribution of housing. By applying the policy to *all* local applications for funding, Policy 39 created the strong incentives that are absent from the proposed Plan. Policy 39 also demonstrates how flimsy the Plan's protestations about fair housing truly are – the Council does not lack the authority to affirmatively further fair housing, it only refuses to consider measures which had worked towards that end in the past.

In addition to Policy 39, the Housing Development Guide included Policy 19, which stated that “subsidized housing should not be excessively concentrated, or developed in inferior locations.”⁸⁶ The commentary to this policy notes:

Another problem with the concentration of assisted housing is that they increase the proportion of neighborhood residents who depend on public services, thereby undermining the market for retail businesses that help support neighborhood vitality. Subsidized housing for families with children should be provided in scattered site single-family homes, townhouses, duplexes, or garden apartments.⁸⁷

In similar fashion, Policy 23 declared that “a major objective [in the central cities] should be to retain and attract individuals and families with middle and upper incomes to achieve a more balanced income distribution,” and “[s]ubsidized new construction should be used

⁸⁴ HDG at 45.

⁸⁵ *Id.* (emphasis added).

⁸⁶ *Id.* at 25.

⁸⁷ *Id.*

only in economically integrated, scattered site or small-scale developments, and should be located in neighborhoods with limited amounts of lower income housing.”⁸⁸

These policies and their commentaries stand in stark contrast to the current Plan’s approach to same issue. While acknowledging the harms of concentrated poverty, it never once directly warns of the dangers of concentrated subsidized housing, despite the clear logical link between the two phenomena. Rather than adopting policies to avoid this problem, it proposes campaigns to encourage investors to keep an open mind about areas of concentrated poverty: “Public interventions should address educational opportunities, crime, and the quality of the housing stock as well as spread the message that many wonderful, desirable opportunities exist in these neighborhoods...”⁸⁹

The Plan also abandons Policy 35, which gives priority to family housing and economic integration. It declares that “priority will be given to proposals designed to serve families and proposals to further economic integration.”⁹⁰ Once again, concentration in low-income neighborhoods is attacked: “[D]evelopments [in] which the majority of units will be subsidized proposed in predominantly low-income neighborhoods are neighborhoods are strongly discouraged.”⁹¹

The Housing Development Guide included direct instructions to local governments to fight discrimination, such as in Policy 43, which stated:

Local governments should adopt plans, policies and strategies for ensuring nondiscrimination in the sale and rental of housing in their communities. These should include affirmative marketing programs and relocation services in areas of low income minority concentration to broaden housing choice for people who have been discriminated against in the sale and rental housing.⁹²

In Policy 44, it anticipated discriminatory lending and suggested a direct remedy: “[The Council will] monitor the Twin Cities home mortgage financing market [and if] adequate information for consumers about new mortgage types is not available, the Council will try to provide this information.”⁹³

The proposed Plan only mentions discrimination in passing, primarily in the previously discussed section on fair housing, which is devoted to explaining the Council’s lack of powers to address fair housing. In place of the previous strong instruction for cities to fight discrimination, the Plan now feebly suggests “financial support to regional research . . . to determine if discriminatory practices are occurring

⁸⁸ *Id.* at 30.

⁸⁹ Housing Policy Plan 30.

⁹⁰ HDG at 44.

⁹¹ *Id.*

⁹² *Id.* at 48.

⁹³ *Id.*

and limiting housing choices.”⁹⁴ Rather than laying out specific remedies in advance, the Council promises to “[c]ollaborate in regional initiatives to address . . . discriminatory practices.”⁹⁵ The regional initiatives in question are left unspecified.

VI. Conclusion

For the reasons described above, the Housing Policy Plan is insufficient to meet the challenges it faces and in dire need of amendment. The Plan also suffers from a critical lack of focus – it appears to pursue every conceivable policy priority at once. It would benefit from cleaner and more comprehensible organizational structure, and a greater willingness to clearly set out priorities and specific policies that achieve them.

Its greatest defect, however, remains its unwillingness to reconsider policies that have failed in the past, even when faced with evidence of severe continuing problems in the Twin Cities housing market. Until it does, the Council will remain out of compliance with MLUPA and with the FHA, will be perpetuating segregation and failing to affirmatively further fair housing, and will be failing in its duty to make the Twin Cities a more equitable and prosperous region.

⁹⁴ Housing Policy Plan 69 (emphasis added).

⁹⁵ *Id.*

September 15, 2014

Metropolitan Council
390 Robert St. North
St. Paul, MN 55101
RE : Regional Housing Policy Plan

Dear Sir/Madam :

On behalf of Jewish Community Action, we offer comments on the Housing Policy Plan. JCA is a nonprofit that brings together members of the Jewish community in alliance with diverse communities to take action on social and economic justice issues. We have been working on affordable housing issues for more than 15 years.

We applaud the Met Council for taking on the long overdue task of updating regional housing policy. JCA has also signed on to comments submitted by multiple organizations on a broader set of housing policy issues. There is agreement that more affordable housing is still a huge need confronting the Twin Cities metro area. There are many issues to be resolved in order to increase the supply of affordable housing, but one area that is often overlooked is how we define affordable housing. This definition is critical because it relates to how funding is provided and where housing is located. We are urging the Met Council to review its current use of AMI, especially in terms of how it is applied in Minneapolis and St. Paul where their median income is much lower. As a result, using the AMI for the Metro area in the inner cities often leads to definitions of affordable housing that are really not affordable.

Area Medium Income (AMI) is used by HUD (Housing and Urban Development) on the federal level to assess income of residents and what cost of housing is affordable to them. Area Medium Income means that 50% of people in the area are above this income level and 50% are below.

"Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. An estimated 12 million renter and homeowner households now pay more than 50 percent of their annual incomes for housing. A family with one full-time worker earning the minimum wage cannot afford the local fair-market rent for a two-bedroom apartment anywhere in the United States." HUD

HUD categorizes how housing is affordable by these income levels:

- Extremely low income - 30% area median income
- Very low income - 50% area median income
- Low income - 60% area median income
- Medium income- 80% area median income

	Twin Cities 7 county region	Minneapolis	St. Paul
Area Median Income (AMI)	\$82,9000	\$48,881	\$46,305
Extremely Low income (30% AMI)	\$24,870	\$14,664	\$13,891
Very Low income (50% AMI)	\$41,450	\$24,440	\$23,152
Low income (60% AMI)	\$49,740	\$29,328	\$27,783
Medium income (80% AMI)	\$66,320	\$39,105	\$37,044


Using the Twin Cities 7 county Area Median Income to determine what is affordable is problem in the Twin Cities because of the great disparity between incomes in the suburbs versus incomes in the cities. It is clear that using our region's AMI as it has been used does not result in affordable housing for residents of Minneapolis and St. Paul, especially those at lower income levels.

Government agencies use HUD standards for affordability when securing federal funds to build and preserve affordable housing. This has not served our inner city communities well. The federal government does allow our cities and counties (?) the flexibility to use their own formula for affordability instead of using regional AMI. It is our position that local cities and counties should use a different method for assessing affordability that takes income disparities in our region into account.

We appreciate the opportunity to comment. We know a number of Council members have indicated an interest in leaving a legacy when it comes to affordable housing policy for the Region. A more flexible formula for affordable housing can make a big difference in the legacy for housing in our region.

Please let us know if you have any questions.

Thanks.

Sincerely,

 Vic Rosenthal,
 Executive Director



To Metropolitan Council Chair Haigh:

Thank you for the opportunity to comment on the proposed Housing Policy Plan. Twin Cities LISC appreciates the difficult undertaking to frame a regional housing policy.

Twin Cities LISC as a regional partner

Twin Cities LISC leads and supports comprehensive, collaborative and community-driven development throughout the region. This approach reflects our vision of a region where all residents, regardless of geographic location or community of origin, are safe and healthy; can work and have opportunities to build wealth; live in quality homes that are affordable; attend effective schools; are able to buy their necessities in strong, local marketplaces; have access to vibrant arts, recreational programs and usable open space; and are engaged in civic discourse and policy decisions that affects their daily lives.

Over our 26 year history Twin Cities LISC has invested \$477 million in grants, loans and equity, which has translated into the following results for the region:

- Over 11,800 affordable homes and apartments produced;
- Over 1.6 million square feet of commercial and community facilities developed;
- \$1.8 billion in total development costs leveraged;
- 4,400 individuals served by the Financial Opportunity Centers;
- 140 professionals of color have entered the community development field.

We have the expertise, relationships and credibility to set inviting tables for collaboration among all community development stakeholders to work toward shared goals of regional prosperity. LISC also has a strong national profile that leverages valuable financial and knowledge resources for local community-driven, equitable development that result in economic benefits for both people and places.

Changing the frame for the discussion

The focus on *Racially Concentrated Areas of Poverty* (RCAPS) has two unfortunate effects. First, it predisposes a link between race and poverty. Second, it further stigmatizes these communities, and creates market disincentives for investment. These are in fact communities of choice with a history of disinvestment that need support in achieving their visions for their communities and creating incentives for both public and private investment.

Housing is one part of a larger context

Housing policies should not work in isolation from other critical systems, such as employment, education, transit, and parks and green-space. How do these systems inform and influence each other? Our regional approach should be collaborative, comprehensive, and community-driven, bringing together key local players to take on pressing challenges and incubate new solutions. The Met Council is a critical partner to further these efforts, achieving greater scale and impact. LISC supports the Metropolitan Council's to align housing policy with other regional systems such as transit, regional parks, transportation, and water resources.

Three pathways

There are three pathways to improve the odds for low income families, moving to regional equity:

1. Build affordable housing in places with a lack of affordability
2. Preserve affordability where it exists, and
3. Connect affordable housing and employment opportunities by strengthening the regional transit system.

Our regional efforts must reinforce all three.

Building on our regional success

Based on the Met Council's Housing Policy core principles, LISC offers many examples of successful models that combine housing investments with multiple bottom-lines:

Preserve existing housing stock

Jamestown Homes

Twin Cities Housing and Development Corporation (TCHDC) is working to acquire and substantially rehab the Jamestown Homes development located at 586 Central Avenue in St. Paul near the Dale St. LRT station on the Central Corridor "Green Line". The four-building development contains 73 units, the majority of which are 2- and 3-bedroom family units, and is home to 163 people, including 71 children. Most of the current households are very low income with 83% earning below 30% AMI, 14% earning between 30% and 50% AMI, and just 3% of households earning between 50% and 60% AMI. Over 95% of the households are occupied by Black or African American families.

All of the units are covered by a Project-Based Section 8 HAP contract, which expires on 9/30/2015. The property, built in the early 1970s, has significant deferred maintenance and capital needs that pose a threat to the HAP contract. TCHDC is assembling resources for the substantial rehab and long-term preservation of the property and plans to propose a long-term renewal of the current Section 8 contract.

Create or preserve a mix of housing affordability around emerging transit investments

Accelerator

LISC has supported a set of targeted activities and financial investments to advance and accelerate catalytic, equitable transit-oriented development (E-TOD) projects in the Midway East segment of the Green Line between Hamline and Rice Streets. Focusing on this market area where poverty and physical distress persists is essential to leverage the full potential of the transit investment to stimulate private investment and better connect residents to a wide range of opportunities along the corridor and across the region.

Big Picture Project

In 2011 the Big Picture Project established goals and a coordinated set of strategies that government, community, finance, and development partners could work toward to achieve affordable housing options along the Green Line. There were three main objectives:

- Invest in the production and preservation of long-term affordable housing. Goal of 4,500 total units.
- Stabilize the neighborhood and invest in activities that help low-income people stay in their homes. Goal of 1,573 total households (St. Paul only).

- Strengthen families through coordinated investments.

The full report with additional information on the objectives, goals and strategies can be found at: <http://bit.ly/1h7oLLb>

Encourage redevelopment and infill development

Corridor Development Initiative

The Corridor Development Initiative (CDI), coordinated by the Twin Cities Local Initiatives Support Corporation (LISC), is a proactive planning process to assist the planning and development of mixed-use projects, including mixed income, higher density and affordable housing along major corridors, with access to transportation options, retail amenities, parks, and job opportunities. CDI fosters an exciting partnership among neighborhoods, city government, and a technical team of development consultants, design experts, and facilitators to connect market opportunities with neighborhood and city goals and raises the level of dialogue around redevelopment issues.

Expand housing options for people in all life stages and of all economic means through a balanced approach

Heritage Park Senior Center

Heritage Park, a state-of-the-art senior living center in North Minneapolis, gathers under one roof the services needed most by older people. When Congress passed the American Recovery and Reinvestment Act in 2009, MPHA envisioned the Heritage Park Senior Services Campus as the kind of shovel-ready project that could help boost the economy while providing a valuable social service. Stimulus dollars provided nearly 2/3 of the cost and LISC affiliate, the New Markets Support Company, helped close the funding gap by making a \$3.8 million New Markets Tax Credit investment in the services center.

Promote environmentally-sustainable and healthy buildings, construction techniques, and development patterns

South Quarter – A Learning Laboratory

Aeon is creating a path to achieve truly high-performance and healthy properties that dramatically decrease energy and water consumption, extend the buildings' life-cycle, and improve resident's quality of life. Using the Living Building Challenge™ as a framework for advancing sustainable places, Aeon and its partner Hope Community have positioned the fourth phase of Minneapolis-based South Quarter as a game-changing housing development with the potential for dramatic industry impact.

In addition to the physical building, Aeon is implementing a resident engagement pilot project that is empowering and educating residents to become leaders in sustainable living choices that decrease energy consumption, lower operational cost, and support healthy lifestyles.

Reduce or eliminate impediments to fair housing

Sienna Green, Roseville

Sienna Green Phase II transformed an under-utilized surface parking lot into a vibrant apartment community for approximately 50 families with limited incomes. Located at an important crossroads in the City of Roseville (Snelling Avenue and Highway 36), Sienna Green II improves the livability of the area by constructing an apartment building that offers residents a safe, healthy place to make a home, and provides ready access to transportation and the many

employment opportunities and services available in the area. The development increases housing density on the site and offers a broader range of affordable housing options for the area's service-sector workers and families.

Build wealth and expand investment in areas of concentrated poverty

Financial Opportunity Centers

The FOC model is recognized as an innovative strategy for improving the financial situation of low income families. The centers provide individuals and families with services across three critical and interconnected areas: 1) Employment Counseling; 2) Financial Coaching; 3) Income Support Coaching. Each service works best when delivered in tandem with the others. As clients reduce expenses, obtain public benefits, and remove barriers to employment they improve their long-term job retention, net income, net worth, credit score and overall financial stability.

LISC currently supports five organizations implementing the FOC model. All of the FOCs are located in one of our focus geographies and are therefore aligned with and support our real estate and capacity building investments and neighborhood residents.

Community ownership models

To incorporate economic opportunities for lower-income residents in the Rondo / Aurora St. Anthony neighborhood, LISC is supporting the exploration of community ownership models to enable individuals to invest in the real estate and/or business opportunities associated with mixed-use developments. Another working model is the Northeast Investment Cooperative (NEIC) in Minneapolis. Through NEIC, community members pool their resources to collectively buy, rehab, and manage commercial and residential property in Northeast Minneapolis

Twin Cities LISC is committed to strengthening our regional prosperity through equity. We look forward to continued collaboration with the Met Council and our regional partners to achieve these goals together.

Sincerely,
Twin Cities LISC



September 26, 2014

Metropolitan Council
Attention: Chair Susan Haigh and Council Members
390 North Robert Street
Saint Paul, MN 55101

Dear Chair Haigh and Members:

Thank you for the opportunity to comment on the proposed Housing Policy Plan (HPP). Metro Cities appreciates the work of Met Council staff and Chairs Steve Chavez and Beverly Hawkins in conducting a stakeholder work group to help develop the plan, and our organization's inclusion in that group. Metro Cities has identified aspects of the plan that merit support and notes areas of concern for your consideration.

Metro Cities supports a housing policy plan that functions as a guide in helping define and address the future needs, challenges and opportunities for housing at all levels in the Twin Cities region. Our expectations for this policy is that it strive to serve all sectors involved in housing policy, funding and production and focus on identifying issues and options, best practices, tools, and resources for housing, as well as effective technical assistance to local governments. The policy plan notes the importance of collaborative partnerships amongst the private, public and non- profit sectors, which Metro Cities believes is the keystone of a successful policy plan.

In our examination of the policy draft, Metro Cities offers the following points for your consideration:

- Metro Cities supports the Council's intent to convene regional and sub-regional dialogues on housing issues. The Council's convening role will be valuable in advancing collaborative conversations with local governments and other stakeholders as all work to find solutions to the region's housing needs in the next decades.
- The intent to address the full scope of housing needs in the region is articulated in the document, and this approach is supported by Metro Cites. However, the plan lacks much of the necessary analyses and information to support identified needs and policy goals. Metro Cities notes several examples of policy goals that will require further analysis, including housing options for seniors, balancing issues around housing preservation and affordability, and strategies to develop mixed-income housing.
- Metro Cities supports the stated intent of the Council to increase technical assistance to communities in the areas of planning, development, housing choices and housing preservation tools, and the sharing of best practices and tools. Such assistance should be

centered on effective communication and consistent information and data sharing between the Council and local units of government.

- With respect to the plan generally, its review by the stakeholder work group charged with helping to develop it was performed under a tightly compressed timeframe that left insufficient time for the group to thoroughly vet the document before its release. The plan also lacks an executive summary and cohesive thesis. This is perhaps a consequence of the compressed timeframe for releasing the plan, but these are necessary components for a plan of this scope that is intended to serve the region as a comprehensive, forward-thinking policy document. The plan also leaves other key aspects as yet to be defined, our concerns of which are addressed specifically later in this letter.
- The document would benefit from the inclusion of basic definitions of the public, private, and non-profit sectors in housing. Cities have a key role in much of the ground-level housing policy work. The Council, state and federal governments, developers, and non-profit entities also have important roles that should be defined on the front end of the document. The document is almost exclusively focused on Council and local government roles. It is appropriate for the plan to recognize the important and unique relationship between the Council and local governments and their roles, but it should also better acknowledge the roles of other sectors in housing.
- Statements in the plan support an integrated approach to housing issues, using existing and possibly “expanded” roles for the Council. The Council also intends to identify opportunities to integrate housing with its work in its regional systems. These are vague statements that require further definition and analysis. As noted, there are many actors in housing policy and production. Housing is not a regional system, so the Council’s role and responsibilities in this area are more limited than its role in the regional systems. It is not entirely clear how the Council intends to integrate housing into the regional systems. These areas, and any additional proposed roles for the Council, require thorough examination and consultation with the Council’s local government partners.
- While the plan makes note of various obstacles to affordable housing production, it does not address the necessary resources for housing that will be necessary to realize the policy goals contained in the plan. The new plan identifies a substantial range of issues, priorities, challenges, needs and opportunities for housing in the region. However, these challenges cannot be realistically approached without a comprehensive understanding of existing and projected resource levels, as well as strategies to secure the resources necessary to address plan recommendations. Further, the plan should acknowledge the need for effective partnerships to help advance advocacy for the securement of resources.
- The plan focuses on two areas – the Livable Communities Program (LCA) and the Sewer Availability Charge – as resources for housing. The LCA program has performed very successfully in advancing affordable housing. However, while the LCA is an important funding stream, it is not a primary source of funding for housing. The LCA program has a modest funding stream, and the statutes governing the program encompass a broad range of objectives that go beyond affordable housing. The majority of public resources for affordable housing reside at the state and federal levels of government. These resources should be more clearly identified in the plan.

Metro Cities is also concerned about the potential use of a SAC waiver for affordable housing or other specific objectives of the Council. While this proposal is not explicitly noted in the plan, the topic has received significant discussion in recent months and thus it bears noting. Metro Cities has worked closely with the Council to support a SAC structure that is fair, transparent, and equitable for all users in the region. Using the SAC mechanism to fund specific objectives, creates inequities for ratepayers and compromises the program with respect to its statutory purpose and cost-of-service basis. The plan states that the Council will explore developing an "affordable housing SAC credit". Metro Cities will provide additional comment once the details of any SAC credit proposal are outlined, and would encourage a close review of any proposal, with input from local officials. Metro Cities' policies strongly support additional funds for affordable housing. Generally speaking, we believe that these funds are more appropriately provided under broader and more transparent tax and fee structures.

