



HOUSING POLICY PLAN

Overall housing policy goal:

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

Overview

- Proposals and tensions:
 - Allocation of Affordable Housing Need
 - Comprehensive Plan Requirements
 - Housing Performance Scores
- Next steps with the Housing Policy Plan

Desired outcome

Prepare the Community Development Committee to receive an amendment to the Housing Policy Plan on March 16

Allocation of Affordable Housing Need

Charge to the group

Advise the Council on the allocation of regional need for low and moderate income housing to jurisdictions across the region:

- Allocates affordable housing need for 2021-2030, building upon the allocation prepared for 2011-2020
- A consistent formula across the region
- Informs 2040 local comprehensive plans
- Need numbers for 2021-2030 to be included in the Systems Statements

Threshold for affordability

Households earning up to 80% of the area median income

Household Size:	Income threshold
One-person	\$44,750
Two-person	\$51,150
Three-person	\$57,550
Four-person	\$63,900
Five-person	\$69,050
Six-person	\$74,150
Seven-person	\$79,250
Eight-person	\$84,350

Three steps in the process:

Regional need
for low and
moderate
income housing



Local need for
low and
moderate
income housing



Local need for
affordable
housing by
band:

- Below 30% AMI
- 31-50% of AMI
- 51-80% of AMI

Overall Proposed Structure

Net growth in low /
moderate income
households:
49,400

=41.9%

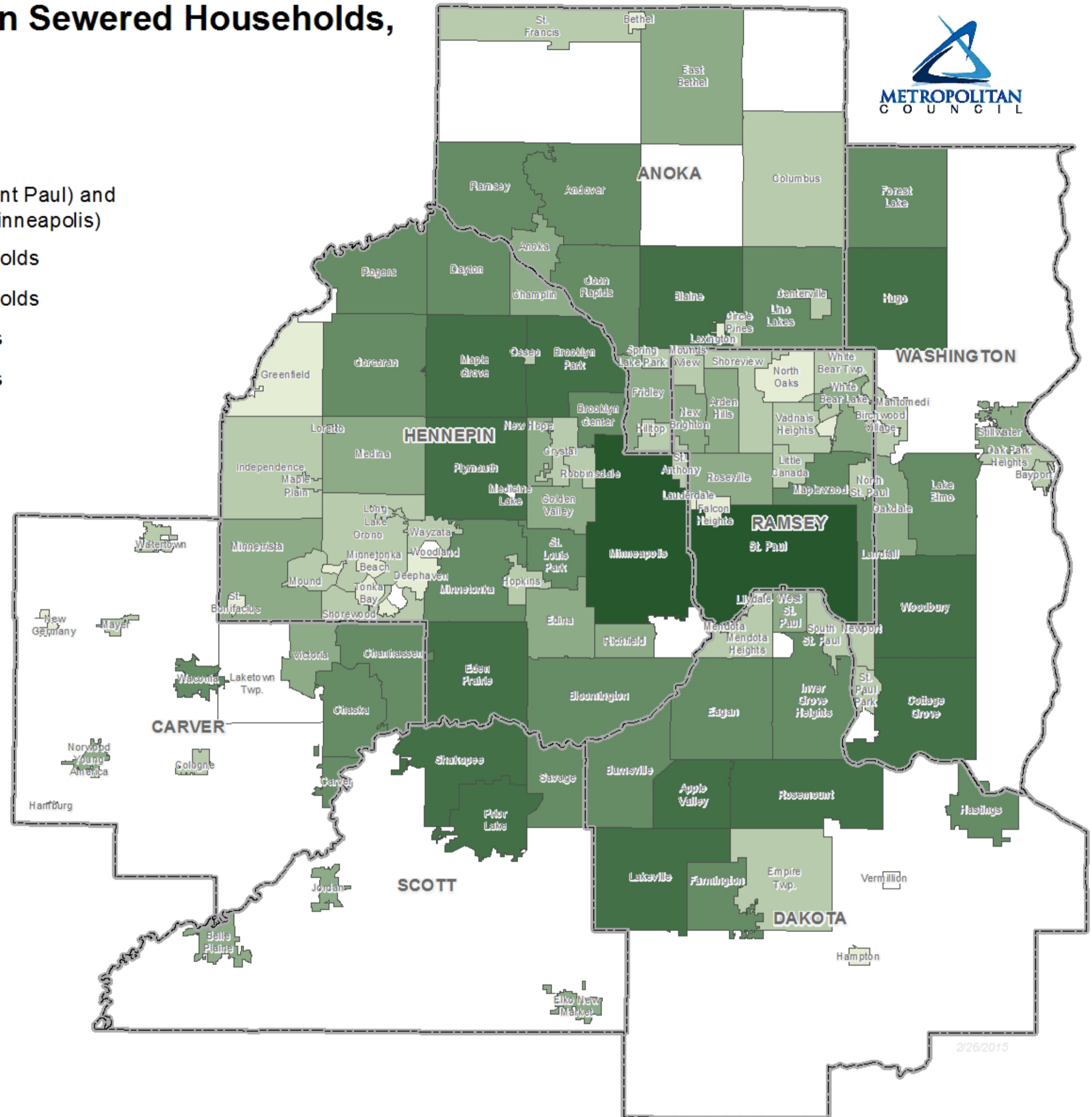
Total growth in
sewered
households:
124,200

