

Community Development Committee

Meeting date: November 3, 2014

Subject: Discuss policy changes to the Housing Policy Plan to respond to public comment

District(s), Member(s): ALL

Policy/Legal Reference: Minn. Stat. 473.145

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Division/Department: Community Development / Regional Policy and Research

Background

Between the July release of the Housing Policy Plan draft for public comment and the end of the public comment period at the end of September, the Council received 81 written or electronic comments:

- 33 came from local governments, including mayors, city managers, and staff
- 6 came from counties
- 20 came from non-governmental organizations, including advocates and membership groups
- 18 came from local residents
- 4 came from state agencies

22 individuals, some representing organizations, testified before the Council at two public hearings. In addition, Council staff also attended over 30 various meetings, workshops, and events to discuss the Housing Policy Plan and provide an opportunity for feedback and questions.

Monday's Community Development Committee discussion will address two areas where the public comments suggest policy-level revisions to the Housing Policy Plan:

- The alignment between affordable housing and transit
- Revised approach to indicators in the Housing Policy Plan

Additionally, staff will provide a summary of the proposed changes on fair housing as discussed at Committee of the Whole since August.

During its formal public comment period the Council received a total of 81 written or electronic submissions, comprising a wide range of perspectives and hundreds of individual comments. Of these:

- 33 came from local governments, including mayors, city managers, and staff
- 6 came from counties
- 20 came from non-governmental organizations, including advocates and membership groups
- 18 came from local residents
- 4 came from state agencies

Key themes:

Allocation of Affordable Housing Need/Housing Performance Scores

1. Lack of final Need and Scores methodologies made commenting difficult. This comment came primarily from cities, counties, and organizations who then requested to be part of the process of finalizing these.
2. Support for three-band area median income (AMI) structure for calculating/expressing the Need. This change, moving from a single AMI threshold of 60% to three (Need for households at or below 30% of AMI, from 30 to 50% of AMI, and 50% to 80% of AMI) was nearly universally supported, with several responses noting the utility of this breakdown in planning and targeting affordable activities.
3. Support for changes to Housing Performance Score (HPS). Similar to the Need, numerous commenters lamented that revisions were not complete in time for public comment. There was solid support to collaboratively develop a more expansive set of eligible activities.
4. Geographic dispersion of affordable housing and transit. Response to this issue was varied. Comments were received advocating for linkage of housing and transit, while some expressed caution about over-concentration of affordable housing. Others requested that the Council consider a wider range of eligible transportation improvements (e.g. park and rides) when awarding funds, or for funding consideration of other key community amenities (e.g. good schools, job growth) where transit is not existing or planned.

Affordable Housing

5. Lack of resources for affordable housing development. This unfortunate reality was referenced in many comments as concerns federal, state and local resources, and related ability to deliver affordable projects, to provide a deep enough subsidy to serve very low income households, or to close financing gaps, to name a few. Many commenters called on the Council and other stakeholders to contemplate, determine, dedicate, or otherwise identify new financial resources.
6. Sewer Availability Charge (SAC). While the draft Plan only mentions *exploring* potential for a SAC credit for affordable housing, this generated a range of responses including not using SAC for any special purposes to increasing the credit's availability to all affordable development to increasing its geographic scope to broadening it to serve small businesses and not just affordable housing.
7. Support for funding of Inclusionary Housing Account. While several commenters cautioned the Council against mandates for inclusionary zoning, support for this account—which would reward

cost-saving, high performance projects in cities using local controls to lower development costs—was consistent.

8. How to expand production of affordable housing in suburbs with few opportunities. Whether citing insufficient market demand, lack of transit, unavailability of land, or other factors, several commenters—both at the region’s edge and in fully-developed suburbs—described the particular challenge of attracting development interest, aside from any local objections. Further, some suggested that with scarce resources affordable housing priority should go to areas with transit investments only, while others felt not having transit amenities would hamper the ability to attract housing development funds.

Housing Market

9. Challenges of redevelopment (e.g. lack of eminent domain, resources, land). Several commenters described legal, financial, and geographic challenges of identifying quality parcels, guiding land for development or redevelopment, locating motivated sellers, and packaging financing.
10. Naturally occurring affordable housing. Comments on this topic ranged from appropriate nomenclature to strategic priority, with several noting the critical role this housing does and can play in the region, with others pointing out logistical and financial challenges in addressing it.

Equity

11. Lack of attention to specific populations (seniors, persons with disabilities). Insufficient attention to addressing these populations’ needs was cited by some, while others discussed these as collective public issues that will require innovation, partnership, collaboration, and new fiscal tools.
12. Concentrations of poverty – how to frame, how to address. Concentrations of poverty and concentrations of members of protected classes were often mentioned, both as exist today and as might be created (or alternately, be prevented) through the Plan’s policies and other public and private actions.
13. Fair Housing. Comments here focused on state and local roles and responsibilities, with some suggesting legal and regulatory responsibilities for the Council and others requesting Council leadership in research and in developing strategies for improved regional performance.

Local roles

14. Local roles: mandates or suggestions? A number of commenters asked for clarification whether “Local Roles” are encouraged/suggested or mandated/required.
15. Housing element of comp plan/housing is not a system/council has no authority. While all commenters cited a Council role in housing, some argued against expansion of this role, creating linkage with statutory systems, or concern that the Plan aims to establish housing as a system.
16. “Consequences” to cities not meeting need, not following comp plan. Several commenters asked for clarification of what consequences, if any, cities would face if unable to meet housing goals.