- The housing plan contains several and sometimes vague references to local comprehensive plan elements. The plan identifies numerous potential areas for expanded elements and new review criteria, including a reference about how the Council might "more effectively" review local plans. It is not clear whether these references are intended as encouragements or potential mandates. The benefits and implications for local governments and the Council in adding elements or additional plan requirements are also unclear. Metro Cities' policies generally support streamlining the comprehensive plan process to reduce duplication in requirements, and costs for local governments. The addition of new elements expands complexity and potential costs to the comprehensive planning process. If such an expansion is intended, an analysis of the costs and benefits of incorporating additional elements into local plans and the Council's review processes will be necessary.
- The policy plan states that inclusionary housing strategies will be explored. Metro Cities supports the location of affordable housing in mixed use neighborhoods, but opposes mandatory approaches to this issue. Metro Cities supports the goals in the plan to identify barriers, and to use voluntary approaches to inclusionary housing.
- Two key policy areas, addressing housing performance scores and the allocation of affordable housing need, are included in the plan as frameworks but are not yet defined. Metro Cities commends the Council for establishing work groups to examine these areas; each has significant implications for local governments and for the plan in general. However, more details on metrics and outcomes, for the housing performance scores and the allocation of affordable housing need, are needed before Metro Cities can provide overall comments on these areas of the plan. The work groups established to provide input on these issues should be convened to ensure appropriate stakeholder input as these areas are refined and finalized.
- The housing performance scores work group reviewed proposed metrics for revising housing performance scores. Along these lines, Metro Cities supports the recognition of local tools and city activity in supporting affordable housing, as well as maintaining a housing diversity category, in the scoring process. We have concerns about the potential for over-applicability of housing performance scores, and the use of score assessment tools in comprehensive plans. These require further definition and analysis.

- An allocation of affordable housing need group met to examine the formula used to calculate the regional affordable housing need and to examine potential adjustments for the formula. Metro Cities supports the use of adjustments in the formula. While there was informal consensus by the group on some formula factors, the outcomes for local communities under examined formula adjustments were not provided to the work group despite Metro Cities' requests for this information.

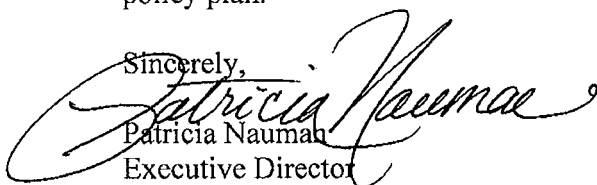
Without a more complete review of a proposed formula as a whole, and an understanding of local allocations that result from it, it is premature for Metro Cities to provide detailed comments. A formula that addresses both policy and technical considerations and an analysis of local outcomes resulting from the formula are necessary to evaluate any unusually large swings in numbers and any unintended consequences of a proposed formula model. The allocation model has significant implications for local governments that are required to plan for their fair share of the region's housing need. Metro Cities supports a formula that is fair, balanced, and defensible from policy and technical standpoints.

Consistent with what is noted in the plan, Metro Cities would ask that the Council continue to work with the groups to further define and finalize formulas, and to continue convening the Housing Policy Plan Work Group as a whole as the housing policy plan is finalized. This will be key to ensuring the successful implementation of the plan.

As the Council finalizes the housing policy document, Metro Cities reiterates its support for a plan that takes into account the full scope of housing considerations and needs for the region, and addresses these issues with balance and flexibility to ensure that the needs, challenges and goals of individual communities are taken into account. The plan must take care to weigh regional policies and investments with local community needs, capacities, and challenges, and avoid a one size fits all approach. This will help to ensure the plan can serve as a guiding compass for the region and succeed in helping to advance effective partnerships and solutions to our region's various housing needs and opportunities.

Thank you again for your work on these issues, and for the opportunity to comment on the new policy plan.

Sincerely,


Patricia Nauman
Executive Director

Metropolitan Council
390 Robert St. North
St. Paul, MN 55101

September 24, 2014

RE : Regional Housing Policy Plan

Dear Met Council:

The Metropolitan Consortium of Community Developers (MCCD) and our 50 members appreciate the opportunity to provide our feedback on the Met Council's draft Housing Policy Plan. We also thank the Met Council for your willingness throughout the planning process to discuss ideas and opportunities with our membership, and believe that that continued spirit of collaboration will result in a final Plan that provides long term benefits to the Twin Cities region.

MCCD and our members applaud the following elements of the current draft Plan:

Transit:

- A focus on non-displacement of existing low-income residents in areas of significant transit investment.
- Guidance for local cities based on existing best practices to aid in the identification of high opportunity sites, districts, or areas within transit corridors.
- An interest in supporting strategic acquisition along new transit corridors.

A focus on promoting and preserving mixed-income neighborhoods:

- A proposal to collaborate with partners to reduce institutional barriers to mixed-income housing. Local government and neighborhoods are often interested in mixed-income housing and our developers would welcome the opportunity to fulfill these interests, but we currently lack the financial tools to make such investments a reality.
- Supporting an Inclusionary Housing Account that will serve to incent more cities to promote inclusionary housing. A number of cities have recently or are currently researching adding inclusionary housing strategies to their local ordinances. In addition to supporting an inclusionary housing account, the Met Council might consider adding the collection and dissemination of best practices and technical assistance of inclusionary housing strategies to its list of expanded technical assistance offered to local cities.

Supporting equitable communities:

- Investing in increased amenities for areas of high poverty in our communities. Consider ensuring that this includes investing in parks in addition to other amenities.
- Increasing the variety of housing types and costs throughout the region, including supporting the entire continuum of housing options throughout the metro area.
- Continuing investments in communities with a high concentration of poverty. We fully embrace the notion that residents should be able to succeed in place as well as move to areas of high opportunity and appreciate the Plan's recognition of the importance of both options.
- Supporting and uplifting work with cultural communities to develop housing that is culturally sensitive.

- Support for neighborhood revitalization efforts.
- Council support for the work that is being done to develop and implement local solutions to issues like high unemployment, poor performing schools and deteriorating housing stock. Many of our member organizations are deeply embedded in a number of communities with concentrated poverty and they would welcome the opportunity to work together to help support and expand efforts that are making positive changes in these communities
- The Plan's stated interest in prioritizing the wisdom of low-income communities of color in shaping their vision and its belief in strong community engagement.

Alignment:

- An interest in collaborating with other partners on housing policy and finance to better align resources and timelines. When resources are pooled and timelines between funders are as coordinated as possible developer holding costs are lower and resources are able to go further.

Technical Assistance:

- The Plan's proposal to expand technical assistance and information resources to support local governments in advancing affordable housing opportunities. There are many innovative affordable housing strategies being used across the region, and sharing those best practices and offering technical assistance will only help all of our cities be as creative and innovative as possible.

Risk Sharing:

- An exploration of risk sharing strategies. We applaud the Council for being willing to look into new and innovative ways of supporting affordable housing development and our members look forward to more information about how this might work in practice, and would be happy to provide input as you move forward.

Affordable Housing Thresholds:

- Breaking housing thresholds into three (30%, 30 – 50% and 50 – 80%). For years we have had concerns that with the current affordable housing thresholds we were overlooking affordable housing strategies that support many homeowners in the 50 – 80% threshold, and at the same time we were not adequately acknowledging the needs of households in the 30% AMI category. This change should provide a clearer picture of the housing needs in a city, and better support homeownership activities.

New Housing Performance Scores:

- Proposed revisions to the Housing Performance Scores that would more directly correlate the Scores to the actions a city has recently taken and the tools it has employed. Currently, a number of cities have strong affordable housing tools in their tool boxes, but can be hesitant to use them and we hope that this change may help encourage cities to more aggressively support affordable housing.

Integration of Housing into Regional Issues:

- We agree that Housing Performance Scores should be incorporated into Transportation Funding along with other systems when applicable.

Sewer Availability Charge:

- Exploring ways to use SAC charges to reduce the development costs of affordable housing. Our membership would be happy to partner with the Council and cities in looking at options for supporting affordable housing development through changes to SAC charges.

We have suggestions about the following elements of the current draft Plan:**Fair Housing:**

MCCD and our members are committed to playing a role in affirmatively furthering fair housing along with the Council and cities throughout our region. We believe that Fair Housing is an important part of the Housing Policy Plan, and suggest that the Fair Housing section be returned to Part II of the Plan. We also believe that the Council can go farther; incorporating specific Fair Housing practices into its own policies and can expect that such practices to be incorporated, where appropriate, in the grants it provides. The Council can also align and incorporate those obligations into comprehensive plan housing elements guidance and in the methodology for Housing Performance Scores.

Unsubsidized Affordable Housing:

We agree that “naturally occurring” or unsubsidized affordable housing is an important part of the region’s housing stock and working to maintain and upgrade that housing should be included in the regional plan. However, we believe that it is important that we continue our regional commitment to affordable housing for low and very low income families and caution against any investments that would put that commitment at risk. Further, it’s important to look at why some housing is “naturally” affordable and we are concerned that the Plan does not adequately address the quality, condition, and sometimes location of such properties in the Plan.

We also caution against placing too much emphasis on attempting to use 4d as an incentive to preserve “naturally occurring” affordable housing. Existing rent-restricted affordable housing relies heavily on the 4d tax rate. The former 4d property tax rate, which was enjoyed more broadly by “naturally occurring” affordable housing along with rent-restricted affordable housing was eliminated because its flexible nature made annual property tax revenue planning for cities challenging, it unduly burdened other properties with higher taxes and verification of affordable rent rates was difficult. Getting the 4d property tax rate reinstated for rent-restricted affordable housing was a challenging and lengthy fight that affordable housing developers are not eager to revisit. Therefore, if such efforts are to be undertaken, we urge caution and extensive research with cities and rent-restricted affordable housing developments across the state before such changes are proposed.

Cost Concerns:

MCCD applauds the Plan for supporting both Green Communities criteria and flexible or universal design principals. However, we caution that both green construction and universal design elements carry with them additional initial costs. While we believe that these increased initial costs are offset over the long-term, our concern is that we cannot have green construction, universal design and also enjoy low initial per-unit construction costs.

Additionally, we caution against stretching housing resources by converting grant programs into revolving loan funds. It is important that affordable housing developers are able to be strong players in our local communities, are able to work in the most challenging communities and are able to offer innovative solutions.

This change would increase the costs of affordable housing development when developers are already being asked to bare more and more of the costs of development.

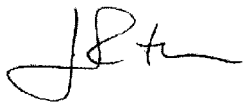
Comp Plan Review Process:

Often land designated for affordable housing development is not in practice available for that purpose. The comp plan review process must ensure that this mismatch does not exist or cities must be willing to support rezoning efforts that will fully realize such development. For example:

In 2008, CommonBond Communities proposed new construction of 20 family workforce housing units in Wayzata. The site was located at the intersection of two transit/commercial corridors, well-suited for multifamily housing. This was the highest-ranking proposal in the 2008 MHFA RFP, and they were awarded LIHTC plus funding from MHFA, Met Council, and Hennepin County. The project was fully funded and ready to go, except for rezoning. In addition to rezoning, it was necessary to obtain a land use change to guide the land for multifamily, which triggered a supermajority vote. The city was at that time in the process of finalizing their Comp Plan, which was proposing reduced density in many areas of Wayzata. Ultimately, the city opposed the land use and rezoning request, and CommonBond was unable to obtain the necessary approvals. They were forced to turn back the funding and credits they were awarded.

Thank you for this opportunity to provide our feedback. MCCD and our members look forward to partnering with the Met Council and local cities in achieving their affordable housing goals.

Thank you,

A handwritten signature in black ink, appearing to read "JRt", written in a cursive style.

Jim Roth
Metropolitan Consortium of Community Developers
Executive Director



"Do Justice, love mercy and walk humbly with your God" Micah 6:8

September 26, 2014

MICAH would like to thank members of the Met Council and Staff for attending and actively participating in the dialogue on this plan at 3 Regional Community Meetings sponsored by MICAH and our August Board Meeting.

MICAH Comments on Met Council Draft Housing Plan

1. Fair Housing- We are requesting you to significantly strengthen the Fair Housing language, maintain Policy 39, add enforcement of inclusionary zoning, testing, the Assessment of Impediments to Fair Housing. All these elements with any corrective plans necessary, should be a requirement in each community's Comprehensive Plan.
2. Building Wealth for minorities and all people with limited incomes should occur throughout the region not just in areas of concentrated poverty.
3. Comprehensive Plans- We support your increase staff involvement through Technical Assistance. Your other statutorily required plans need to be coordinated to ensure your transportation, water/sewage, park resources are incorporated into each community's comprehensive plan. The Housing Plan commitments and performance need to be linked directly to the other regional systems (transportation, sewerage, parks, etc.)
4. Scoring: A minimum score of 90% of the housing points and 90% of the equity points should be required for projects under transportation, water/sewage, and/or park plans to be funded.
5. Sewage Charge Credits: Any resources/credits saved on sewage charges due to the demolition of (blighted) units should be applied only to the affordable units on single or mixed income sites
6. Accountability: MICAH is requesting a significant expansion of page 47. The Met Council's legal responsibilities for accountability should be specifically identified. This plan is for the people in our region and it needs to be accountable to them. Your data is important but people's input, perceptions, and housing needs being met are critical. Ongoing community meetings and dialogue is essential to ensure accountability.
7. The plan needs an Executive Summary. We suggest including pages 75-76: Implementation Strategies in the Executive Summary.
The Draft Housing Plan needs to be written so that it may be understandable and readable for a non- housing professional person.

Thank you for the opportunity to comment.

Sincerely,

Sue Watlov Phillips, M.A.

Executive Director



**MID-MINNESOTA LEGAL AID
MINNEAPOLIS OFFICE**

James E. Wilkinson • (612) 746-3784 • jewilkinson@mylegalaid.org

September 17, 2014

via email and post.

Susan Haigh, Chair
Metropolitan Council
390 Robert St. N.
St. Paul, MN 55101-1805

RE: Metropolitan Council and Fair Housing Policies

Dear Chair Haigh:

Until Monday's Housing Policy Plan hearing I was unable to attend recent Metropolitan Council meetings addressing fair housing. The Council is working hard to understand and address these important issues. Staff has worked to advance the discussion, and I commend the consideration of a fair housing policy for the HRA, coordinating Comprehensive and Consolidated Plans and other steps being discussed. This importance of this was certainly reinforced by the heavy emphasis on fair housing and related policies I heard in the public hearing on the Housing Policy Plan on Monday. I write to respond to some questions that were raised during the Committee of Whole's meetings.

One of the questions had to do with the authority of the Council to "enforce" fair housing obligations. We don't suggest that the Council has enforcement authority under the Fair Housing Act - not in the way that the Department of Housing and Urban Development or the courts do. Rather, the Council has the authority to incorporate in its own operations, and in its comprehensive development guide, such policies for the advancement of fair housing that it finds are necessary "for the orderly and economical development, public and private, of the metropolitan area." (Minn. Stat. § 431.145.) The Choice, Place and Opportunity (CPO) assessment provides a compelling and comprehensive justification for incorporating such fair housing policies.

A second was: “What would a comprehensive fair housing policy for the Council consist of?” I provided materials to staff in August that gave partial answers. Developing such a plan to guide policy, budget, and operations is a big but achievable project that will take time. It will evolve with changing conditions and understandings of what works. The following is a start.

It would make sense to start with a values statement reflecting those adopted by the Council in THRIVE 2040 and the CPO. It should enunciate the scope and depth of the Council’s commitment. Specific aspects of a fair housing policy should be then be integrated into Council operations and be integrated with the Council’s systems plans and in the Housing Policy Plan.

Each major division of Council activity should develop an understanding of that policy and how its operations will support fair housing. Relevant senior staff should include fair housing factors in their work plans and incorporate these considerations in reports and policy discussions with the Council. Under Council guidance, divisions can also make fair housing performance a condition of grants and contracts – just as is done when the Council sets standards for disadvantaged business contracting, equitable hiring goals, and other business practices.

Training will be needed. Staff members should have basic knowledge of fair housing and equity issues appropriate to their assignments and needs. Employees should know who inside the organization they should go to in the event that they encounter a fair housing problem or an opportunity to improve housing equity in the region.

Some staff should have specific responsibilities to address fair housing problems and to follow up on opportunities. For example, HRA staff should be on the look-out for better ways to serve persons with disabilities or new immigrant families – that promotes fair housing. Planning staff should know that it is their obligation to identify and respond to land use policies or NIMBY activities that result in expanding regionally concentrated areas of poverty (RCAPs) or restricting housing choice in the Region.

I have not yet found a comprehensive model to suggest for the Council. HUD has supported a number of comprehensive, disability-specific operations manuals that I will refer Ms. Reetz to. The State of Ohio has some good material on furthering fair housing: [Ohio Fair Housing Manual](#). At pages 69-70 it has policies, procedures and staff responsibilities for a local agency with fair housing responsibilities. While not a full template for an agency like the Council, it provides some examples for developing a policy.

The following ideas illustrate of how a fair housing policy in various Council operations could contribute to meeting the goals of THRIVE 2040 and addressing the problems set out in the CPO Assessment.

- Metro HRA: The most concrete part of this would be adoption of a comprehensive policy for the HRA. Boston has a comprehensive model: [Boston Civil Rights Policy](#).
- Transportation and Transit: Environmental and transit justice factors were much discussed in the Corridors of Opportunity work and these are closely connected to fair housing goals. A Council fair housing policy would, we can expect, prevent such future devastating impacts

such as those suffered by the Rondo African American community when I-94 was constructed. Transportation decisions should be assessed on the basis of whether the effects are to strengthen communities, increase choice and reduce segregation in housing. Thinking about where people with disabilities reside, as well as where they work and go to school should help decide how best to serve the transportation needs of this significant part of our population. Good transit decisions will promote more choices in housing for people with disabilities. Allocation of resources like transit routes, bus shelters and Metro Transit police resources can lift up segregated areas dominated by poverty. Incorporation of housing performance scores in transportation decisions can be used as a means of encouraging affordable housing, especially in areas of the region lacking this resource.

- **Sewer and Water:** The Lake Elmo case shows that the Council can use its authority relating to sewer and transportation to require denser development. Denser development can be more affordable and hence provide greater choice in housing throughout the region. Extension of sewer lines leads to residential development – the Council should consider whether sewer investments are going to communities that are acting to provide a full range of housing opportunities. The Council should assess whether those investments are sensible in terms of coordination with transit availability and access to jobs, services and good schools. The Council can also further fair housing by supporting affordable housing development through a waiver of SAC charges.
- **Recreation and Open Space:** The location and accessibility of these features have an impact on the livability of communities in the Region and thoughtful allocation of resources can enhance neighborhoods and improve the living conditions - especially in areas that are now seen as RCAPs. Parks money has been used as an effective sweetener for affordable housing developments in areas previously lacking that resource. Investments can make the parks themselves more useful for protected class populations - reports have shown how communities of color use parks differently than white populations. Accessibility needs of people with disabilities should also be considered as a means of furthering equity in place . Using a fair housing policy lense in allocating those resources would help the Region as a whole to thrive.
- **Office of Equal Opportunity:** This office has existing subject matter expertise in civil rights and diversity. It can provide leadership to further the fair housing agenda of the Council.
- **Livable Communities Act (LCA) and related programs:** There are on-going discussions on incorporating equity factors in LCA. A fair housing policy should institutionalize these considerations in setting Council policy across its full range of development activities.
- **Housing Policy Plan:** A letter addressing the Plan is being submitted by a coalition of organizations indicating strong support for fair housing activities like those mentioned here.
- **Planning and Research:** Planning and research ranges across the full scope of Council activities and should supply data and leadership to the Council and its partners to use fair housing tools to advance the equity goals set out in THRIVE 2040. My letter of August 13

included a sampling of questions that could be incorporated into the Local Planning Guidebook as a way of helping communities to address fair housing goals.

Finally, a question arose about the scope of Council's compulsory fair housing obligations. The Council is required to regularly certify to HUD that it affirmatively furthers fair housing as a condition of its HRA funding. 42 U.S.C. § 1437c-1(d) (16). And HUD recently restated to its sustainability/resilience partners: "The Fair Housing Act not only prohibits discrimination but, in conjunction with other statutes, directs HUD program participants to take proactive steps to overcome historic patterns of segregation and promote fair housing choice." The Council also committed in the HUD-funded Corridors of Opportunity work to use the lessons of the CPO to address inequities in housing. The scope of this obligation for a complex organization like the Council is debated by lawyers, but the Council will be wise to consider how both its HRA activities and its operations outside of the HRA impact equal housing opportunity before signing off on such a certification. And, the Council's certification of furthering fair housing should be measured according to the best current understanding of equal housing opportunity in the Region – the CPO assessment. In my view, at a bare minimum, the Council must take steps both to insure that the HRA operates in a way that increases housing choice and to insure that it avoids actions throughout its full range of work that are materially inconsistent with the affirmative furthering duty.