Forecasted Growth in Sewered Households, 2020-2030



- 7,800 households (Saint Paul) and 11,400 households (Minneapolis)
- 2,500 to 4,999 households
- 1,000 to 2,499 households
- 500 to 999 households
- 100 to 499 households
- 10 to 99 households
- No growth

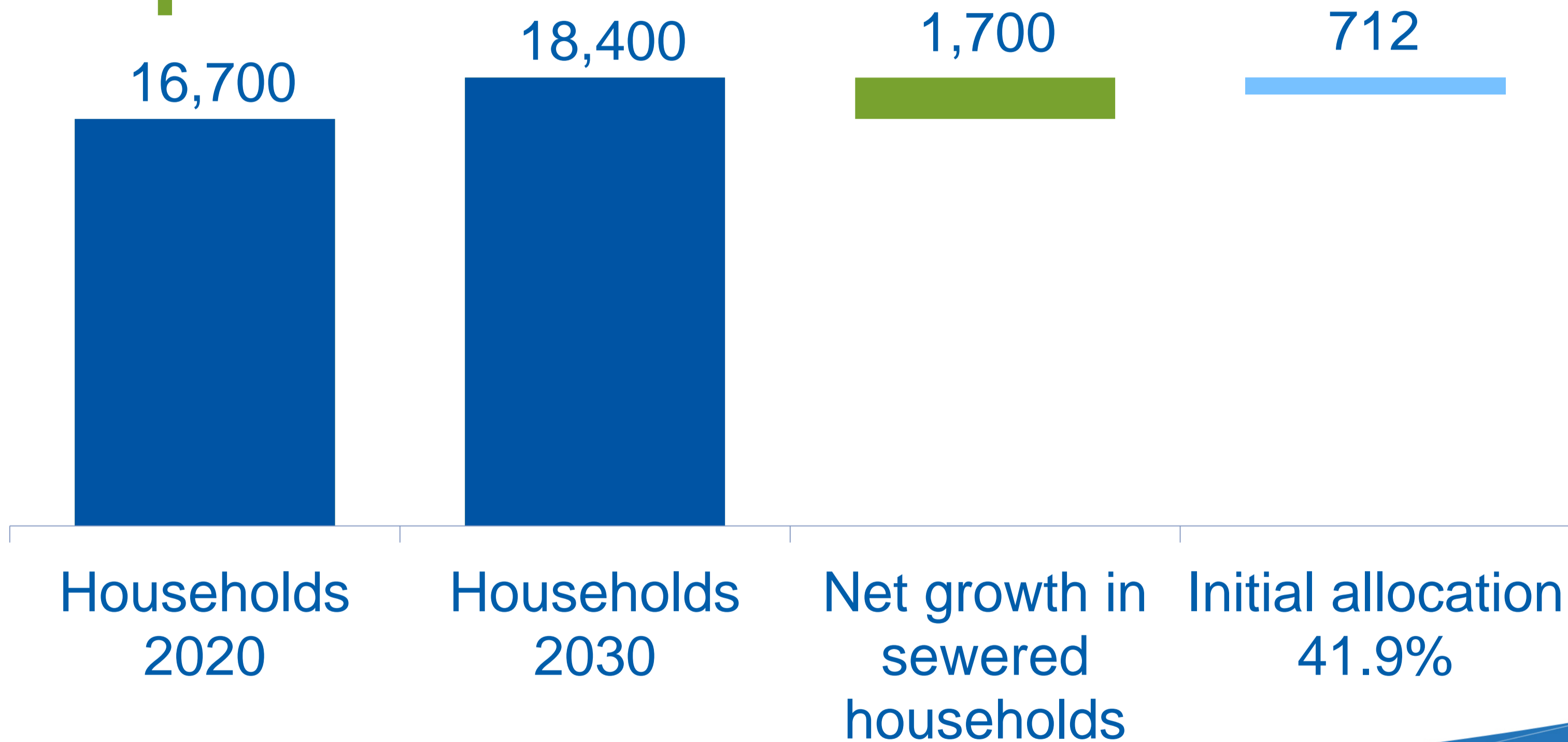
Note: Communities without sewer service are not shown.