The Council has started to address these challenges and we urge you to redouble your efforts.

Thank you very much for your attention.

Sincerely,

James E. Wilkinson

JEW: nlb

Cc via email:

Steve Chavez
Gary Cunningham
Guy Peterson
Libby Starling
Tim Thompson



SAINT PAUL NAACP
Roy Wilkins Memorial Branch
2100 Wilson Avenue
Saint Paul, MN 55119

September 25, 2014

Metropolitan Council
390 Robert Street North
St. Paul, MN 55101

RE: Comments on the Metropolitan Council's Draft Housing Policy Plan

Dear Madam or Sir:

The St. Paul NAACP hereby submits its comments on the Metropolitan Council's Draft Housing Policy Plan (hereafter "Housing Policy Plan"). These comments supplement our official testimony given at the public hearing on September 15. As stated at the meeting, the Saint Paul NAACP affirms its position in support of safe, affordable, energy-efficient, "life cycle" housing (addressing the needs of different family sizes, ages and individual abilities) -- both rental and owner-occupied, including Community Land Trusts -- equitably located and offering fair housing choices, throughout the Metropolitan Statistical Area.

Accordingly, we urge the Council to give strong consideration to the following specific concerns:

- 1) The Housing Policy Plan should include a stronger position on racial discrimination in housing.

The Council must make combating racial discrimination in housing markets, including racial steering and discriminatory mortgage lending, a higher priority. Our community suffers from enormous disparities in housing opportunities. For example, White homeownership at 75.5% is more than three times greater than African American homeownership, which stands at 21.3%.¹ This state-wide disparity is the worst in the nation.²

According to a recent study completed this spring by a Minnesota state agency, "this disparity is a consequence of discrimination against African Americans, both historical and

¹ Minnesota Department of Health, *Advancing Health Equity in Minnesota*, February 2014, p. 91 (available at http://www.health.state.mn.us/divs/chs/healthequity/ahe_leg_report_020414.pdf) ("MDH Equity Study").

² Brewer, et al., *Shadow Report from Minnesota: A Human Rights Perspective on The Land of 10,000 Lakes Disparities*, 2014, p. 7 (available at <http://www.cuapb.org/wp-content/uploads/2012/12/MN-Specific-ICERD-SR-2014-Final.pdf>).

current, including redlining (identifying and then excluding predominately black neighborhoods from infrastructure investments and mortgage loans) and predatory lending leading to foreclosures.”³ The clear presence of racial discrimination in our local housing markets was also found by a recent University of Minnesota study of the metropolitan area, which concluded that: “[l]enders are *substantially more likely* to deny loans to people of color, regardless of their income.”⁴ This disparity is also due in part to the failure of state and federal government agencies to effectively intervene to protect communities of color from the disproportionate impacts of the foreclosure crisis.⁵

Despite the documented evidence of housing discrimination in the Twin Cities metropolitan region, and the detrimental impact on housing opportunities for people of color, the Housing Policy Plan does not make eliminating such discrimination a priority. Mortgage lending discrimination, for example, which is rampant in the region,⁶ is not even mentioned until page 68 of the plan.⁷

In addition, the language the Council has chosen to use about racial discrimination is inappropriately noncommittal. For example, the Council states that it “hopes to engage in a larger regional conversation to develop strategies, roles, and responsibilities to expand fair housing in the Twin Cities region.”⁸ Given the clear evidence of discrimination and the stark disparities in housing opportunities along racial lines, the Council should do more than “hope” to have a “conversation” about fair housing.

Also, in the Housing Policy Plan the Council states that it is “planning to provide financial support to regional research and other [unspecified] activities related to fair housing, discriminatory lending practices, and real estate steering to identify if discriminatory practices are occurring and limiting housing choices.”⁹ Again, this is not sufficient given the evidence documented above on discrimination and disparities. The Council itself needs to lead this effort and do more than simply fund others to look at this issue. The Council must use all of its considerable powers of oversight and its budgetary influence to take this major problem head

³ MDH Equity Study, *supra* note 1, at p. 74. As the study found, “practices that were clearly discriminatory (such as redlining and racial steering by realtors) have led not only to significant segregation in Minnesota’s neighborhoods but also to extreme disparities in home ownership rates by race.” *Id.* at 31.

⁴ Institute on Race & Poverty, *Communities in Crisis: Race and Mortgage Lending in the Twin Cities*, February 2009, p.1 (available at http://www.irpumn.org/uls/resources/projects/IRP_mortgage_study_Feb._11th.pdf) (“IRP Study”) (emphasis added).

⁵ See generally, Minnesota Tenants Union, et al., *The Unchecked Discriminatory Impact of the Foreclosure Crisis on Minority Families and Communities in the United States*, April 19, 2010 (available at http://lib.ohchr.org/HRBodies/UPR/Documents/session9/US/JS9_Joint%20submission9.pdf).

⁶ See IRP Study, *supra* note 4, at 15 (documenting huge disparities in mortgage lending rates by race and concluding that “[i]t is hard to view differences of this magnitude as anything except indicators of real differences in the way the credit markets treat applicants of color”).

⁷ Metropolitan Council, Housing Policy Plan (Draft July 2014) (“Housing Policy Plan”) at p. 68.

⁸ *Id.* at 69.

⁹ *Id.*

on, not merely contemplate funding studies and hope to have conversations. Fair housing should be a core priority, not an afterthought.

- 2) The Housing Policy Plan should include more explicit and direct activities to coordinate housing and education policy.

We support the Council's proposed plan with respect to improving the alignment between housing policy and education decision-makers, but much more needs to be done. The St. Paul School District, which serves approximately 38,000 students, recently shifted to a community schools plan. Since initiating its community schools plan, racial segregation has been exacerbated in the St. Paul schools. Last year, nine St. Paul elementary schools were 95% or more students of color.¹⁰ At the same time, despite the fact that the large majority of children in the district are low-income and students of color, there are five elementary schools with less than 40% low-income students and at least 60% white students.¹¹

The clear and explicit intent of the new community schools plan was to have children attend school closer to home.¹² The district also acknowledged that the plan would save between \$7-\$9 million in transportation costs, a significant savings particularly given the budget situation at the time.¹³

In response to community pressure and concerns that the new community schools plan would further segregate the St. Paul schools, the district explained that it was relying on assumptions about future housing patterns in St. Paul. According to the district's analysis, housing patterns in St. Paul would become more racially diverse, and the district even proclaimed St. Paul "a naturally integrated city."¹⁴ Setting aside the validity of the district's housing assumptions, it is clear that the district is relying, perhaps entirely, on housing patterns in St. Paul to avoid further segregation of its schools. Housing policy and planning will have significant impacts on the St. Paul schools, and coordination between education and housing policy-makers will be essential.

Despite this clear connection, as explained above with respect to St. Paul, the Council's commitments described in the Housing Policy Plan are insufficient to address the seriousness of housing policy's impact on school segregation, particularly in St. Paul. The Council must do more than just "convene housing policy stakeholders with leaders from school districts,"

¹⁰ Department of Research, Evaluation, and Assessment, Minnesota Department of Education, *Student Characteristics by School or Program, Saint Paul Public Schools*, October 1, 2013 (available at http://datacenter.spps.org/sites/2259653e-ffb3-45ba-8fd6-04a024ecf7a4/uploads/FY14_enrollment_ByEthnic_schools.pdf).

¹¹ *Id.*

¹² St. Paul School District, *Strong Schools, Strong Communities: A strategy for improving education for ALL students ~ without exception or excuse* (available at http://www.spps.org/uploads/cob_3-1-11.pdf) ("Strong Schools, Strong Communities PPT"). The district also claimed, without support, that "[d]ata shows that students do better in schools closer to home." *Id.*

¹³ *Id.*

¹⁴ See Strong Schools, Strong Communities PPT, *supra* note 12.

“explore how to empower schools districts to more effectively comment on local comprehensive plans,” and “encourage school district planners and local planners to communicate and collaborate,” which is the limited list of Council commitments to this issue in the Housing Policy Plan.¹⁵

This is not nearly enough. Instead, the Council should be more engaged in how regional housing policy and practices are impacting school segregation. The Council has a much more active role to play in this important issue, and it must show much greater leadership and accountability in addressing this issue. As we explained in our oral testimony on September 15, the Council’s housing actions and inactions over the last several years have contributed to the further segregation of the St. Paul schools, in particular. You must do much more to correct this.

3) The Housing Policy Plan should strengthen the commitment to ensure a “fair share” of affordable housing opportunities throughout the Region.

Wealthy suburban communities must accept their fair share of affordable housing and provide opportunities for all residents in the region. The Council must enforce affordable housing goals in every community and combat use of exclusionary zoning and other suburban policies that limit housing opportunities. The need for suburban communities to add more affordable housing is not just a matter of providing greater choice. There are already growing numbers of low-income individuals living in suburban communities who need affordable housing. As a recent study found:

From 2000 to 2012, the number of poor individuals living in the metropolitan area’s suburbs (outside Minneapolis and St. Paul proper) increased by 126 percent, the eighth-fastest rate among the nation’s 100 largest metropolitan areas. Today, nearly six in 10 poor residents of the metropolitan area live in suburban communities One consequence of these shifts is an urgent need for more affordable housing in the MSP region, particularly in suburbs.¹⁶

4) The Housing Policy Plan should enhance the Council’s efforts to provide more opportunities for businesses owned and operated by people of color.

The Council should extend its efforts at improving economic development in low-income communities by promoting and enforcing “DBE”¹⁷ contracting and hiring goals. We support the Council’s efforts to “ensure equitable participation in projects and procurements by underutilized businesses and companies owned by people of color and women.”¹⁸ We

¹⁵ Housing Policy Plan at p. 44.

¹⁶ Metropolitan Policy Program at Brookings, *Confronting Suburban Poverty in America*, July 7, 2014, (available at <http://confrontingsuburbanpoverty.org/wp-content/uploads/2014/07/Case-Study-CommonBond-Communities-7.7.14-v3.pdf>).

¹⁷ Housing Policy Plan at p. 83.

¹⁸ *Id.* at 71.

encourage the Council to enlarge the targets for its participations goals, currently at 15.5% on USDOT assisted projects and 5-7% on EPA projects.¹⁹

5) The Council must abide by its definition of true “affordability.”

If the Council is truly serious about its mission and its future role in housing policy, it must view housing first and foremost as a RIGHT and not a privilege. The definition of “affordability,” therefore, must ensure equals access for all, including those with limited resources and income.

As the Council’s primary mission confirms, it is a key agency in “provid[ing] housing opportunities for low- and moderate-income individuals and families.”²⁰ In doing so, the Council must remain consistent with the Housing Policy Plan’s clear definition of affordable housing:

[T]he Metropolitan Council adopts the affordability definitions as set forth by the US Department of Housing and Urban Development (HUD), under which housing is “affordable” for low, very low, and extremely low income households when they pay no more than 30% of gross household income on housing.²¹ (“the 30% rule”)

This definition should be the guiding principle of the Council in all actions, decisions, and policies that address or relate to issues of affordability. Having this as its guiding principle for affordable housing for low and moderate-income households, the Council should focus on distributing resources necessary to ensure the 30% rule, thereby providing access to affordable housing anywhere individuals and families choose to live, regardless of their income.

Thank you for the opportunity to comment. Please let us know if you have any question or need any further information.

Sincerely,

Jeffry Martin
President, on behalf of the St. Paul NAACP

cc: St. Paul NAACP Executive Board Members (by email only)

¹⁹ *Id.* at 83

²⁰ *Id.* at prologue.

²¹ *Id.* at pp.79-80.



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St. Paul, MN 55114-1740
(952) 920-0855

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Mike Wall

Optum/UnitedHealth Group

Tom Weaver

Achieve Services, Inc.

Mike Williams

Community Volunteer

September 24, 2014

Metropolitan Council
390 Robert Street North
St. Paul, MN 55101

RE: Housing Policy Plan – Draft July 2014

Dear Metropolitan Council,

Thank you for the opportunity to provide comments on your *Draft Housing Policy Plan – July 2014*.

I am submitting these comments on behalf of The Arc Greater Twin Cities. The Arc Greater Twin Cities' mission is to ensure that there are opportunities for individuals with intellectual and developmental disabilities and their families to achieve full and satisfying lives. We promote and protect human rights and actively support the full inclusion of people with disabilities in the community throughout their lifetime.

Some background information you should be aware of includes that the Center on Medicare & Medicaid Services (CMS) is implementing new regulations for *Home and Community Based Services (HCBS) Settings* that will significantly change the way housing services are provided to persons with disabilities receiving support services through the Medicaid program (Medical Assistance in Minnesota). The purpose of the regulations are to ensure that individuals have real choice in housing settings and that services are provided in a way that maximizes the opportunity to participate in the community and seek employment, engage in community life, control personal resources, and to have access to services in the community to the same degree as individuals not receiving HCBS. This will require the state to work together with ALL state agencies across program areas to increase housing that is affordable for persons with disabilities and meets the HCBS Settings standards.

Although some of the problems affecting persons with disabilities are identified on pages 31 and 32, and reference is made to the *Olmstead Plan*, in our opinion the *Draft Housing Policy Plan* is woefully inadequate when it comes to *actual goals* related to increasing housing opportunities for persons with disabilities. The *Olmstead Plan* has specific goals for increasing the supply of housing for person with disabilities that includes:

- Identify people with disabilities who desire to move to more integrated housing, the barriers involved, and the resources needed to increase the use of effective best practices.
- Increasing the number of affordable housing units available to persons with disabilities.
- Increase in the number of people with disabilities who are not severely housing cost-burdened (paying 50% or more of disposable income towards housing).
- Increase in individual choice and in the number of persons living in the most integrated settings appropriate to their needs.
- Pursue additional federal funding such as the supply of Mainstream Vouchers or housing built with Section 811 funding.

The Minnesota Housing Finance Agency (MHFA) was a member of the committee that drafted this plan. They have direct *Olmstead Plan* responsibilities to work with the Department of Human Services and the Met Council to ensure that *Olmstead* goals are enacted to the best of the state's ability. Listing a single goal for the housing needs of persons with disabilities related to increasing the use of flexible or universal design principles through the year 2040 is totally unacceptable! There is no recognition of the goals of persons with cognitive disabilities or other needs unrelated to accessibility. There needs to be a serious effort to more fully integrate the *Olmstead Plan* housing goals with this document that will guide the work of the Metropolitan Council through the year 2040.

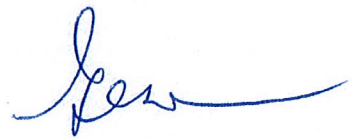
Last week, Federal Judge Donovan Frank rejected the *Olmstead Plan* revisions submitted by DHS because of the lack of clear goals in implementing numerous goals related to the plan. This should certainly be a call to action for the state to create more substantive goals with the mechanisms in place to achieve the outcomes identified. And this is why it is important for the Met Council to work with MHFA and DHS to include more substantive goals around housing for persons with disabilities than are included in the *draft plan*.

Thank you for this opportunity to submit input. We certainly hope that the next version of this *Housing Policy Plan* contains much clearer goals related to the needs of persons with disabilities. The Met Council already serves persons with disabilities through the Metro Mobility program and other transit options. We urge you to work with your other partners in state government to come up with much more comprehensive housing goals that will benefit persons with disabilities.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Steve', with a long horizontal flourish extending to the right.

Steve Piekarski
Chief Program Officer

A handwritten signature in blue ink, appearing to read 'Gene', with a long horizontal flourish extending to the right.

Gene Martinez
Senior Advocate



October 1, 2014

Comments on the Housing Policy Plan were received from the following residents:

Jeffrey Beck
Ray Becker
Tim Brausen
Nancy Eder
Steve Ficker
Kirt Garrison
Tasoulla Hadjiyanni
Kay Hong
Butch Johnson
Cameron Kruse

Barry LeBlanc
Theresa Lambert
Don Matzen
Model Cities Forum Attendees
Donna Neste
Carol Neumann
Jim Quiring
Priscila Barron Sanchez
Dale Swanson

To Susan Haigh - Met Council Chair - Friday Sept 26th
2014

Regarding your new 106 page housing paper.

Due to the Jewish Holidays, I regret that you will receive this comment after Friday Sept 26th.

From: Jeffrey Beck - Hennepin County Commissioner
Candidate District 3 and Advocate For the Disabled
Single Adult Population of Hennepin County

Your 106 page housing plan is not acceptable to the
people of Hennepin County.

Metropolitan Council

SEP 30 2014

First - Cities like St. Louis Park - Received Chair's Office need to have a
(10% or more) of city housing stock of subsidized
housing today, not a 3.6% rate that the city
presently has. That's the minimum acceptable to
the poorer population.

Second - The Met Council - needs to commit
(One Billion Dollars) - For Housing Development
over the next 10 years - \$100 Million Dollars
per year. In Addition Hennepin County - needs to
commit 50 Million per year for the next 10
years. - that totals to 500 Million Dollars

Third - The real definition of Affordable Housing → Your definition is not accurate today.

Fourth - Met Council Members aren't actively engaged in looking for housing. You and Your Staff can't in reality express what the housing options are - for people living in St. Louis Park, Hopkins, Minnetonka, Eden Prairie, Mpls, and so on.

Fifth - Paper Plans Don't always work.

Last Example - 2010 Met Council Henn. Co.
Light Rail line plan. Over 400
pages
Freight Line - Tunnel Plans -

Sixth - No City in Hennepin County today
Is Presently recruiting Poor People to Move
+ to their City.

Thank you
Jeffrey Beck

Jeffrey Beck

P.O. Box 26628

St. Louis Park MN
55426

(Cell 612-401-8741)

Sent: Wednesday, September 24, 2014 10:51 AM
To: Starling, Libby; Beard, Tara; Stanley, Jonathan
Subject: FW: Housing Policy

From: Ray Becker [<mailto:raymanbecker@yahoo.com>]
Sent: Tuesday, September 23, 2014 5:19 PM
To: PublicInfo
Subject: Housing Policy

More Boomers are searching for single level accessible housing.
Not just "Affordable" but "Low Income".
Many ideas for "Accessible" work for all, eg. lower mounted light switches,
higher mounted outlets, more outlets to limit extension cords, lights lights
lights, lighted counters, wall sconces, ceiling, shower. Accessible decks/patios
with 20 amp Gfic circuit.

TIMOTHY PAUL BRAUSEN
Attorney at Law
8301 VIRGINIA CIRCLE NORTH
ST. LOUIS PARK, MINNESOTA 55426
Telephone: 952-451-8492
Email: TPBrausen@gmail.com

Metropolitan Council
390 Robert St. North
St. Paul, MN 55101

RE : Regional Housing Policy Plan

Dear Members of the Council :

As a citizen of St. Louis Park and the region, I applaud the Met Council for taking on the long overdue task of updating regional housing policy. Much has changed in the last thirty years, both in terms of the challenges to be addressed, as well as how the Council can make use of the tools available to it to meet these challenges.

Important Initiatives in the Current Draft Plan

The Plan currently contains a number of initiatives that I fully support, and if anything, would like to see the Council strengthen in the final draft. The following features of the Plan I see as particularly valuable.

Using the Council's Funding Decisions to Incent Local Governments. Changes to the Housing Performance Scores will, if properly implemented, sharpen the effectiveness of this tool as a means to incent local governments to prioritize affordable housing efforts. This will only be true, however, if the scores really matter to local governments, which necessarily means applying them to the Council's transportation funding decisions as well as LCA, and with sufficient weight to make a difference.

Stronger Comprehensive Plan Housing Elements. Initiating for the first time a qualitative review of the housing elements and implementation plans of comprehensive plan updates, combined with increased technical assistance, is another major step forward. Stronger housing elements will lead to more affordable housing units, and more of them in high income communities.

Inclusionary Housing. This work of raising the bar on local government housing efforts will be further reinforced by the Plan's commitment to finding funding for the Inclusionary Housing Account, and by helping to lead a region wide effort to examine how and where inclusionary housing policies can be effectively implemented. Because the Inclusionary Housing Account program encourages a broad range of affordability and in many cases the higher end affordability

targets should be within reach by regulatory incentives, use of Account funding should emphasize benefit to extremely low income households.

Focusing on Concentrated Poverty. The Council's commitment to addressing problems associated with areas of concentrated poverty is a critically important new emphasis.

Additional Important Steps. Finally, the Council has taken major steps forward by recognizing that the allocation of affordable housing need should take into account multiple income levels (especially extremely low income households), that more must be done to promote region-wide mobility for Section 8 voucher-holders, and that conversations must begin between the housing sector and the education sector about the ways that the housing and school systems mutually affect each other (including coordinating housing with school desegregation efforts).

Further Changes Needed

I see a number of areas in the Plan that need further development in order to be effective.

Ensuring Suburban Production of Affordable Housing. As noted, the Plan includes a number of provisions designed to increase the effectiveness of local government housing practices, but without a clearly stated rationale for why this is necessary. The problem, widely recognized but nowhere mentioned in the Plan, is that suburban affordable housing efforts have not equaled those of the two Central Cities.

Over the recently completed 15 year period of LCA goals, Minneapolis and St. Paul together met 111% of their affordable housing goals, while the suburbs collectively met 48% of their goals. For the current decade, suburban jurisdictions are allocated 87% of the affordable housing need but in the first two years have produced only 36% of the affordable units produced, while the central cities have produced 64%. A greater affordable housing commitment is needed by suburban communities, especially those that do not have naturally occurring affordable housing as do most of the first-tier suburbs. To achieve that result, the housing needs allocation, the Livable Communities Act goals, the Housing Performance Scores, and Comprehensive Plan reviews all must work together to increase the likelihood this will happen.

Calculation of Housing Needs. Currently, in the housing need allocation formula under consideration, the jobs/worker ratio is a major factor that proportionately adjusts the housing need upward in the central cities and downward in many suburbs. On the other hand, the amount credited for already existing affordable housing is a far less proportional adjustment downward for the central cities and upward for many suburbs. Both factors should be calculated on the same proportional basis, to ensure a fairer division of need between the central cities and the suburbs. It is striking that in spite of the fact that the central cities have met or exceeded their past LCA goals while the collectively the suburbs have fallen far short, the new formula appears to assign a greater relative need to the central cities and less to the suburbs, than the previous formula.

Undercutting the Legal Implications of the Needs Allocation with LCA Goals. The Plan still fails to address a conflict between LUPA housing need allocation and LCA housing goals. As noted

above, LUPA requires that cities develop specific plans to address their share of regional affordable housing needs. If the Council negotiates LCA housing goals that are less than the affordable housing need the City is to plan for, the LCA process inevitably undercuts the LUPA process required by state law. Also, language in the Plan which calls for negotiating LCA goals in order to give cities greater ownership of the goals may be a worthy goal in the abstract, but it does raise our fears that this will lead to goals less ambitious than they should be, even taking into account our limited housing resources.

Incorporating Housing Language Into Systems Plans. The current Plan simply refers to “housing will be woven into planning and decisionmaking as pertains to water management, transportation, and regional parks strategies and investments.” (p.42) The Housing Plan must go farther in providing guidance on how housing should be incorporated into system plans. Each system plan should consider ways that housing affects local government plans around water management, transportation and parks, and in each such case, local governments should include and connect housing strategies to local government plans for water management, transportation, and parks.

Housing Measures. We believe the Measures need greater discussion. There is insufficient clarity about what is the baseline against which to compare the measures—the previous year, a baseline year, or something else. We think there are several other relevant measures that should be considered, and that some of the details on the current measures need changing. Also, instead of simply an up or down arrow, we should be measuring progress against measurable/numerical goals over time. See attachment for more detailed comments.

Review of Comprehensive Plans. The discussion on p. 58 on developing a means of effectively reviewing Housing Elements and Implementation Programs should reference the earlier list of local roles set out at p. 29-30, in order to make clear the scope and range of local activities to be covered by this process.

Fair Housing. The current draft of the Plan has moved the Fair Housing section from an area of declared Council commitments to one for more study. With the additions suggested herein, the section should be restored to its original status in the Plan.

First, the discussion of discriminatory acts is well covered with respect to private discrimination, but is silent on actions by government that can violate the Fair Housing Act, including actions by local governments that limit housing choice for protected class persons. This type of discrimination needs to be acknowledged. Second, in the same way that the Council has exerted leadership on issues like convening stakeholders over “Racially Concentrated Areas of Poverty,” (RCAPs), the Council should take leadership to ensure not only that resources are committed to identifying the extent of discriminatory practices (racial steering, lending discrimination) affecting housing choice within the Region, but that if such practices are determined to be present, the Council will help ensure that appropriate entities within the Region take necessary action to eradicate such practices. (Currently the Plan simply notes that “it is unclear who in the Region is responsible for addressing such issues”.)

Third, the Council can incorporate specific Fair Housing practices in its own policies (for example, reasonable accommodation of disabled persons) and can expect that such practices also be incorporated, where appropriate, as conditions in the grants it provides. Fourth, the Council can reinforce the Fair Housing obligations taken on by local governments as part of their Fair Housing planning duties (Regional Analysis of Impediments) by aligning and incorporating those obligations in comprehensive plan housing elements guidance and in the methodology for Housing Performance Scores.

SAC Charges. In connection with funding the Inclusionary Housing Account referenced above, the Council should facilitate affordable housing development by waiving sewer availability charges (SAC) for inclusionary housing developments, consistent with the priorities of the Housing Policy Plan and where local matching commitments are made.

Community Land Trusts and Affordable Ownership Opportunities. The Plan places its major emphasis on affordable rental housing, but there is an important need to promote affordable ownership opportunities as well. One strategy which has received too little attention in the Plan so far is the use of Community Land Trusts as a means to ensure that one time public investments can ensure permanent affordability. This tool is particularly important in areas of rising land costs like transit corridors.

Met Council Budget. There is one final point to make that is not addressed in the Housing Policy Plan but which will do much to determine its fate. The priorities of the Plan, particularly those aspects mentioned above, will only be realized if they are also prioritized in the Met Council's budgeting process. Funding determines priorities. Identifying adequate funding to resurrect the Inclusionary Housing Account program should be one such priority.

Thank you for the opportunity to comment. I know a number of Council members have indicated an interest in leaving a legacy when it comes to affordable housing policy for the Region. When the issues I've cited above are addressed, along with the strong provisions already in the Plan, we think this Plan will leave just such a lasting legacy, to the benefit of the thousands of current and future residents in need of an affordable home.

Sincerely,

Timothy Paul Brausen

Timothy Paul Brausen

From: nancy eder [<mailto:edernancy@hotmail.com>]

Sent: Thursday, September 18, 2014 3:01 PM

To: PublicInfo

Subject: Public comments on the Draft 2040 Housing Policy Plan

As a member of Isaiah and an elderly member of the Metro community, I encourage you to do what only the Met Council can do to see that affordable housing exists in all communities in the Metro area. I applied for low-income housing last year. The only available units at that time were so small that my furniture and books would not fit. I was determined to keep my dining room table so I can have my children over for lunch some Sundays. Many (most) of the low-income units in over-55 buildings are less than 550 square feet. That's 25 feet by 22 feet, inclusive, including storage and bath and kitchen. Then the buildings are old and the elevators only work sometimes. Two elevators for over 500 residents in one high-rise. One laundry room. In the basement. Sure, the public areas look nice, but the carpets in the elevators and hallways are worn out and the buildings are in need of upkeep, if not replacement. This is true of much of the over-55 public housing in the Metro. Other than the oldest buildings, the waiting lists are long or closed. I was turned down by many. Of the others, I am being called now, a year later.

I am a retired teacher. I make less than \$15,000 a year, before Medicare and insurance deductions. There are virtually no apartments in the Metro for less than \$600 per month, and these are in bad shape. I was rescued by a windfall to one of my daughters, who was able to invest a down payment in a very cheap condo in Burnsville for me. I can afford the association fees and mortgage payments for it, mostly because the taxes in Burnsville are much less than Minneapolis, where my grandchildren live. I am still paying about half my income for housing. I wonder what people who have less resources do?

I challenge you to visit some of the low income housing to see for yourself. And not to be afraid of the bullies in the wealthier suburbs. Only when we stop allowing creeping segregation will we be free from the injustices due to not knowing our neighbors. We all do better when we all do better.

Nancy Eder
12830 Nicollet Ave. S. #201
Burnsville, MN 55337

Sent from Windows Mail

From: PublicInfo
 Sent: Monday, September 29, 2014 1:23 PM
 To: Starling, Libby; Beard, Tara
 Subject: FW: Comment on the 2040 Housing Policy Plan
 Attachments: MICAH 6-2-12 Site Draft -37% - UACC - Word 2007.docx

Follow Up Flag: Follow up
 Flag Status: Flagged

From: Steve Ficker [mailto:steveficker@usiwireless.com]
 Sent: Friday, September 26, 2014 4:46 PM
 To: PublicInfo
 Cc: Steve Ficker
 Subject: Comment on the 2040 Housing Policy Plan

Attn. Ms. Claudia Puentes,

I've been a member of the Metropolitan Interfaith Council on Affordable Housing's Ramsey Chapter since 2009. Beginning in 2010, members of our chapter joined the Community Agreements Coordinating Committee (CACC), to create community agreements with many residents and other organizations active in the east Central Corridor.

At CACC's Affordable Housing Work Group, Ramsey initiated an affordable housing policy that assembled the text, ideas and modifications of the Group's members and visitors. Unfortunately the end of funding, which came through the District Councils Collaborative, brought an end to CACC.

MICAH's Ramsey Organizer departed for another job, while the Chapter took the policy through many revisions and renamed it. I stored them on my computer. MICAH's Executive Director approved the final 6-2-2012 Draft for public distribution. I debuted it at Unify University! Parade in August 2012. MICAH's ED had it posted on our website. She left for another job early in 2013.

A new Interim Executive Director met with Ramsey Chapter on March 6, 2013. We had a positive conversation on many issues, and she encouraged us to continue distributing and promoting Ramsey's Central Corridor Housing Policy Recommendation. That was the last time MICAH leaders met with our chapter. I joined Alliance for Metropolitan Stability's PHEA Group (aka Equity In Place) later in 2013.

MICAH has been encouraging everyone to comment on 2040 - currently, and in the past year.

Attached below are comments concerning the 2040 Housing Policy Plan that I'd like to be included in the public record, for consideration at the Metropolitan Council. Please contact me directly if there are any questions or concerns. The comments submitted with this email are mine alone, supported by documentation.

The Central Corridor is now in the spotlight nationally, because it's a rare opportunity to witness city to city all urban rail development. Our region is also in the spotlight because we have some of the worst racial disparities in the nation. An uninhibited examination of Central Corridor development decision processes could help provide insight into how things actually get done, without scrutiny, in the Twin Cities.

Worthy community based Central Corridor housing processes were repeatedly derailed, defunded or co-opted. Low income residents are now being pushed out of their east corridor neighborhoods.

As frustration grows, will the Council's engagement translate to increased support for meaningful, escape proof affordable housing policy requirements? The Met Council's current affordability requirement of 60% AMI amounts to publicly funded gentrification in low income east University Avenue corridor neighborhoods. The actual Area Median Income in many of these low income communities, is roughly half that figure. The Council's overall goal for 30% of additional housing at, in some locations market rate, 60% AMI affordability does not meet the 37.5% need projected by the Council's own research.

Attached is MICAH Ramsey's Central Corridor housing policy recommendation, for consideration by the Metropolitan Council, as an example of potential inclusionary affordable housing policy:

Ramsey's policy would prioritize those who have greater needs. We didn't think it at all excessive to require housing developers who receive substantial public benefits to produce at least 20% of their units affordable at an average 25% AMI affordability. In fact, our requirements may be far too low and should be raised once real need can be accurately determined. Meeting real need was

Ramsey's belief inspired objective.

I've been a member of the Metropolitan Interfaith Council on Affordable Housing's Ramsey Chapter since 2009. Beginning in 2010, members of our chapter joined the Community Agreements Coordinating Committee (CACC), to create community agreements with many residents and other organizations active in the east Central Corridor.

At CACC's Affordable Housing Work Group, Ramsey initiated an affordable housing policy that assembled the text, ideas and modifications of the Group's members and visitors. Unfortunately the end of funding, which came through the District Councils Collaborative, brought an end to CACC.

Ramsey Chapter took the policy through many revisions and renamed it. It debuted at Unify University! Parade in August 2012.

Hope this policy recommendation will prove helpful in establishing meaningful, effective inclusionary affordable housing policy in our region.

Steve Ficker
MICAHA Ramsey member

MICAH's Recommendation for Housing Policies to Benefit the Central Corridor Community

Beginning in 2004, MICAH's faith and community partners organized residents of communities along the Central Corridor to identify community housing and economic priorities. In 2006 a door knocking campaign was undertaken to find out residents concerns with the proposed light rail corridor. Some of the greatest concerns* were housing affordability, displacement, fears of Rondo destruction and inadequate stops. Beginning in 2007 MICAH members were active in the "Stops for Us" campaign to get three additional stops along University Avenue. In 2009 MICAH Ramsey was a leader in the Community Agreements Coordinating Committee (CACC) initiative to establish priorities and develop transformative goals for the construction and preservation of affordable housing.

NEED FOR HOUSING

Analysis of Met Council data has identified a 37% increase* in the overall need for affordable housing, during the next decade. The Central Corridor will likely generate the most urban housing growth over the next decade. If projected needs are to be met, development policies must require that at least 37% of total Central Corridor housing development be affordable.

PRIORITIES

- Minneapolis and St.Paul must increase their affordable housing goals to match the need for housing. Housing for people most in need must be a priority, especially those with incomes at \$24,800*(30% of area median income) or less.

- Current homeowners and renters with low incomes must be protected from displacement due to escalating property taxes, with financial support or property tax breaks.
- Demolished affordable housing units on or within ½ mile of the corridor should be replaced at a one for one ratio.
- Protection against gentrification should be provided to low-income homeowners and renters.

MICAH strongly supports the community priorities* which were identified by the CACC Affordable Housing Group open process.

IMPLEMENTATION STRATEGIES

(1) New Affordable Housing

a) Establish an Inclusionary Zoning Policy in the Corridor

St. Paul and Minneapolis must amend their regulations to require that a specific percentage of affordable housing units be included in all corridor residential developments that receive public benefits. Incentives such as public funding, density bonuses, low interest loans, reduced parking requirements, building

height variances, reduced taxes and other waivers must be linked in exchange for additional affordable units, or lower income long term affordability.

Corridor projects that construct or produce new housing units, and receive public funding or public benefits, must at a minimum, within the Corridor, and within that project's neighborhood respectively construct or produce:

For rental:

10% of the project's total housing units to be long term affordable at or below 20% of AMI (\$16,540*), and an additional

10% of the project's total housing units to be long term affordable at or below 30% of AMI (\$24,800).

For ownership:

5% of the project's total housing units to be long term affordable at or below 30% of AMI (\$24,800), and an additional

5% of the project's total housing units to be long term affordable at or below 50% of AMI (\$41,350).

b) Increase Overall Affordable Housing Goals in the

Central Corridor

The continued availability of housing affordable to households across the income spectrum is one of six community building strategies outlined in the **City of Saint Paul's Central Corridor Development Strategy (CCDS)**. Both Cities should commit to a range of strategies which ensure that this important housing policy objective is met.

There is however a **shortfall** between both Cities' **current** overall housing goals, and projected need calculated* from Met Council data. Corridor development goals must consequently require that at least 37% of total Central Corridor housing development be affordable, to make sure expected needs are met.

(2) Replacement Affordable Housing

a) Replace demolished affordable housing units

Long term affordability—for new and/or existing units—is an over-riding challenge in the Central Corridor made more difficult by the market strength that is expected to develop as the LRT line is constructed. As a result, the Cities and their partners at Minnesota Housing, the Metropolitan Council and in the non-profit development community should:

Preserve housing affordability within the Corridor by creating policies which **require one to one replacement** of affordable units. City and

Metropolitan Council replacement housing policies should require that:

If a City grants permission to remove or destroy affordable housing within the Central Corridor, the City must condition its permission to require that

such affordable housing be replaced within the Corridor. The replacement units must be within the same original planning district (St. Paul), or neighborhood (Minneapolis), and must at a minimum provide the same percentage level of Area Median Income affordability and the same total number of bedroom units as the original affordable units.

b) Require affordability when replacement or rehabilitation receives public funding

Any **publicly funded** Corridor housing project that replaces or rehabilitates at least 10 housing units, and has a project value exceeding \$1,000,000, must at a minimum, within the same neighborhood respectively replace or rehabilitate:

For rental: 10% of that project's total housing units to be long term affordable at or below 20% of AMI, and an additional 10% of that project's total housing units to be long term affordable at or below 30% of AMI.

For ownership: 5% of that project's total housing units to be long term affordable at or below 30% of AMI, and an additional 5% of that project's total housing units to be long term affordable at or below 50% of AMI.

(3) Financial Support

a) Refund or waive increased property taxes to current low income Corridor home owners

Property values within one half mile of the Corridor will likely increase at a higher rate than properties across the city. Efforts to keep current Corridor residents with low incomes in their homes should be made.

b) Rental property owners who agree to keep rents affordable long term should be included

(4) Protection against Gentrification

a) Reestablish ownership/occupancy

Prioritize public subsidies and incentives to benefit preservation neighborhoods and help them rehabilitate and/or bring to market existing vacant properties - to provide stable, affordable occupied homes. Permit committed individual home purchasers to participate in suitable rehabilitations - to facilitate below market housing opportunities. Encourage construction of affordable, energy efficient housing on vacant lots. Incentive local hiring and minority contracting. Ensure good design esthetics that are in character with the existing neighborhood.

b) Provide foreclosure relief

Develop public policies that will effectively help avoid foreclosures, or provide relief.

c) Create and enforce a neighborhood preservation plan

Both Cities should anticipate socio economic change in vulnerable neighborhoods and actively work to prevent displacement. This includes rent controls, home improvement and weatherization loans, and affordable housing for seniors who wish to stay in the neighborhood, all of which is outlined in the Central Corridor Development Strategy. Deferred and forgivable loans should be made available to low income residents.

d) Protect low income tenants

The Cities should also amend their regulations to require consideration of development impact on existing housing affordability, and include **protections for low income tenants of Corridor buildings converted** to condominiums or market rate rental units.

e) Act to ensure the preservation and good maintenance of public housing within the Corridor

Provide public benefits to improve or rehabilitate existing affordable housing.

f) Take advantage of opportunities to extend affordability of existing units

Draft

ADDENDUM

***Area Median Income for a family of four, 2011**

Minneapolis-St. Paul Metropolitan Statistical Area

U.S. Department of Housing and Urban Development

Area median income \$82,700

60% of area median income \$49,600

30% of area median income \$24,800

***CACC PRIORITIES**

(as identified in 2010 by the CACC AH Work Group)

- (1)** The cities of Minneapolis and St. Paul should increase their targets for new construction of affordable housing.
- (2)** Demolished affordable housing units on or near the corridor should be replaced at a 1:1 ratio.
- (3)** Financial support should be provided to homeowners and renters threatened by increases in property taxes/rent (e.g. Save Our Homes)
- (4)** Protection against gentrification should be provided to low-income homeowners and renters.

***MICAH partnered w/UACC** to door knock/survey both sides of corridor 4 days in late 2006 - then held community meeting in winter to develop 6 corridor goals:

Community Benefits Agreements: University Avenue Community Coalition, St. Paul

From: Kirt [mailto:kirt_garrison@hotmail.com]

Sent: Tuesday, September 23, 2014 10:21 AM

To: PublicInfo

Subject: Public comments on the Draft 2040 Housing Policy Plan

The preferences given to the core cities is unhealthy and most likely unconstitutional, and is a significant overreach of the council's powers.

From: Tasoulla Hadjiyanni [thadjiya@umn.edu]
Sent: Wednesday, September 10, 2014 4:28 PM
To: PublicInfo; Beard, Tara
Cc: Cathy Bennett
Subject: Review of 2040 Housing Policy Plan

Dear Council members,

first, I want to thank the members for creating a thorough and comprehensive plan. Second, as an academic whose work focuses on culturally sensitive housing and communities, I was pleased to see a Plan centered on equity and diversity. The following comments aim to strengthen the report in this arena and respond to the need to prepare for the changing demographics and the projections that show 40% of MN's population to be people of color by 2040. Please let me know if something is not clear or if I can help in any way.

1) P. 1 - overall policy

Create housing options that give people in all life stages and of all economic means viable choices for safe, stable and affordable homes

The above policy should include "diverse ways of living" in order to account for the multiple ways by which people create meaning in their lives - be those, family relations, food, dress, religion, etc., all of which are impacted by housing:
Create housing options that give people in all life stages, all economic means, and **with diverse ways of living** viable choices for safe, stable and affordable homes

2) PP. 2 – 4 - Demographic trends

This section focuses primarily on the aging population - an important concern but one where many solutions and practices are already in place. This section should also include the demographic projection that close to 40% of the population is expected to be people of color. Right now, this statistic is mentioned further down, p. 12, in the section on "Choice, place, and opportunity" under Challenges. As this is a demographic trend, it warrants being in the previous section. This way, the context for the challenge becomes more clear: the population ages AND diversifies - for example, fewer people to pay taxes and build businesses AND, potentially, more people in need of affordable housing (if people of color continue to hold lower incomes and face disparities in education, health, etc).