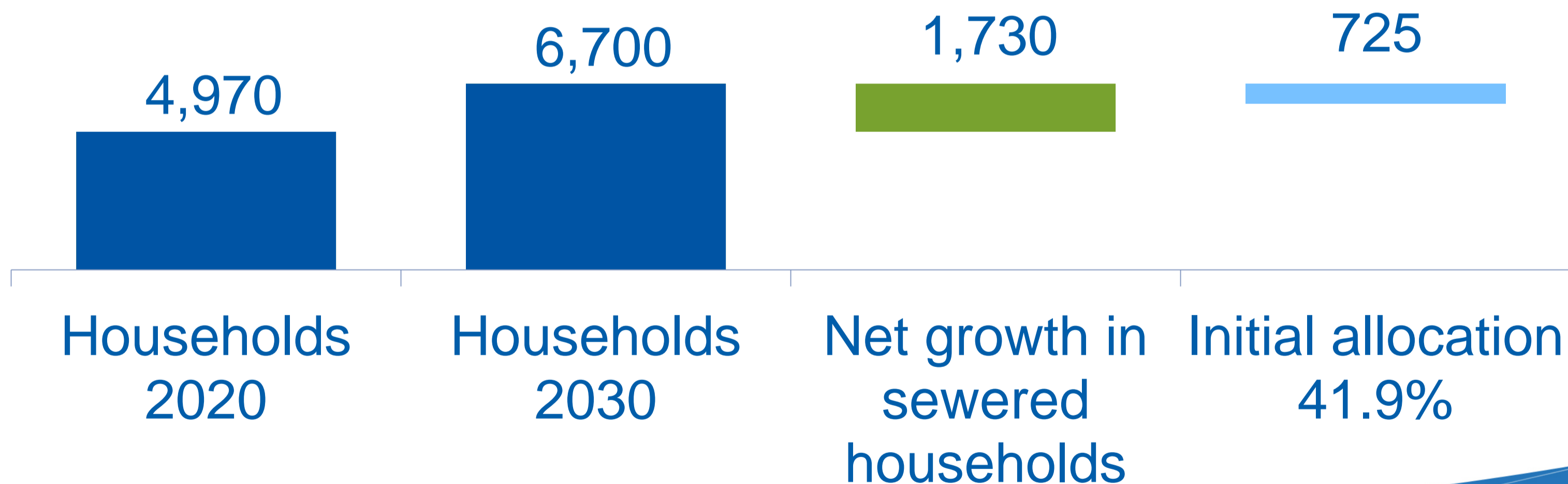
Source: Draft forecasts developed by Metropolitan Council Environmental Services with input from Regional Policy & Research staff, and supplemented by Regional Policy & Research estimates of growth in municipal-served areas.