3) P. 12 - Figure on incomes

Is the figure cited in the text? What does it mean and how is it used for the purposes of the Plan? Part of the challenge is deciding what is affordable. In the case of New Americans, how do we account for expenses to travel overseas to connect with family and friends?

4) P. 28 - Equity

As noted in the box on the Key Takeaway: "All residents in the region—people of all races, ethnicities, incomes, and abilities—need viable housing options for safe, stable, and affordable homes and neighborhoods."

Yet, the notion of equity is talked about as related to income, which is one parameter of equity. There is an opportunity here to start dialogues about racial, ethnic, cultural, religious, etc disparities and how they are linked to economic, health, and other disparities. Equity should be conceived in the plural, not the singular and the factors associated with it can be fleshed out. Add language on how local and state resources can be used to build connections among residents, foster community engagement, etc to break barriers and stereotypes.

The bullet "Fostering a sense of inclusiveness and welcoming for households of various types and origins" can be expanded to include how, when, where, etc.

5) pp. 30 - 31

Great to see language about the need to market and position the wisdom of communities. Build on that language. How will we nurture the next generation of leaders? How do we engage communities of color in planning and giving feedback right now? In MN, we have long-standing minorities, such as Native Americans and African Americans as well as new immigrants, such as Hmong, Somali, Latinos, Africans, etc. Do we need different forms of engagement to reach different groups? Are grassroots efforts different from efforts to engage diverse groups by policy makers and what can we learn from each? It could be that we propose a study of what community engagement can mean in these efforts and I would be happy to help with that.

Later on in the document, the report builds on the importance of community engagement. Include references to those sections so the reader is aware this is addressed in more detail later.

6) P. 31 – people with disabilities

Instead of the word "disability" talk about people with special needs, such as limited mobility, hearing, sight, etc.

Add section on cultural sensitivity. Limited knowledge and direction exists to address the challenge of the population's increasing diversity and policy makers/planners need to be thinking about that and exploring solutions. More knowledge exists around people with special needs and much of that is implemented already for universal design. The notion of "culturally sensitive" is mentioned later on but more context is needed for the reader to understand what this is about. See note #8.

7) P. 34 – New Americans

Livability and New Americans – good to see contributions by new Americans to the region's cultural and economic vitality highlighted in this section.

8) p. 35 - culturally sensitive housing

Great to see culturally sensitive housing mentioned but the reader needs more info to understand what it means as noted in #6. Talk about design that is flexible and adaptable to support multiple ways of living -- from kitchens that can be closed and open to bathrooms that can withstand mold and moisture to dining areas that can expand to accommodate large gatherings, etc. I would be happy to provide the language for this addition.

9) p. 36 - place-making

How can communities strengthen local identity and celebrate the make-up of their people? This can be translated into economic opportunities as well that attract tourism and business investments. Move beyond mixed-use development and TOD and elaborate on other ways to cultivate and strengthen identity. The Plan has a chance to open dialogues and explore solutions that are not part of the language / planning processes at the moment.

10) pp. 42-44 - Integration

Include a section on health and aligning housing policy with health-promoting policies. Although we are one of the healthiest states in the nation, we have some of the widest health disparities between whites and people of color - diabetes, obesity, heart disease, suicides, etc.

11) pp. 45-46 - Collaboration

Great to see this section! Expand to explore how you will include diverse perspectives on the table. How will people of color be included in these efforts? See notes #5 and #12 as well.

12) p. 60 - Convening

Great to see second bullet: "Meaningful, ongoing dialogue around housing topics with historically underrepresented communities such as communities of color, low-income households, people with disabilities, and new immigrants."

Elaborate on how - how will this be done? Are different approaches needed for the different stakeholders? What can the Council do and what can be done at the community level? How do we assess that this has been done successfully and in a meaningful way?

13) p.65 - Inclusionary

Concern with terminology – "inclusionary" is tied to income and refers primarily to mixed-income. Just like "equity" (see note #4), inclusionary needs to be placed in context and be approached in the plural, not the singular. Here is an opportunity to talk about more than that – race, culture, religion, way of life, etc. Inclusion implies exclusion and therefore, a term that does not have an opposite would be preferable.

14) p. 70 - 71 - Build wealth

Great to see recognition that housing is only part of the bigger vision and bigger context that must be addressed! This part is fantastic: "The process must also prioritize the wisdom of low-income communities and communities of color in the process of shaping vision, developing plans, and allocating resources in their own communities.

Through a series of public engagement sessions, in specific communities where more prominent disparities exist in our region, we will partner with community stakeholders to co-develop comprehensive plans for intensive, sustained, and aligned equity-driven investments and policies in low-income communities and communities of color in the Twin Cities."

The bullets that follow begin to get to the how and who. Add a bullet that we need to establish measures to know if this was done meaningfully and not just to cross out a check.

15) p. 73-74 - Resiliency

Add a section "What if community engaged methodology does not pan out?" A lot rests on a process that includes diversity of perspectives. A plan needs to be put in place for what to do if this does not happen to the level needed.

Thanks again for all your work and let me know if I can be of any assistance.

Best regards, Tasoulla

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Tasoulla Hadjiyanni, Ph.D.
Associate Professor, Interior Design
College of Design, University of Minnesota
<http://interior.design.umn.edu/faculty/THADJIYANNI.html>

Guest Editor of *Design+Culture JID Special Issue and Symposium*
http://www.idec.org/files/Design_Culture_CFP.pdf

Editor of *EDRA Connections*:
<http://www.edra.org/content/edra-connections>

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<http://www.edra.org/content/edra-connections>

240 McNeal Hall
1984 Buford Avenue
St Paul, MN 55108-6136
Phone: 612-626-1245
Fax: 612-624-2750

From: Hong, Kay
Sent: Friday, July 25, 2014 9:21 AM
To: PublicInfo
Subject: Public comments on the Draft 2040 Housing Policy Plan

As a person who is both professionally and personally concerned with the livability of our communities, I would request that some additional, more cutting-edge ideas be included in this plan.

Specifically, change to the important definitions, zoning codes, building codes, and statutes that could make it possible to have neighborhoods of “tiny houses” here in the Twin Cities region.

It offers potential to address multiple housing issues, including growing need for senior and/or retirement housing, affordable housing, and desire of communities to anchor people in home ownership for tax and social purposes.

I think it could potentially be a terrific boon to small spaces in inner-city areas, to cash-poor smaller communities on the edge of the Twin Cities region, and even to farmers who would be able to supplement wavering grain/food prices by selling or renting land for small-house communities or neighborhoods—not to mention the ecological/environmental benefits possible.

And it could contribute to positive community building in this era of neighbors being more and more separated from one another.

Here is just one of many, many resources on this growing topic/movement!

<http://tinyhouseblog.com/>

Thank you.

Kay Hong

From: butch@aabaca.com
Sent: Thursday, September 25, 2014 2:06 PM
To: PublicInfo
Cc: Beard, Tara; Billee Kraut
Subject: Housing Policy Plan Comment

Housing Policy Plan Comment

Why do the formulas for mixed income housing have market rate as a majority of the units and some affordable projects not allowing even a portion of market rate housing. It would seem to me that if we're going to build and maintain a thriving metropolitan region creating housing that is only affordable is counter to creating diverse communities. What would happen if you had projects that were 80% affordable and 20% market rate? If the market rate apartments don't rent one could always return that % to affordable.

I looked on line for information about mixed income housing and found a study where they had looked at 8 projects across the country. All of the projects in the study had different levels of incomes in the projects including market rate housing. It appeared that these projects had allowed for some flexibility.

Butch Johnson
5750 Shady Oak Rd.
Minnetonka, Mn 55343
butch@aabaca.com
952-933-7307

-----Original Message-----

From: Kruse, Cam [<mailto:CKruse@braunintertec.com>]

Sent: Thursday, September 18, 2014 3:07 PM

To: PublicInfo

Subject: Public comments on the Draft 2040 Housing Policy Plan

To Met Council:

I strongly urge you to include in the 2040 Housing Policy Plan adequate means of holding cities accountable for meeting their goals. Without real penalties for not meeting goals those goals will be just lip service to an equitable housing plan.

In 1986 I resigned from the Mendota Heights Planning Commission after 8 years of service, 7 of those as Chair of the Planning Commission. The primary reason for my decision was a result of the City Council's treatment of the Planning Commission's recommendations for the housing goals required by the Met Council in the Long Range Planning at that time. The Planning Commission recommended adoption of the Met Council's desired percentage of affordable housing. The City Council was split over that recommendation and finally adopted it. But, the dissenting members made the comment (off the record of course) that they would go along with the recommendation because the Met Council wouldn't do anything about not meeting the goal.

That is nearly 30 years ago but I fear human nature hasn't changed much, unless it has gotten worse, since then.

As you look at the results of housing plans in various cities it should be clear that the lack of significant penalties made it easy for many cities to ignore their stated commitments to affordable housing. If there is a real desire of this Met Council to have an effective housing policy it must include clear, measurable goals and clear, effective penalties for lack of performance.

Thank you for being willing to adopt a fair and equitable housing policy. Please make it an effective policy.

Cameron Kruse
588 Sutcliff Circle
Mendota Heights, MN 55118

From: Barry LeBlanc [<mailto:barry0404@yahoo.com>]

Sent: Tuesday, September 23, 2014 10:20 AM

To: PublicInfo

Cc: Elkins, Steve; Steve.Devich@cityofrichfield.org; debbie.goettel@cityofrichfield.org; JStark@cityofrichfield.org; egarcia@cityofrichfield.org; pelliott@cityofrichfield.org; tfritzhenry@cityofrichfield.org; jonibennett12@comcast.net; joshsprague@edinarealty.com; mail@EdinaMN.gov; mbrindle@comcast.net; swensonann1@gmail.com; tcarter@rbhonda.com

Subject: Response to region's Housing Policy Plan

Hi,

First of all, ask the wealthier cities to do their fair share of affordable housing. You look at the city of EDINA and how they deal with affordable housing...They have not even suggested to build one unit within their school system. Not one section 42 work force housing unit. They have the abundance of the entry level jobs in the south metro. They have transit but yet They will not build one SECTION 42 housing unit in EDINA school district. Housing opportunities should be free from illegal housing discrimination and exclusionary zoning or other exclusionary policies. Housing opportunities that promote racially and economically integrated neighborhoods.

Second of all, Stop requiring cities like Richfield to concentrate poverty. By your own standards you identified concentrated poverty in Richfield but you continue require the city of Richfield to build section 42 units. Richfield already has well over 54% affordable housing units and a POVERTY HOUSING BAND on your data map. Here are the links.

I have CC'd Richfield City council, Edina City council and Richfield city manager,

Thank You,

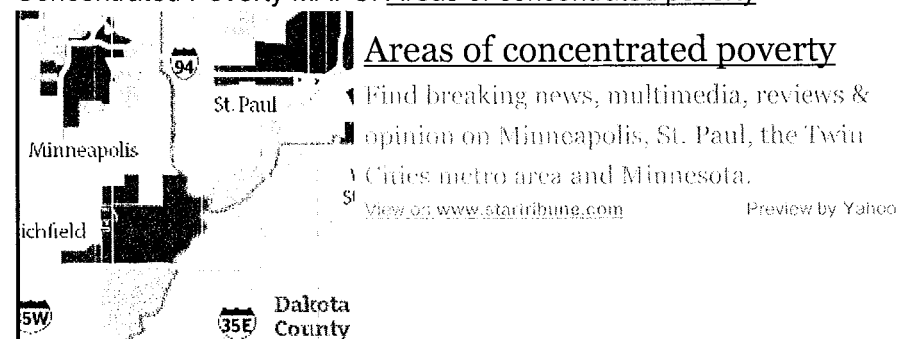
Barry LeBlanc

7521 Pillsbury Ave South

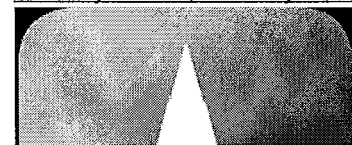
Richfield MN 55423

PH: 612.861.1142

Concentrated Poverty MAPS: Areas of concentrated poverty



Brooklyn Park, Brooklyn Center accuse state of fair-housing violations



Brooklyn Park, Brooklyn Center accuse state of fair-hous...

Minnesota's two most racially diverse cities



— Brooklyn Center and Brooklyn Park —
plan to join a federal fair-housing complaint
against the state of Minnesota alle...

[View on www.startribune.com](http://www.startribune.com)

Preview by Yahoo

http://content.govdelivery.com/attachments/fancy_images/MNORGMETC/2012/08/118227/128411/metcheader_original_crop.jpg



[View on content.govdelivery.com](http://content.govdelivery.com)

Preview by Yahoo

Submit comments on the Housing Policy Plan through Sept. 26

This is the last week to submit your comments on the region's Housing Policy Plan - the public comment period will close on Friday, Sept. 26 at 5 p.m. You can submit comments by any of the following methods:

- Mail: Metropolitan Council, 390 Robert Street North, Saint Paul, MN 55101
- TTY: 651-291-0904
- Email: public.info@metc.state.mn.us
- Record on our Public Comment Line 651-602-1500
- Share via Your Ideas website <http://yourideas.metrocouncil.org/ideas>

Learn more about the [Housing Policy Plan](#).

Sent: Wednesday, September 24, 2014 11:40 AM
To: Starling, Libby; Beard, Tara; Stanley, Jonathan
Subject: FW: Comments on Ttp Plan

-----Original Message-----

From: Terry Lambert [<mailto:terrylambert@embarqmail.com>]
Sent: Tuesday, September 23, 2014 6:18 PM
To: PublicInfo
Cc: Schreiber, Lona
Subject: Comments on Ttp Plan

Metro Council Members-

I wanted to share my comments on the 2040 TTP Plan per your request by Oct 1st

I am impressed by your objective goal of affordable housing. As a homeowner in Brooklyn Park MN I don't feel my city should be required to provide more affordable housing. I feel the Met Council must now act to demand all cities provide their share of affordable housing. What if someone has a low wage job in Eden Prairie is there a place for that person to live and why not? I know friends who cannot afford to live where they work in such cities as Edina , Eden Prairie, Wayzata and Plymouth. Many jobs in Plymouth but where is affordable housing for their employees. While light rail is good it is more desirable to live near where a person works.

Please let me know where in the new proposed metro transportation plan they have these goals for all metro cities to have affordable housing? Including the most whitest populations in the richest suburbs of Wayzata , Plymouth and Eden Prairie why not??

I am a white woman who wants all to have a chance to work and live where they choose. Let's plan on affordable housing in all metro cities and not put all the burden on Brooklyn Park and Brooklyn Center. A pocket of poverty is bad for entire metro area don't you agree ?? Schools and neighborhoods suffer when only two suburbs must take all the burden of affordable housing .

Please answer my questions.

Respectfully
Teresa Lambert
Brooklyn Park
651-231-0273
8756 No Maplebrook Circle
Brooklyn Park, Mn

Sent from my iPhone

-----Original Message-----

From: Don [mailto:don_matzen@ncscor.com]

Sent: Saturday, September 20, 2014 11:56 PM

To: PublicInfo

Subject: Public comments on the Draft 2040 Housing Policy Plan

Your 2040 Housing Policy Plan is nothing short of something that would be expected coming out of Moscow. How dare the council infringe on people's rights. Your plan is nothing more than pathetic, at best.

Don Matzen



HOUSING

POLICY PLAN

Official Public Comment

Provide Affordability Gap funding through non-profits that specialize in housing activities - Using MN Housing, Met Council, Family Housing Fund and others to help folks caught slightly outside of affordable housing Area Median Income limits.

Official Public Comment

- 1) How will MET Council Create Affordable housing in higher income AREAS. (Strategy) ("Resistant Communities")
- 2) Preserve or Creating housing mix. Aging Stock in a number of areas - in urban core - Strategy Around making adjustments in those communities.
- 3) Use Strategies on In fill and aging housing stock in in preservation of neighborhoods to renovate (Maybe historic tax credits)

From: PublicInfo
Sent: Tuesday, August 19, 2014 9:37 AM
To: Starling, Libby; Beard, Tara
Cc: Reetz, Beth
Subject: FW: Public comments on the Draft 2040 Housing Policy Plan

From: donna neste [mailto:d_nestea@yahoo.com]
Sent: Monday, August 18, 2014 9:02 PM
To: PublicInfo
Subject: Public comments on the Draft 2040 Housing Policy Plan

To Met Council,

The following are my comments on the Draft 2040 Housing Policy Plan. Until the 1980s the Met Council withheld funding for communities that didn't comply with the Land Use Planning Act, which obliged them to submit a comprehensive plan as to how they were going to provide for land zoned for low to moderate income housing. The met Council's plan has lots of pretty words about how inequitable the housing situation is in the metro area, but no teeth in this plan as to how they are going to enforce the Land Use Planning Act, like withholding funds, for instance. I strongly suggest the full Council include the amendments that were put forth by the committee and then voted out by the full Council, at the very least.

Donna Pususta Neste
Minneapolis

From: Carol Neumann [<mailto:carolmneumann@gmail.com>]

Sent: Wednesday, October 22, 2014 10:34 AM

To: PublicInfo

Subject: comments on housing

To whom it may concern,

I realize that the comment time on the housing plan proposal is passed but would like to address the fact that you used the term "silver tsunami".

I realize that this commonly used phrase is not only yours, but I am requesting that you retire this derogatory terminology in describing our aging population. A tsunami is a catastrophe, a negative destructive event. Our aging population did not just happen. Nor is it catastrophic to age. We are ALL aging daily, and as we age, our asset richness does not disappear.

The fact is that our country has not really prepared a leadership plan (federal, state or local) to accomodate the ever-growing senior population growth. Our aging population did not just happen yesterday. But we are **just now** discussing adaptations to begin to meet the needs of the housing situation. None of us should be looking at this as a catastrophe. It is a challenge that we all can be a part of meeting. Recognizing the senior population as an asset-laden group, with wisdom and value, enhances the richness of the intergenerational idea for "communities for all ages" concept. Our senior population group should be involved every step of the way in planning our new communities where we will live, rather than the developers or planners who decide how senior citizens should live by building what they want to build and where they want to build it. Please consider this. Do you want to decide where you want to live? How would you feel if most housing options were closed to you and were not able to meet your needs?

Please brainstorm with your colleagues a new positive phrase that can be used in the future in place of "silver tsumani". After all, you are us (any time now....).

Thanks so much for listening.

Carol M. Neumann

Concerned West Side Resident

From: PublicInfo
Sent: Thursday, September 25, 2014 3:38 PM
To: Starling, Libby; Beard, Tara; Stanley, Jonathan
Subject: FW: Public Housing Policy

From: Jim Quiring [<mailto:jimquiring@yahoo.com>]
Sent: Thursday, September 25, 2014 10:06 AM
To: PublicInfo
Subject: Public Housing Policy

I know the Council wants to offer "the region housing options that give people in all life stages and of all economic means viable choices for safe, stable and affordable homes". Your housing options are only valid if the multifamily housing is less expensive than single family homes. Multifamily housing isn't less expensive than single family, unless it is significantly smaller.

The Dept. of Energy says that, on a per -square -foot basis, single family homes use 29% less energy than multifamily homes. This is based on operational costs of running that home. If you count in construction of mid-rise, high-rise and single family homes, single family homes are much less expensive to build.

Let's quit trying to keep people on the plantation. I think private enterprise is pretty good at building what the market needs. Why don't you stop trying to control what we need in the metro area.

Jim Quiring
Chaska, Mn.

Metropolitan Council Members,

Thank you for the opportunity to comment on the housing plan. I am confident that it was drafted with the utmost care and logic. Understandably, a handful of people cannot address the multitude of issues that housing in our area faces.

I have only a few comments.

First, I was present at the public hearing that took place Monday, September 15th at 5:00pm. It was an incredibly long day for me filled with work, classes, and more work that began at 8:00am. However, I was more than awake for the hearing- eager to listen and eager to learn. I was incredibly disappointed by the lack of interest or attentiveness on the faces of the council. I caught at least two members actually falling asleep during comments. This was an embarrassing image for a hope-filled and trusting citizen to see. I understand having "off days," but when honored with the positions you have, there is hardly an excuse to behave this way. I almost wish those members had merely not shown up.

Second, I find it even more disturbing that the only comment the council felt a need to address was the one that I thought had the least substance and merit. It was not an attack on the council, but merely an observation laced with opinion regarding the make-up of the committee. The response by the council was unwarranted. Not one other comment that addressed flaws in our system, in the council's plan, in the lives' of our neighbors and the consequences of unaddressed issues was apparently worth any response but a compulsive "thank you." The council should have a defensive reaction on the merits of their plan, if they even stand behind it, or hopefully an inquisitive reaction when something of high significance was brought to their attention (which was done multiple times by multiple concerned citizens).

Third, the council must address and plan for the effects of whatever version of the plan they uphold. Education is a major factor that is sensitively intertwined with housing segregation, race/ethnicity concentration, and poverty concentration. In order to build a better future for our families, friends, and neighbors, we must ensure a comfortable livelihood and access to a decent, if not better, education. It must be recognized the intersectionality of each and every policy we propose. The plan that was written will simply not suffice to address the issues it was meant to, let alone the issues that will arise as a result of inaction or misaction.

And finally, I appreciate the research that seemed to go into the draft, but I wonder where the voices of those it will affect appear? A public hearing and the taking of comments is a good attempt, but it is not a secret the difficult and busy lives that the target population endures. In person field research must be conducted to gather qualitative first person accounts of the plethora of issues.

I realize my comments are vague, but I would appreciate their consideration. Thank you again for allowing this opportunity and please understand this is only constructive criticism. I have confidence in the council yet.

Yours,

Priscila Barron Sanchez.

LAW OFFICES
OF
DALE G. SWANSON

407 WEST BROADWAY AVENUE
FOREST LAKE, MINNESOTA 55025

TELEPHONE 464-6555
AREA CODE 651

September 26, 2014

HAND DELIVERED

Metropolitan Council
390 Robert St. North
St. Paul, MN 55101

Re: Draft Housing Plan Comments

1. FOUNDATION. I worked for the Minnesota House of Representatives for three years including primary staffing responsibility for the Governmental Operations Committee. I was General Council for the Minnesota Elementary School Principals' Association for over 30 years representing its members in terminations, demotions and other disputes with school boards state-wide and served as its lobbyist for that period. I was a charter member of the Forest Lake Human Rights Commission and its Chairman for six years, the Petitioners' attorney for the successful merger by annexation of the Township and City of Forest Lake and a member of the citizens' task force on affordable housing mandated by its loss of a lawsuit with an affordable housing (hereinafter "AH") contractor. I submit this establishes expertise for opinions concerning local government matters.

2. THE FOREST LAKE CASE STUDY. This will attempt a summary of Forest Lake's experience with AH over the period 2006 to the present. In 2006, an AH contractor, entered into an agreement to purchase and develop the previous District Memorial Hospital site into AH. A uniquely bigoted Planning Commissioner promptly began campaigning that this would invite the heathen, minorities, unwed mothers, those receiving public assistance and every other protected class under the Human Rights Act to appear in highly segregated Forest Lake. Against the rare advice of the City Attorney not to take such actions, the Planning Commission and City Council ignored the language of the zoning ordinance and denied the requested building and other permits. Contractor John Duffy promptly sued, outside counsel for the City became involved and the matter was settled subject to a mandate for the City to create an advisory task force on AH, assess needs and propose solutions for the Comprehensive Plan 2020 revisions then about to commence.

The Mayor and followers on the Council hired Bonestroo to consult with Plan revisions and to assist the City Planning staff in stifling and distracting the AH task force from accomplishing anything. This began with a series of meetings where staff and Bonestroo essentially filibustered with planning gibberish preventing discussion by task force members. When this pattern became evident, the task force elected a Chairman and requested additional meetings and some staff assistance. Both of the latter were denied. Borrowing a euphemism from the City Council, the task force scheduled "Workshops" at the Forest Lake American Legion and VFW which staff refused to attend. This proved very fortunate since the task force in several lengthy meetings was able to generate a fairly

comprehensive set of AH proposals, including an inclusive affordable housing requirement for new construction, relaxed controls allowing empty nesters and the elderly to more easily and economically duplex their homes and elimination of a number of loci for staff vetoes of AH projects. The Mayor and planners went wild.

The City Attorney announced that the inclusive AH provisions were illegal. We provided a copy of the Attorney General's Opinion of October 1, 2001 to the contrary, and the City Attorney first consulted the League of Cities Insurance Trust who joined in the view this AGO could be ignored. Task Force members lobbied for the City to request a second AGO which happened May 15, 2007. The League attorneys, the City Attorney and I submitted arguments on the legality of inclusive AH ordinance provisions, and on October 25, 2007 the Attorney General issued a second opinion confirming legality.

At this point, we demanded that all Task Force proposals be submitted for adoption in the Comprehensive, and after some reformatting the same were substantially submitted first to the Planning Commission.

In preparation for the public hearings, I did some additional research by assembling the HUD data on area median income, Bureau of Labor Statistics data on beginning and average incomes by occupation for this statistical area and local housing inventories and costs. In brief, new teachers, police below the rank of sergeant, tradesmen, artists and crafts people could not afford to live in Forest Lake. Many of our older veterans, including a POW and several VFW Commanders, had to move elsewhere as they grew older. It went without saying that workers in our Cub, Target and Walmart stores not living with family locally could not afford to live here. It was a revelation for many opponents to learn AH was not just a race or poverty issue.

Opponents testifying at the public hearing included Legal Counsel for the League of Cities who claimed the inclusive zoning provisions were illegal and the AGO's to the contrary should be ignored, the Builders' Association of Minnesota and the Twin Cities' Builders' Association who asserted the provisions were unfair to their members and our then State Representative, a real estate broker, who claimed AH was injurious to property values. The Planning Commission eventually recommended deletion of all Task Force proposals. The City Council then led by a new Mayor approved the Comprehensive Plan with those provision. Irony then stepped in, and the City planning staff and Bonestroo consultant who had done almost everything to defeat the Task Force efforts received special awards from state and national associations for professional planners. Members of the Task Force received their annual leadership in AH awards.

The real estate market was then severely depressed and remained so for most of the next six years preventing application of the new AH provisions reduced to ordinance provisions after adoption of the Comprehensive Plan. The Task Force obviously disbanded, the Chairman passed away, leadership moved away and the rest assumed the issue had been successfully resolved. But at the first signs of a real estate recovery, the "community development" staff faced with an across the board staff reorganization proposed to repeal the pertinent ordinance provisions. With no contact with Task Force members nor a single mention in the local media, the inclusive AH ordinance

provisions were unanimously repealed March 24, 2014 despite the unchanged Comprehensive Plan language to the contrary.

3. GENERAL OVERVIEW. The Draft Housing Plan (hereinafter "Plan") is so vague and vacuous it appears the product of either profound naivete or ignorance. Instead of the Pollyannaish world assumed in the Plan, the Housing staff should rub shoulders with the Sewer staff to get a more realistic view of the socioeconomic battles involved. Most importantly, the Plan largely ignores some of the most important and powerful players affecting AH issues as hopefully illustrated by the Forest Lake Case Study.

4. THE IGNORED AH OPPONENTS. The Plan largely ignores or disguises the 800 lb. Gorilla in the AH room which is the Construction and Land Development Sector which opposes AH as restricting its profits. It is a principal role of government generally and land use in particular to sometimes restrict private property rights in the interests of the general good. Their opposition is neither just philosophical nor benign. It is active, aggressive and comes with substantial lobbying support at the local, state and national levels. This should be recognized and boldly confronted.

5. LOCAL LEVEL CONFLICTS OF INTEREST. One of the budgetary sleight of hand tricks adopted by nearly all municipalities is to make compensation of planners and inspectors dependent in whole or in part on development fees. This creates conflicts in two regards. Some fees are based on a percentage of project costs, and as total costs on AH are generally lower than market rate, this compensation stream is reduced. In addition, it is common as with the Duffy Project in Forest Lake to waive some fees altogether on AH projects. Where not only individual AH projects, but longer range AH policies are so compensation-adverse for municipal staff, it is absurd to ignore the conflicts of interest and expect the ballot box and intermittent citizen uprisings to counterbalance. That was certainly present in Forest Lake where City staff actively and patently worked against citizens and a court ordered Task Force.

While City Clerks and possibly Attorneys really do not have compensation related conflicts of interest, they clearly are personally and professionally programmed to avoid controversy. Staffing firms have now grown up to find and recommend candidates for the high income jobs of school superintendent or city administrator and one of the preliminary resume and background screens is for controversies. It was no coincidence that the League of Cities and its Insurance Trust took such a major interest in AH proposals in Forest Lake. Other League members have a major interest in both avoiding and not attracting or facilitating such controversies.

The Plan is flawed in failing to recognize such conflicts and incorporate provisions to defend against them on behalf of the region and its citizenry. While a very small part of all the cooperation and collaboration language may be worth while, administering vacuous policies while humming "Kumbaya" will really do much more harm to the goals of AH than good.

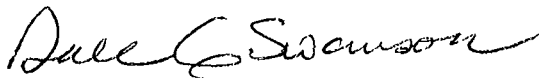
6. CITIZEN EXPECTATIONS. The people most in need of AH are not only those with the least money and power to encourage and protect it, but have the least time to devote. Even those with

time, money and power can be put off by self interested municipal staffs and a silent or ill prepared media. What does someone serving on an AH Task Force have to do six years after it obtains the only inclusive AH Comprehensive Plan and ordinance provisions in the State of Minnesota and disbands? Forest Lake has been a showcase of the multitude of bigotries and conflicts that must be overcome. We respectfully submit the Metropolitan Council owes a duty to us and other municipalities to help.

7. CONCLUSIONS. If the Plan is worth doing, it is worth doing right. We also seem to expect more from the rascals at the State level than the rascals at the Local level. The Plan needs accountability standards. As a labor lawyer, I know the threat of a strike has settled many more disputes than the strike. Create and maintain that sort of leverage in the Plan.

As I have previously mentioned the same, I am enclosing as attachments the AGO's, an article by former Minnesota Newspaper Association President Bob Shaw and a local offering of my published in the Forest Lake Times.

Respectfully submitted,

A handwritten signature in cursive script that reads "Dale G. Swanson". The signature is written in dark ink and is positioned above the printed name.

Dale G. Swanson

Encl.

604,280,844

Affordability is tough sell in suburbia

Updated: 06/30/2008 01:50:26 PM CDT

TwinCities.com

Greg Bogut lives in a \$575,000 home.

He can afford it.

To him, that makes it affordable housing.

What bothers him is affordable housing that people can't afford without a government subsidy — such as the town homes he can see from his front porch.

The affordable complex has slashed the value of his Woodbury house, he says.

"If I had known then what I know now," Bogut said, "I wouldn't have moved here."

He would have had many alternatives. While Woodbury embraces affordable housing — government-subsidized or not — dozens of Twin Cities suburbs don't.

Traditionally, homeowners like Bogut have made the suburbs hostile territory for affordable housing. The lack of affordability is written into building codes, integrated into local regulations and woven into suburban culture.

But the anti-affordable way of life is under attack.

The Metropolitan Council has set goals for new affordable housing through 2020 — assigning 86 percent to the suburbs. Its plan calls for nearly one in three new housing units to be affordable, defined as housing for which occupants pay no more than 30 percent of monthly income.

With demand for affordable housing hitting an all-time high, the suburbs have dodged their responsibilities long enough, said Chip Halbach, director of the nonprofit Minnesota Housing Partnership. "We would like to see a fair share of affordable housing in every community," he said.

That raises questions that will rage through the suburbs for decades: What is a "fair share"? How much affordability should each suburb offer?

GOALS 'HAVE NO TEETH'

Landfall and Hilltop, with their mobile home parks, are full of units listed as affordable. Millionaire enclaves North Oaks and Sunfish Lake have almost none.

But between those extremes, the amount of affordable housing varies greatly, even in similar suburbs. Burnsville, for example, has more than twice the number of subsidized affordable units per capita as Eagan. Stillwater has three times as many per capita as Lakeville.

Looking ahead, the Met Council has set goals for construction of new affordable housing according to a formula that considers:

- Land availability and prices. Affordable-housing developers are usually small businesses and can't compete against big national builders. "They have to buy little parcels and plug in affordable housing where they can," Met Council analyst Guy Peterson said.
- Availability of mass transit that allows workers to commute by bus or light rail, cutting down on highway congestion.
- Availability of nearby jobs.

The Met Council is aiming for 51,000 new affordable units between 2011 and 2020.

But that assumes the suburbs will cooperate. And if history is an indication, they won't.

The Met Council can force suburbs to plan for regional infrastructure such as sewers or roads. But to promote affordable housing, it can only offer incentives — such as payments for future projects to cities that cooperate.

That leaves suburbs free to ignore the goals.

"They really have no teeth," Apple Valley City Council Member Tom Goodwin said.

Suburbans "don't come right out and say they don't want it," he said. "They say, 'Gee, if we had a place to put it, we would.' "

Apple Valley now has more than twice as much subsidized affordable housing per capita as some of its neighbors, which Goodwin said is not fair.

When he has asked supporters of affordable housing if other cities are taking their share, "they just look down at their shoes. I am amazed at communities that turn it down and get away with it."

Afton, for example, has no subsidized affordable housing. Lake Elmo, a city of 7,700, has a single unit.

The reason is simple, Lake Elmo Mayor Dean Johnston said. Voters don't want it.

"Around here, affordable housing has a bad reputation. People think it brings in crime and density, and no one wants either of those," he said.

But does Lake Elmo have a moral obligation to the metro area?

"I don't want to get into the moral-obligation argument," Johnston said. It's better, he said, to provide affordable housing that isn't government-financed — such as the 500 trailer homes in Lake Elmo's Cimarron mobile home park.

The city's stock of unsubsidized affordable homes will soar, he said, with the completion of the Old Village expansion of the downtown area.

Sometimes, local opposition can be so strong that affordable housing can be built only with legal muscle. Forest Lake accepted the Forest Ridge affordable housing complex in December only after losing a lawsuit.

THE RIGHT THING TO DO?

Supporters of affordable housing are honing their arguments, which are bound to be heard more in the future.

When promoting the units, backers stress they aren't like the crime-ridden tenements of the 1960s. New affordable units are well managed to keep crime controlled and are built attractively to fit into neighborhoods.

"Affordable housing has learned its lesson," said Ed Goetz, professor of urban and regional planning for the Humphrey Institute of Public Affairs at the University of Minnesota.

Another argument is that affordable housing is "work force housing," where local workers can afford to live. Businesses benefit by having lower-wage workers living nearby, supporters say.

But the most common argument is moral — that providing decent, safe and affordable housing is the right thing to do.

It's an easier sell if officials see affordable housing as helping the elderly or disabled. That's who occupies two-thirds of the units in St. Paul public housing, according to St. Paul Public Housing Agency director Jon Gutzmann.

"I hear this all the time: 'I am 80. I lost my husband. I worked my entire life. Thank God you have a program to allow me to stay in my neighborhood and not a nursing home,'" Gutzmann said.

"I say thank God and Congress," he said.

In some cases, the affordability arguments are already having an impact.

"I am upbeat about it," said Stev Stegner, mayor of Forest Lake, which only last year was fighting affordable housing. "We need affordable housing in all communities."

Woodbury is ahead of its Met Council goals, with more than 1,800 affordable units added since 1996. This is, in part, because Woodbury is the metro area's suburban leader in Habitat for Humanity homes, with 40.

Planning and Economic Development director Janelle Schmitz said affordable housing is part of city policy. "Without it, our own children won't be able to live here," she said.

But there will always be skeptics.

School teacher Erin Burton is planning to have children but not until she and her husband can move away from Forest Ridge in Forest Lake.

"It looks new and nice," said Burton, gazing at the development from her front doorway. But she said crime is common there. She doesn't feel good about the occupants.

But doesn't everyone deserve an affordable place to live?

Burton paused, choosing her words carefully — she teaches some children who live there.

"I have a hard time saying they have to live somewhere else," she said. "But still, I would rather not have it there."

Bob Shaw can be reached at 651-228-5433.

THE WAR OVER AFFORDABLE HOUSING

Ballot box only recourse to fix affordable housing flaws

Wednesday, 10 September 2008

Dale Swanson

Guest Columnist

The recent protestations of the Twin Cities Builders' Association, the Metro Cities and the League of Municipalities Insurance Trust about "inclusive" or mandatory affordable housing policies omit why mandates may be the only hope for affordable housing. Mandates have a long and honored history in this country.

James Madison, writing for himself and Thomas Jefferson, convinced a nation that certain unalienable rights were so important as to warrant protection from government and even the majority of the public with the mandates of the Bill of Rights. Aware of the nature of governments and majorities to become greedy and tyrannical, those mandates require for example that due process precede any abridgement of life, liberty or property and that no private property be taken without payment of just compensation.

As we continued to grow wiser about the failings of government and majorities, we have added mandates to advance other important social goals such as abolishing slavery and assuring women and people of color the right to vote.

The housing policies adopted in my community of Forest Lake have resulted in a new housing market where not only the poor or people of color cannot live, but teachers, police, nurses and trades men and women cannot afford to own or rent new housing.

The existing voluntary policies result in retirement, loss of a spouse's social security or pension payment or a significant unforeseen expense requiring a move out of town. In Forest Lake, reference to going "Up North" or "Down South" may not only mean vacation time, but the need to move to affordable housing elsewhere. A recent city housing study refers to the term "starter homes," coined by local realtors to mean homes priced at \$270,000 or less, but notes only four of the last 550 homes built would qualify.

Like the Andersen fairy tale, it may be that only mandates can end what at best is

myopic denial and reveal that those leading our cities have been wearing no clothes.

The criticisms from the developers and builders that the mandates would be unfair or inequitably pursue a social goal are deceptive. Current voluntary policies also advance social goals and protect market conditions which have winners and losers, the latter having been previously described.

The winners include those able to take land valued for tax purposes at perhaps \$2000 per acre and within months sell it for \$60,000. Minimum building requirements with extravagant provisions assuring only the very wealthy can afford them favor those whose social goals are culturally, racially, socially, economically and functionally segregated populations.

So let's compare. We know without guessing that decades of voluntary housing policies have not only produced segregated communities, they have required them. They now not only keep out "those" people, but the children, teachers, police and firefighters and retail employees of our existing population.

The ranks of the "losers" under the voluntary scheme now include a growing group who look exactly like those who created the social barriers. The winners still make fortunes which usually leave the community. Inclusive or mandatory affordable housing policies would likewise advance social goals and have winners and losers.

The "losers" would be those profiting somewhat less since some of the land and buildings in each development would have to be affordable. If this was truly mandated, however, the market itself would change with owners and developers receiving lesser profits, prices going down as extravagances were removed and a host of charitable, religious and other social organizations filling the gap between the new market prices and affordability. The winners would be not only those able to afford remaining in or coming to our communities, but the entire community receiving a socially and culturally more diverse, broad based and enriched citizenry.

The last time the Forest Lake City Council voted on this subject a majority consisting of Bull, Ochs and Bogotty voted against affordable housing and for the greedy and the segregators happy with the old ways.

That represents about 2 percent of the people I see each week. What about you?

When a community is betrayed by its elected representatives and city staff, the ballot box is the only recourse. If only those whose parents and children cannot afford the \$270,000 "starter homes" all vote, then Forest Lake might become more friendly to mandatory affordable housing..

The writer is a former member of the Forest Lake Human Rights Commission.

Forest Lake Times September 10, 2008

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STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

LORI SWANSON
ATTORNEY GENERAL

October 25, 2007

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ST. PAUL, MN 55155
TELEPHONE: (651) 296-6196

Mr. David K. Hebert
Forest Lake City Attorney
Hebert and Welch, PA
Town Square
20 North Lake Street, Suite 301
Forest Lake, MN 55025

Dear Mr. Hebert:

I thank you for your correspondence dated June 27, 2007 concerning the authority of the City of Forest Lake (the "City") to require inclusion of affordable housing in new residential developments.

Facts and Background

You state that as part of a settlement of a recent lawsuit relating to allowance of affordable housing in Forest Lake, the City agreed to review its comprehensive plan and land use controls, with the goal of increasing the amount of affordable housing in the City. You also state that following a study by a City task force, a draft ordinance to encourage affordable housing was discussed. You state that options proposed to accomplish that goal included the following:

1. Requiring developers of developments of ten or more dwelling units to provide 20% of new rental units or 20% of new owner-occupied units to be "affordable" as defined by certain standards.
2. Requiring developers who did not wish to provide affordable units in their developments to pay a fee based on the difference between market rate units and affordable units to be placed in a trust fund to subsidize construction of affordable housing units in other subdivisions or to aid in converting existing units from market rate to affordable housing.
3. Limiting the amount of housing costs for affordable rental units to an amount not exceeding a monthly rental affordable at 30% of area median income for Washington County.
4. Limiting the amount of housing costs for for-sale units to an amount not exceeding monthly costs affordable at 50% of area median income for Washington County.