2/26/2015

Overall Proposed Structure: Maplewood



Overall Proposed Structure: Waconia

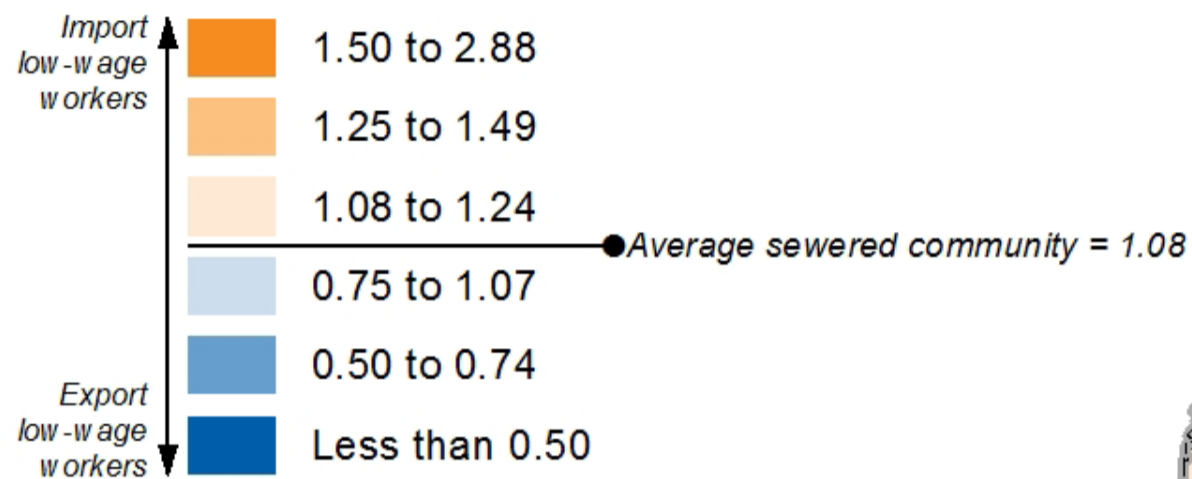


Adjustments that “place relatively more affordable housing where it will help low-income families the most”*

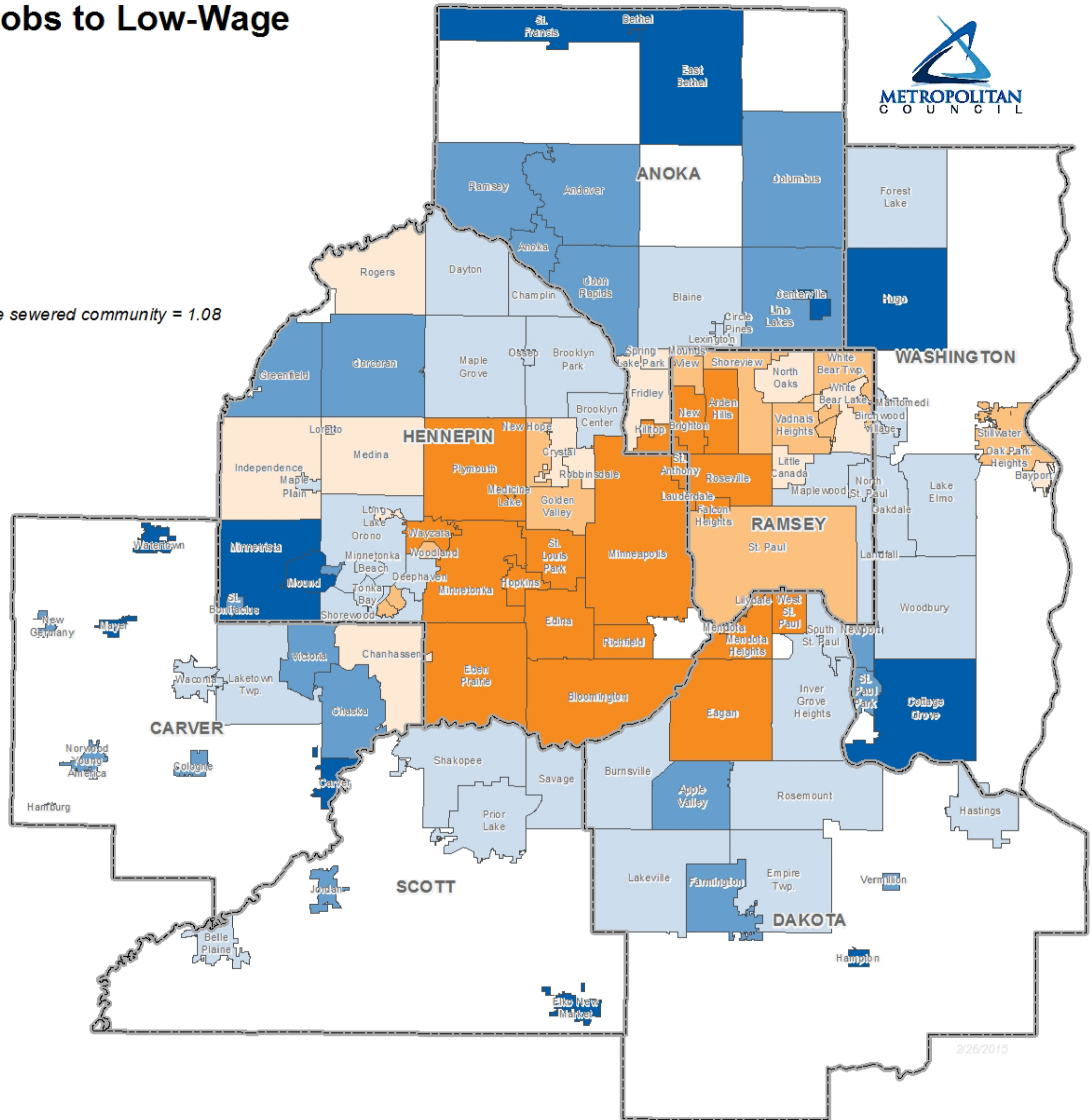
Adjustment factors	Need is increased:	Need is reduced:
Ratio of low-wage jobs to low-wage workers	Relatively more low-wage jobs than low-wage workers living in the community	Relatively more low-wage workers living in the community than low-wage jobs
Existing affordable housing	Smaller share of existing affordable housing	Higher share of existing affordable housing

*2040 Housing Policy Plan (as adopted), p. 80

Ratio of Low-Wage Jobs to Low-Wage Workers



Note: Communities without sewer service are not shown.