5. Establishing a number of City-sponsored initiatives such as waiving part or all of various utility and building permit fees, tax abatement and similar tools.

You ask the following questions:

1. In light of Minnesota Statutes § 462.358 and/or any other applicable law, does a city have express or implied authority to mandate affordable housing in the manner described in items 1 and 2 above?
2. Does mandating a percentage of affordable housing in the manner described in items 1 and 2 above constitute a regulatory taking for which compensation must be paid?
3. Can a city require that a developer/contractor include procedures for determining and reviewing the eligibility of proposed buyers and both proposed and existing renters of affordable housing in satisfaction of the mandate to provide affordable housing as described in item 1?
4. Can a city mandate the formula or standard by which prices or rents of affordable units are established?
5. Can a city require that any affordable housing receiving city funds or incentives remain affordable if resold within a specified term such as 30 years?

Law and Analysis

First, as you point out, an October 1, 2001 opinion letter from this Office to the St. Cloud City Attorney (copy enclosed) concluded on the basis of the language in Minn. Stat. § 462.358, subd. 1a, that municipalities were authorized, in general, to impose subdivision regulations requiring that portions of new residential subdivisions consist of "affordable" housing. This statute recognizes that, in order "to promote the availability of housing affordable to persons and families of all income levels," "a municipality may by ordinance adopt subdivision regulations establishing standards, requirements, and procedures for the review and approval or disapproval of subdivisions."¹ The letter expressed doubt, however, as to whether a city has the authority to collect monetary payments from developers in lieu of providing such affordable housing units.

¹ Consistent with Op. Atty. Gen. 629a, May 9, 1975, the letter did not express any opinion concerning the validity of any specific ordinances designed to accomplish that result.

Second, in 2002, the Legislature enacted a new subdivision to Minn. Stat. § 462.358, which provides as follows:

Subd. 11. AFFORDABLE HOUSING. For the purposes of this subdivision, a "development application" means subdivision, planned unit development, site plan, or other similar type action. If a municipality, in approving a development application that provides all or a portion of the units for persons and families of low and moderate income, so proposes, the applicant may request that provisions authorized by clauses (1) to (4) will apply to housing for persons of low and moderate income, subject to agreement between the municipality and the applicant:

(1) establishing sales prices or rents for housing affordable to low- and moderate-income households;

(2) establishing maximum income limits for initial and subsequent purchasers or renters of the affordable units;

(3) establishing means, including, but not limited to, equity sharing, or similar activities, to maintain the long-term affordability of the affordable units; and

(4) establishing a land trust agreement to maintain the long-term affordability of the affordable units.

Clauses (1) to (3) shall not apply for more than 20 years from the date of initial occupancy except where public financing or subsidy requires longer terms.

Act of April 5, 2002, Ch. 315, § 1, 2002 Minn. Laws 517, codified as Minn. Stat. § 462.358, subd. 11 (hereinafter referred to as "The 2002 Act").

Third, we find nothing in the 2002 Act that calls for any change in the opinion of this Office as expressed in the October 1, 2001 letter to the St. Cloud City Attorney. The general language of § 462.358, subd. 1a authorizing municipalities to impose subdivision regulations requiring that portions of new residential subdivisions consist of "affordable" housing was not modified or repealed by the Legislature. We do not agree with the conclusion expressed by the League of Minnesota Cities Insurance Trust in its May 15, 2007 letter to you that the 2002 Act curtailed existing municipal authority to include affordable housing requirements in subdivision regulations. Rather, we see the added provisions as complementary to a municipality's general authority under Minn. Stat. § 462.358, subd. 1a, by clarifying municipal authority to utilize particular means and processes in achieving affordable housing goals. Further, we note that for municipalities in the metropolitan area, additional authority for requiring affordable housing is found in Minn. Stat. § 473.859, which among other things, requires municipal comprehensive

plans and implementation programs to promote the development of low and moderate income housing.

Fourth, legislative history indicates that the bill was prompted to a substantial degree by uncertainty on the part of municipalities as to their authority to utilize the specified mechanisms in promoting the inclusion of affordable housing in new real estate developments. For example, Mr. Tom McElveen testified as a representative of the Builders' Association of Minnesota before the House Commerce, Jobs and Economic Development Committee on February 27, 2002 as follows:

Any time there is a direct subsidy in a unit, whether it be from local sources like tax increment financing; state sources, through your own housing finance agency, for federal sources such as taxes and revenue bonds or home money through other such federal sources, it's absolutely clear that you can have sale price restrictions, income restrictions, and long term affordability restrictions. What this bill does is take us all to the next level. What we're trying to do out there is create affordable housing without the use of these deep subsidies. And we've actually got two case studies right now, one in Chanhassen and one in the city of Chaska where, through density bonuses and other regulatory relief, the developer has been able to bring the for-sale price down to below market prices, and has accomplished that without the use of local, state, or federal subsidies. Lacking those subsidies, the testimony the city of Chaska provided to the inclusionary Housing Task Force through the Minnesota Housing Finance Agency last fall, it's unclear as to whether or not a city and a developer can establish sale price limitations, income limits, and long term portability requirements. So in my view, this bill adds to the toolbox, would make it explicit that where we're to achieve those affordability objectives and those public policy objectives of workforce, providing workforce housing, we have the legal means explicitly to do those things.

Fifth, while the 2002 Act perhaps could have benefited from less convoluted language, it seems clear that municipalities are authorized to require the developer's agreement to some or all of the listed restrictions as a condition of approval of a subdivision or planned unit development. The new language acknowledges that, if a municipality's regulations provide for the inclusion of some "affordable housing," approval of the development application may be conditioned on the developer's agreement to terms referenced in clauses (1) to (4) of that provision. Indeed, the prefatory language of section 462.358, subd. 11 is written in the following context: "[i]f a municipality, in approving a development application" If the legislature did not intend to allow a municipality to disapprove a development application on the basis provided for in the statute, there would have been no need to refer to the municipality's approval of the application. A contrary result would essentially give a developer a "veto" over a municipality's affordable

housing ordinance.² See Minn. Stat. §§ 645.17(2) (legislature intends entire statute to be effective). Had the Legislature intended such a departure from existing law, it presumably would have stated so expressly and would have repealed subdivision 1a of the statute, which it left intact. For municipalities in the metropolitan area, such "veto" authority by a developer could impede a municipality's ability to comply with its requirement to have comprehensive plans and implementation programs to promote the development of low and moderate income housing under Minn. Stat. § 473.859.

Sixth, we similarly find nothing in the 2002 Act that calls for any change in the opinion of this Office as expressed in the October 1, 2001 letter to the St. Cloud City Attorney concerning whether a municipality is authorized to impose fees in lieu of providing affordable housing. That is not one of the mechanisms specifically authorized by the 2002 Act, or by any other legislation that of which we are aware.

Seventh, for reasons discussed in Op. Atty. Gen. 629a, May 9, 1975 (copy enclosed), Attorney Generals' Opinions are not ordinarily directed to questions that are hypothetical or fact-dependent in nature. For that reason, we do not formally opine on whether application of a hypothetical ordinance might be seen as a taking in some hypothetical future setting. I should note, however, that we are not aware of any authority for the categorical proposition that requiring residential property developments to include a portion consisting of affordable housing units would in itself constitute a taking. Indeed, we are aware of a number of municipalities in the metropolitan area that have affordable housing ordinances, and we are not aware of a successful challenge to these ordinances under a "takings" analysis. In *Nolan v. California Coastal Community*, 483 U.S. 825, 107 S. Ct. 3191 (1987) and *Dolan v. City of Tigard*, 512 U.S. 374, 114 S. Ct. 2309 (1994), the Court held that requiring property developers to permanently dedicate a portion of their property for public use as a condition for obtaining needed building permits, could be considered a taking if the requirement was not reasonably related, and proportional, to the impact of the proposed development on local resources. Cf. Minn. Stat. § 462.358, subd. 2b(e) (dedication requirements must be based upon need attributable to subdivision). Requiring a proposed subdivision to meet legitimate requirements related to land use does not ordinarily involve the type of transfer of actual ownership rights that was present in *Nolan* and *Dolan*. Nor should such requirements in general result in a taking determination based upon denial of all economically beneficial uses of a developer's land as discussed in *Lucas*

² Should a developer challenge a municipality's refusal to approve a particular application in the absence of such an agreement as unreasonable under the facts and circumstances of any particular case, the matter may be addressed by a court on a case-by-case basis. See, e.g., *Concept Properties, LLP v. City of Minnetrista*, 694 N.W.2d 804, 815 (Minn. Ct. App. 2005) (rev. denied July 19, 2005); *Wensmann Realty Inc. v. City of Eagan*, 734 N.W.2d 623, 630 (Minn. Ct. App. 2007).

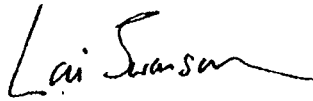
v. South Carolina Coastal Council, 505 U.S. 1003, 112 S. Ct. 2886 (1992). *See also Wensmann Realty Inc. v. City of Eagan*, 734 N.W.2d 623 (Minn. 2007).

Finally, the legislative history of section 462.358, subd. 11 reflects a general understanding that, even before the enactment of the 2002 Act, the establishment of the requirements described therein could well be an element in the process of negotiating terms for municipal financial subsidies. The scope of a municipality's authority or responsibility to impose conditions upon the development of housing projects receiving public subsidies must also be determined with reference to the statutes governing the particular programs under which the subsidies are provided. *See, e.g.*, Minn. Stat. Ch. 462C, §§ 469.012-469.022, 469.034 (2006).

Opinion

In summary, we adhere to our previous opinion that municipalities have authority under Minn. Stat. § 462.358 (and under section 473.859 for metropolitan-area cities) to require that subdivision developments include affordable housing and that developers agree to reasonable measures of the type listed in Minn. Stat. § 462.358, subd. 11 designed to aid in achieving affordable housing goals.

Sincerely,



LORI SWANSON
Attorney General

Enclosures: *Op. Atty. Gen. (Oct. 1, 2001)*
Op. Atty. Gen. 629a (May 9, 1975)

AG: #1887660-v1



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October 1, 2001

Mr. Jan F. Petersen
St. Cloud City Attorney
400 Second Street South
St. Cloud, MN 56301-3699

Dear Mr. Petersen:

Thank you for your letter dated July 25, 2001 and supplemental materials received on August 16, 2001 concerning St. Cloud's proposed affordable housing ordinance.

FACTS

You state that the City of St. Cloud has under consideration a 16-page ordinance that would generally require residential housing developments comprising more than six owner-occupied dwellings to include a specific percentage of "affordable residential units" (ARUs). Furthermore, the ARUs may only be sold to "eligible persons" as defined by the ordinance for a maximum price as determined by a designated "service provider."

ARUs may be resold during the first 10 years after original sale for no more than a "maximum resale price" as determined according to the terms of the ordinance. During the second 10 years after the first sale the seller must pay 50 percent of the capital gains realized to the city's service provider for the city's "affordable housing fund." The developer will be required to execute and record restrictive covenants assuring that restrictions on the ARUs will run with the land for at least 20 years.

A developer of less than 20 housing units who does not wish to build the required number of ARUs may make an in lieu payment to the affordable housing fund for each ARU not built. Developers of larger projects may be required by the city to make payments in lieu of constructing ARUs. The money in the affordable housing fund will be spent by the service provider for costs of administering the ordinance and for "other city efforts" to assist prospective homeowners to purchase ARUs. The ordinance provides for a density bonus pursuant to which a developer which constructs ARUs is allowed to develop 20 percent more residential units in the development than would otherwise be permitted.

You inquire whether a Minnesota city has the authority to adopt an affordable housing ordinance which would require a specific percentage of the dwelling units constructed in each development to be classified as affordable or, in the alternative, require a payment in lieu of providing the units.

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ANALYSIS

As noted in Op. Atty. Gen. 629a, May 9, 1975, the Attorney General's Office does not normally undertake by way of opinion a general review of a local ordinance to determine its validity or to ascertain possible legal problems. Therefore, while we can address the general authority of a city to enact an ordinance requiring construction of affordable housing units in connection with residential property development, we decline to render an opinion concerning the validity of the particular proposed ordinance submitted.

It should be noted, however, that a city does have general statutory authority to enact requirements for construction of affordable housing units in connection with development of residential subdivisions. As political subdivisions of the state, cities have those powers that are conferred by statute or charter or necessarily implied therefrom. *See, e.g., Mangold Midwest Co. v. Village of Richfield*, 274 Minn. 347, 143 N.W.2d 813 (1966). The authority for cities to adopt official controls regulating private land use and development is contained in Minn. Stat. §§ 462.351-462.365. We are not aware, however, of express statutory authority for the specific type of regulation proposed by the city.¹ General authority to regulate land subdivision is contained in Minn. Stat. § 462.358, which provides in subdivision 1a:

To protect and promote the public health, safety, and general welfare, to provide for the orderly, economic, and safe development of land, to preserve agricultural lands, *to promote the availability of housing affordable to persons and families of all income levels*, and to facilitate adequate provision for transportation, water, sewage, storm drainage, schools, parks, playgrounds, and other public services and facilities, a municipality may by ordinance adopt subdivision regulations establishing standards, requirements, and procedures for the review and approval or disapproval of subdivisions. The regulations may contain varied provisions respecting, and be made applicable only to, certain classes or kinds of subdivisions. The regulations shall be uniform for each class or kind of subdivision.

(Emphasis added.)

This language, in our view, provides statutory authority for enactment of a subdivision regulation providing for a reasonable portion of residential subdivisions to consist of housing units that would be affordable to persons of low or moderate income. However, as noted above, we express no opinion as to whether the proposed sample ordinance submitted would be a permissible mechanism to exercise that authority.

¹ Bills have been introduced in the current legislative session that would expressly authorize municipalities to require residential subdivisions to include affordable housing. *See* H.F. 1952, 1953, and 2400; S.F. 1217. However, none have been enacted to date.

Whether a city has the authority to collect monetary charges in lieu of providing affordable housing units is less likely. Minn. Stat. § 462.358, subd. 2a specifically authorizes a city to require a monetary deposit to assure that required public improvements are made within a development. Subdivision 2b further provides that a city may require a certain portion of a subdivision to be dedicated for purposes of conservation, parks, recreational facilities, playgrounds, trails, wetlands, or open space, but may choose to accept cash payment in lieu of the dedications.²

Neither of these provisions or other statutes, to our knowledge, authorize collection of money in lieu of providing affordable housing. Absent such authority, we doubt that such a cash payment alternative requirement would be permissible. Minnesota courts have, as a general matter, broadly construed the regulatory authority granted by land use control statutes. *See, e.g., Naegele Outdoor Advertising v. Village of Minnetonka*, 281 Minn. 492, 162 N.W.2d 206 (1968); (City has implied power under zoning laws to eliminate nonconforming uses); *Almquist v. Town of Marshall*, 308 Minn. 52, 245 N.W.2d 819 (1976); (Town had implied power to impose temporary moratorium on land development). However, they have not been inclined to infer authority for a municipality to impose revenue raising monetary charges from general statutory authority for zoning and subdivision regulation. This is especially the case where the other statutes specifically provide for means of funding actions sought to be financed by the disputed charges. *Cf. Country Joe, Inc. v. City of Eagan*, 560 N.W.2d 681 (Minn. 1997) (no implied authority for city to impose road "connection charge" to raise revenue for street projects for benefit of the public in general).

Minnesota statutes that authorize municipalities to subsidize construction or purchase of low and moderate income housing also authorize particular forms of funding for such activities. *See, e.g.,* Minn. Stat. §§ 462C.07 (revenue bonds), 469.033 (federal grants, bonds, special benefit taxes on all taxable property), 469.174, *et seq.* (tax increment financing). These do not, however, appear to include the sort of in-lieu charge contemplated here.

CONCLUSION

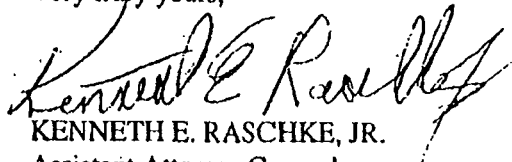
We believe that cities are generally authorized to enact regulations requiring residential subdivisions to include a reasonable proportion of housing affordable to low or moderate income purchasers, but may not, absent more specific statutory authority, be authorized to provide for payment of a monetary charge in lieu of the required units.

² *But see Kottschade v. City of Rochester*, 537 N.W.2d 301 (Minn. Ct. App. 1995) (City must show relationship between the property development and the city's need for land dedication).

Mr. Jan F. Petersen
October 1, 2001
Page 4

I hope this analysis is helpful to you in advising the city on this matter.

Very truly yours,



KENNETH E. RASCHKE, JR.
Assistant Attorney General

(651) 297-1141

Opinions of the Attorney General

Hon. WARREN SPANNAUS

ATTORNEY GENERAL: OPINIONS OF: Proper subjects for opinions of Attorney General discussed.

Thomas M. Sweeney, Esq.
Blaine City Attorney
2200 American National Bank Building
St. Paul, Minnesota 55101

May 9, 1975
629-a
(Cr. Ref. 13)

In your letter to Attorney General Warren Spannaus, you state substantially the following

FACTS

At the general election in November 1974 a proposal to amend the city charter of Blaine was submitted to the city's voters and was approved. The amendment provides for the division of the city into three election districts and for the election of two council members from each district. It also provides that the population of each district shall not be more than 5 percent over or under the average population per district, which is calculated by dividing the total city population by three. The amendment also states that if there is a population difference from district to district of more than 5 percent of the average population, the charter commission must submit a redistricting proposal to the city council.

The Blaine Charter Commission in its preparation and drafting of this amendment intended that the difference in population between election districts would not be more than 5 percent over or under the average population for a district. Therefore, the maximum allowable difference in population between election districts could be as great as 10 percent of the average population.

You then ask substantially the following

QUESTION

Does the Blaine City Charter, as amended, permit a maximum population difference between election districts of 10 percent of the average population per district?

OPINION

The answer to this question depends entirely upon a construction of the Blaine City Charter. No question is presented concerning the authority to adopt this provision or involving the application or interpretation of state statutory provisions. Moreover, it does not appear that the provision is commonly found in municipal charters so as to be of significance to home rule charter cities generally. See Minn. Stat. § 8.07 (1974), providing for the issuance of opinions on questions of "public importance."

* Minn. Stat. § 8.07 (1974) lists those officials to whom opinions may be issued. That section provides as follows:

The attorney general on application shall give his opinion, in writing, to county, city, town attorneys, or the attorneys for the board of a school district or unorganized territory on questions of public importance; and on application of the commissioner of education he shall give his opinion, in writing, upon any question arising under the laws relating to public schools. On all school matters such opinion shall be decisive until the question involved be decided otherwise by a court of competent jurisdiction.

See also Minn. Stat. §§ 8.06 (regarding opinions to the leg-

IN THIS ISSUE

Subject	Op. No.	Dated
ATTORNEY GENERAL: Opinions Of.	629-a	5/9/75
COUNTY: Pollution Control: Solid Waste.	125a-68	5/21/75

In construing a charter provision, the rules of statutory construction are generally applicable. See 2 McQuillin, Municipal Corporations § 9.22 (3rd ed. 1966). The declared object of statutory construction is to ascertain and effectuate the intention of the legislature. Minn. Stat. § 645.16 (1974). When the words of a statute are not explicit, the legislature's intent may be ascertained by considering, among other things, the occasion and necessity for the law, the circumstances under which it was enacted, the mischief to be remedied, and the object to be attained. Id.

Thus, an interpretation of a charter provision such as that referred to in the facts would require an examination of a number of factors, many of which are of a peculiarly local nature. Local officials rather than state officials are thus in the most advantageous position to recognize and evaluate the factors which have to be considered in construing such a provision. For these reasons, the city attorney is the appropriate official to analyze questions of the type presented and provide his or her opinion to the municipal council or other municipal agency. The same is true with respect to questions concerning the meaning of other local legal provisions such as ordinances and resolutions. Similar considerations dictate that provisions of federal law generally be construed by the appropriate federal authority.

For purposes of summarizing the rules discussed in this and prior opinions, we note that rulings of the Attorney General do not ordinarily undertake to:

- (1) Determine the constitutionality of state statutes since this office may deem it appropriate to intervene and defend challenges to the constitutionality of statutes. See Minn. Stat. § 555.11 (1974); Minn. R. Civ. App. P. 144; Minn. Dist Ct. (Civ.) R 24.04; Op. Atty. Gen. 733G, July 23, 1945.
- (2) Make factual determinations since this office is not equipped to investigate and evaluate questions of fact. See, e.g., Ops. Atty. Gen. 63a-11, May 10, 1955 and 121a-6, April 12, 1948.
- (3) Interpret the meaning of terms in contracts and other agreements since the terms are generally adopted for the purpose of preserving the intent of the parties and construing their meaning often involves factual determinations as to such intent. See, Op. Atty. Gen. 629-a, July 25, 1973.
- (4) Decide questions which are likely to arise in litigation which is underway or is imminent, since our opinions are advisory and we must defer to the judiciary in

Isalature and legislative committees and commissions and to state officials and agencies) and 270.09 (regarding opinions to the Commissioner of Revenue).

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such cases. See Ops. Atty. Gen. 519M, Oct. 18, 1956, and 196n, March 30, 1951.

(5) Decide hypothetical or moot questions. See Op. Atty. Gen. 519M, May 8, 1951.

(6) Make a general review of a local ordinance, regulation, resolution or contract to determine the validity thereof or to ascertain possible legal problems, since the task of making such a review is, of course, the responsibility of local officials. See Op. Atty. Gen. 477b-14, Oct. 9, 1973.

(7) Construe provisions of federal law. See textual discussion *supra*.

(8) Construe the meaning of terms in city charters and local ordinances and resolutions. See textual discussion *supra*.

We trust that the foregoing general statement on the nature of opinions will prove to be informative and of guidance to those requesting opinions.

WARREN SPANNAUS, Attorney General
Thomas G. Mattson, Assist. Atty. Gen.

COUNTY: POLLUTION CONTROL: SOLID WASTE: A county may require all households to pay for solid waste collection services if such a requirement is necessary in order to carry out the purposes of Minn. Stat. ch. 400. Minn. Stat. §§ 400.01, 400.04, and 400.05 (1974).

Luther P. Nervig, Esq.
Wadena County Attorney
503 South Jefferson
Wadena, Minnesota 56482

May 21, 1975
125a-68

In your letter to Attorney General Warren Spannaus, you state substantially the following

FACTS

Wadena County has enacted a solid waste disposal ordinance pursuant to Minn. Stat. ch. 400, the "County Solid Waste Management Act." Pursuant to the ordinance, a solid waste collection service is made available to all households in most cities of the county and a mandatory service charge is imposed for the availability of this service. Because of the relatively small population in those cities it was apparent that the service and charges had to apply to all households in order for the collection system to survive financially. Some persons do not desire to use this service and pay the charges.

You then ask substantially the following

QUESTION

Does a county have authority pursuant to Minn. Stat. ch. 400 (1974) to impose a mandatory service charge on all households in a municipality for the availability of a solid waste collection service if it has determined that this requirement is necessary in order to carry out the purposes of that chapter?

OPINION

Based upon the language of Minn. Stat. ch. 400 (1974) and prior opinions of this office interpreting the provisions of that chapter, we answer your question in the affirmative. Since factual questions are involved in determining whether a particular requirement is necessary to carry out the purposes of chapter 400, such a determination is, of course, for the county board and not this office to make.

Chapter 400 authorizes counties to operate or contract for the operation of a solid waste collection service and to obligate persons to pay "for solid waste management services to their properties." See Minn. Stat. §§ 400.03, 400.04 and 400.08 (1974). Although no provision in chapter 400 specifically authorizes a county to establish a program which makes a collection service available to all households and imposes a fee payable by all such households, Minn. Stat. § 400.04 subd. 1 (1974) provides that a county may conduct a solid waste management program which includes activities authorized by chapter 400 and other activities which are "necessary and convenient to effectively carry out the purposes" of that chapter.

Minn. Stat. § 400.01 (1974) sets forth the purposes of chapter 400 as follows:

In order to protect the state's water, air and land resources so as to promote the public safety, health, welfare and productive capacity of its population, it is in the public interest that counties conduct solid waste management programs.

A solid waste management program includes solid waste collection. Minn. Stat. § 400.03 subd. 2 (1974). It is our opinion that a county may determine that a mandatory charge of the type in question is necessary and convenient to carry out the purposes of chapter 400.

This conclusion is consistent with that reached in Op. Atty. Gen. 125a-68, Oct. 26, 1973, which held that a county could make a determination to award an exclusive contract for the collection, transportation and disposal of solid wastes within the county. That opinion stated:

Since the execution of an exclusive contract is not expressly prohibited, it is a proper activity if "necessary and convenient" to carry out the purposes of chapter 400. These purposes are summarized in Minn. Stat. § 400.01 (1971) . . . In our opinion, under appropriate factual circumstances a county may determine that promoting the objectives stated in section 400.01 requires the award of an exclusive contract for the provision of collection, transportation and disposal services. As this is a factual determination for the county board, we express no opinion as to the existence of appropriate factual circumstances in Lincoln County.

Our conclusion is also consistent with that in Op. Atty. Gen. 125a-68, June 7, 1973, where the question was whether a county could require that all solid waste generated within a county be collected and hauled only to disposal sites designated in the county solid waste management plan. It was stated:

In our opinion a county may determine, under appro-



October 1, 2014

Comments on the Housing Policy Plan were received from the following state agencies:

Council on Asian Pacific Minnesotans
MN Department of Health
MN Housing Finance Agency
MN State Council on Disability

From: Starling, Libby
Sent: Friday, August 08, 2014 8:35 AM
To: Beard, Tara; Stanley, Jonathan
Subject: FW: Public comments on the Draft 2040 Housing Policy Plan

From: PublicInfo
Sent: Friday, August 08, 2014 8:33 AM
To: Starling, Libby
Subject: FW: Public comments on the Draft 2040 Housing Policy Plan

From: Dolkar, Tenzin (CAPM) [<mailto:Tenzin.Dolkar@state.mn.us>]
Sent: Thursday, August 07, 2014 12:22 PM
To: PublicInfo
Subject: Public comments on the Draft 2040 Housing Policy Plan

Members of the Metropolitan Council,

Thank you for the publication of the 2040 Housing Policy Plan and the opportunity to provide feedback. We thank the Metropolitan Council for drafting a housing plan that seeks to ensure sustainable affordable homes for all. On behalf of the Asian Pacific Minnesotan community, our Council would like to bring several points to your attention.

The Asian population is the fastest growing group in Minnesota. Our community is extremely diverse; the aggregate data on home ownership and income does not capture the existing disparity experienced by our South-East Asian communities, especially our new refugee communities such as the Karen and the Bhutanese. Additionally, we are concerned about the lack of affordable housing for large families in the metro area. The average households' size for Asian families is 3.5 which is larger than other racial groups and often results in overcrowded housing. Large families are also less likely to receive public housing and/or experience longer waiting period due to lack of housing options to accommodate them.

Furthermore, the majority of our Asian Pacific population is concentrated in the Twin Cities area where there is a great concentration of families needing public housing and Section 8 vouchers. While public housing and Section 8 voucher program are available in the suburb areas, our families are less likely to have access to and apply for these resources due to language and transportation barriers, and limited employment opportunities. In the Twin Cities where our community experiences the greatest level of need for stable housing, our community members are discouraged from applying because of the long waiting list.

Thus, we recommend that the 2040 Housing Policy plan include:

- I. Funding for housing voucher rental assistance programs to allow consumers the choice to live in the community and the neighborhood of their choice.
- II. Increase the available funding for short-term (2-5 years) rental assistance programs to help families achieve financial stability to maintain stable housing.
- III. Insure, preserve, and create housing that accommodates large families while maintaining affordability in the metro area.

- IV. Increase participation of homeowners who are persons of color in programs such as project-based Section 8 and Low-Income Housing Tax Credits.
- V. Culturally and linguistically accessible technical assistance in the areas of community outreach, landlord outreach, and the request for proposal (RFP) process for housing voucher, Section 8, and other programs.
- VI. Strategies to consult and include leaders from cultural communities when creating methodology for the 2021-2030 Allocation of Housing Need Plan.

The Council on Asian Pacific Islander Minnesotans is concerned about the existing housing disparities and is committed to collaborating with the Metropolitan Council and other governmental agencies, non-profits, and private entities to eliminate these disparities.

Thank you for the opportunity to provide feedback. Please do not hesitate to call on our office should you have any additional questions.

Sincerely,

Tenzin Dolkar

Tenzin Dolkar | *Legislative and Public Affairs Liaison*
Council on Asian Pacific Minnesotans | 658 Cedar Street, Suite 160 | St. Paul, Minnesota 55155
(651) 757-1743 office | (651) 297-8735 Fax | Tenzin.Dolkar@state.mn.us



Metropolitan Council
390 Robert Street North
Saint Paul, MN 55101

August 29, 2014

Members of Metropolitan Council:

Thank you for the opportunity to provide feedback on your 2040 Housing Policy Plan. We appreciate your efforts to draft a housing plan that seeks to ensure sustainable affordable homes for all. On behalf of the Asian Pacific Minnesotan community, our Council would like to bring to your attention several recommendations as our response.

The Asian population is the fastest growing group in Minnesota. Our community is extremely diverse; the aggregate data on home ownership and income does not capture the existing disparity experienced by our South-East Asian communities, especially our newest refugee communities such as the Karen and the Bhutanese. Additionally, we are concerned about the lack of affordable housing for large families in the metro area. The average household size for Asian families is 3.5, which is larger than other racial groups and often results in overcrowded housing. Large families are also less likely to receive public housing and/or experience longer waiting periods due to lack of housing options to accommodate them.

Furthermore, the majority of our Asian Pacific population is concentrated in the Twin Cities area where there are a large number of families needing public housing and Section 8 vouchers. While public housing and Section 8 voucher programs are available in the suburb areas, our families are less likely to have access to and/or apply for these resources due to language and transportation barriers, and lack of employment. In the Twin Cities where our community experiences the greatest need for stable housing, our community members are discouraged from applying because of the long waiting list.

Thus, we recommend that your 2040 Housing Policy plan include:

- I. Increased funding for housing voucher rental assistance programs to allow consumers the choice to live in the community and the neighborhood of their choice.
- II. Increased funding for short-term (2-5 years) rental assistance programs to help families achieve financial stability and maintain stable housing.
- III. Sustainable housing that accommodate large families while maintaining affordability in the metro area.
- IV. Increased participation of homeowners of color (from emerging communities) in programs such as project-based Section 8 and Low-Income Housing Tax Credits.
- V. Culturally and linguistically accessible technical assistance in the areas of community outreach, landlord outreach, and the request for proposal (RFP) process for housing voucher, Section 8, and other programs.



- VI. Strategies to consult with and include (organizational and cultural) leaders from cultural communities when creating methodology for the 2021-2030 Allocation of Housing Need Plan.

Our Council remains committed to collaborating with the Metropolitan Council and other governmental agencies, non-profits, and private entities to eliminate the disparities that exist between racial and ethnic groups.

Thank you for the opportunity to provide feedback. Please do not hesitate to call on our office should you have any additional questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sia Her".

Sia Her
Executive Director
Council on Asian Pacific Minnesotans



Protecting, maintaining and improving the health of all Minnesotans

September 25, 2014

To the Metropolitan Council:

The Minnesota Department of Health's (MDH) MN Climate & Health Program reviewed the Met Council's draft Housing policy plan through the combined lens of impacts on health equity and climate change. These two focus areas support the underpinnings of the Climate and Health Program and MDH's mission to protect, maintain and improve the health of all Minnesotans.

We offer the following comments and suggestions for the Met Council's consideration:

- Page 2: "Safe, decent, and affordable housing . . ." suggest instead "Safe, *quality*, and affordable housing . . ."
- Page 10: We appreciate and support the inclusion of the following statement: "Living in areas of concentrated poverty can undermine physical and mental health."
- Page 11: We appreciate and support the inclusion of the following statement: "The need remains greatest for households at the lowest income levels or who have other significant support needs, such as mental illness, chemical dependence, or disabilities."
- Page 18: Under Local Role, bullet #2: How do crime-free and drug-free lease addendums affect people who have been previously convicted of crime/possession? This highly vulnerable community also needs somewhere to live.
- Sustainability (pages 38-40): Also consider the importance of energy efficiency not just for environmental reasons, but for increasing housing affordability for low-income households. Increasing the efficiency of a home can significantly reduce costs for heating, cooling and hot water. Are there programs in Minnesota that the Met Council can promote, such as low-interest loans?
- Page 57: While exploring the development of an "Affordable Housing SAC Credit," make sure the demolitions do not remove existing affordable housing, and if they do, the city does not receive a SAC unless they replace the affordable units at least 1:1 if not more.
- Page 58: Regarding the first bullet under *Council actions*, "Work with local governments and other appropriate stakeholders to more effectively review the Housing Element and Housing Implementation Program in the local comprehensive plans in preparation for the 2018 round of local comprehensive plan updates," MDH assessed comp plans for this element in the 2012 Healthy Planning report. We found that all comp plans we reviewed (53) recognized their share of the region's affordable housing needs. In most cases, the goal was recognized through a policy statement that addressed redevelopment initiatives. However, many of the plans lacked guidance on where those redevelopment opportunities may occur and how they would accommodate affordable housing. The lack of specific information may be a response to market uncertainties, making it difficult to determine the exact location and number of new housing units. Five communities (i.e., Brooklyn Center, Champlin, Coon Rapids, Shoreview and Lilydale) linked their housing goal to specific (re)development opportunities by assessing density ranges and developable land, which was a strong approach to meeting their affordable

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housing goals. A number of communities, like Richfield, conducted a similar type of analysis, but did not document it in the comp plan. Only analyses in the comp plans were reviewed. Based on this assessment, MDH recommended that the Met Council provide additional guidance on how future comp plans can strengthen their housing chapters to include stronger implementation sections. Comp plans from Brooklyn Center, Champlin, Coon Rapids, Shoreview and Lilydale may serve as models for describing implementation measures. MDH had similar findings and recommendations for life-cycle housing.

- Page 59: Other “best practices developed by others” that Met Council should be aware of include the following: PolicyLink Equitable Development Toolkit, Northeastern University Dukakis Center for Urban & Regional Policy’s equitable transit-oriented development (eTOD) Station Area Rating System, and the forthcoming Twin Cities Region Equitable Development Principles & Scorecard.
- Page 75-76: An additional measure to consider is the number of Met Council supported housing units (supported through development funds, Section 8, etc.) that were developed using a green building rating system or have conducted energy audits and retrofits to increase energy efficiency.

Overall, MDH supports the draft Regional Housing plan and appreciates the opportunity to comment on the document. For any clarification or questions on the comments above, please contact me at the MN Climate & Health Program at kristin.raab@state.mn.us.

Sincerely,



Kristin K. Raab, MLA, MPH
Director
MN Climate & Health Program
Minnesota Department of Health
Environmental Health Division
625 Robert Street N
St. Paul, MN 55164



400 Sibley Street | Suite 300 | Saint Paul, MN 55101-1998 | 651.296.7608
800.657.3769 | fax: 651.296.8139 | tty: 651.297.2361 | www.mnhousing.gov
Equal Opportunity Housing and Equal Opportunity Employment

September 26, 2014

Metropolitan Council
390 Robert Street North
Saint Paul, MN 55101

RE: Feedback on the draft Housing Policy Plan

To Whom It May Concern:

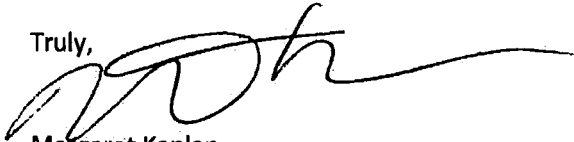
Thank you for the opportunity to provide feedback on the draft Housing Policy Plan (HPP). As the Metropolitan Council's first housing policy document in nearly 30 years, we believe that this document is an important step toward have a clear regional message about the importance of, and strategies toward, the creation of safe, stable, affordable housing in communities across the region.

- The document's emphasis on creating a range of housing options across the region is supportive of our priority for economic integration. It accommodates both place based solutions (in the form of development and investment in affordable housing in high opportunity areas) and people based solutions (in the form of voucher counseling and research of the barriers to fair housing create).
- Minnesota Housing has a strategic priority for housing preservation. We support the Council's emphasis on preservation of affordable housing; particularly housing that leverages federal investment in creating deep affordability.
- The move toward including goals at various income levels is an important step. They can encourage communities to plan for the households that are hardest to serve, while also creating homeownership opportunities for moderate income households.
- The alignment of high density mixed income housing development with regional transportation investments is consistent with our emphasis on location efficiency. We believe that this is an important strategy to create not only affordable housing, but provide access to jobs, services, and community amenities.
- The commitment provide technical assistance to local communities while maximizing the use of tools such as the CURA/HPP model statutes and the ULI Policy Toolbox will allow communities to create a stronger environment for affordable housing development

- We are eager to see the finalized methodologies for the Allocation of Need, the establishment of goals, and the Housing Performance Scores. The frameworks provided indicates the general direction that the final methodology will take, but planning for greater alignment of resources with goals will require a higher level of certainty. We look forward to working with the Met Council and other stakeholders on this important work.

We appreciate and support the Council's ongoing commitment to partnering with Minnesota Housing.

Truly,

A handwritten signature in black ink, appearing to read 'MK', with a long horizontal flourish extending to the right.

Margaret Kaplan
Community Development Director

CC: Mary Tingerthal, Commissioner, Minnesota Housing

September 26, 2014

To whom it may concern,

The Minnesota State Council on Disability (MSCOD) was established in 1973 to advise the governor, state agencies, state legislature, and the public on disability policy. MSCOD advocates for policies and programs that advance the rights of Minnesotans with disabilities. In fulfilling, MSCOD appreciates the opportunity to provide comment on the 2040 Housing Policy Plan draft.

Overall, the Housing Policy Plan draft has key positive aspects. MSCOD appreciates the acknowledgement of the 2013 Minnesota Olmstead Plan and its directive to integrate affordable accessible housing, accessible public transportation, and employment for persons with disabilities in society. Minnesotans with disabilities rely on these systems working together in order to have independent lives. Also, nearly one in three persons with disabilities live in poverty making accessible housing, transportation, and employment inextricably linked.

There are a few areas of this plan that could use some improvement in terms of housing from a disability perspective. The Olmstead plan receives one paragraph in the draft. Olmstead directs the integration of persons with disabilities into society. This draft Plan states what needs to be addressed but not how to address these issues. What is the Council doing to address the draft Plan's broad goals as they pertain to persons with disabilities laid out in pages 31 and 32?

Here are some examples of specific concerns that MSCOD and the disability community have:

- How will affordable accessible housing be acquired by the members of society who need them most? When it comes to housing for people with disabilities the words affordable and accessible are inseparable. That is, you cannot have one without the other.
- What is the Council doing in terms of Transitway planning for people with disabilities? People with disabilities need to be included at all levels of planning.
- No connection is made between Minnesota's aging population and the increased need for accessible housing. The reality is that there will be increasing numbers of aging Minnesotans in the near future and many of them will have disabilities.

- What is being done for Minnesotans with disabilities that chose to live in rural settings? Are housing, transit, and employment in the non-urban regions affected by this plan?
- What options will be available in terms of space to persons with disabilities? Many persons with disabilities require more than just one bedroom apartments for their families, children, and personal care assistants (PCA's), to name a few.

Bringing the disability community into the decision making process as this draft Plan moves forward is of the utmost importance. This is an easy way to ensure that Olmstead is fully integrated into both the Metropolitan Council and the 2040 Housing Policy Plan. Olmstead is the law based on a 1999 Supreme Court decision ruling it under Title II of the ADA. The integration of persons with disabilities into the decision-making process is a great top-down approach to Olmstead implementation. MSCOD recommends the Metropolitan Council include the following in decision making processes: the eight Centers for Independent Living (CIL), more robust data gathering on the disability community, and persons with disabilities on the committee that reviews and modifies the 2040 Housing Policy Plan. Further, MSCOD is a resource that should be utilized by the Metropolitan Council.

The 2040 Housing Policy Plan draft is heading in a direction that will benefit our region. However, important populations in our region are largely absent from this document. People with disabilities make up 20 percent of Minnesota's population. Housing planning must reflect the fact that our state will grow older and disability will become a more frequent experience. MSCOD hopes the draft document be enhanced by these suggestions and to reflect this reality. Finally MSCOD cannot emphasize enough the importance of integrating people with disabilities into every level of the decision making process. Contact MSCOD for any assistance on disability issues.

Sincerely,



Joan Willshire
Executive Director
Minnesota State Council on Disability