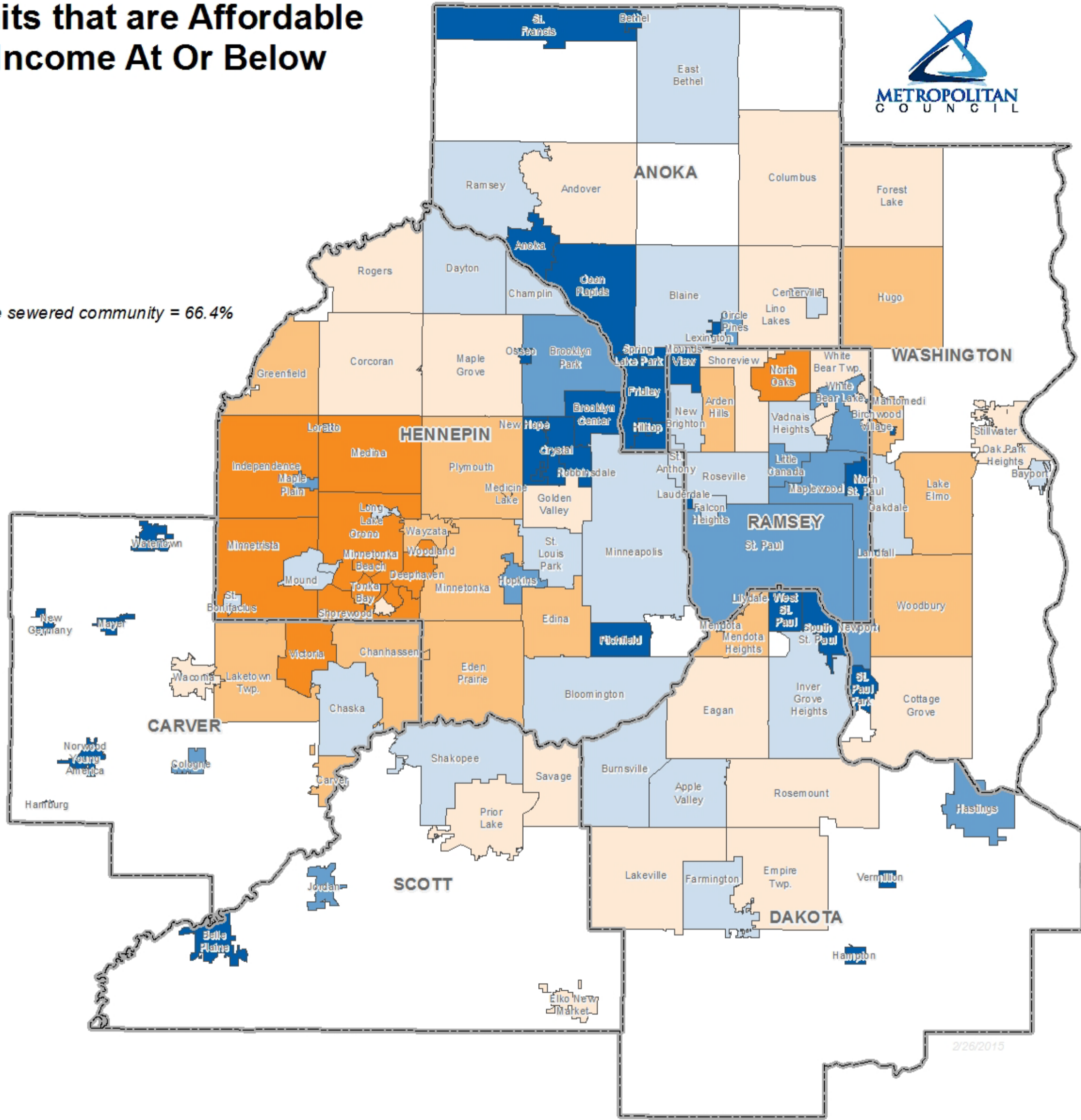
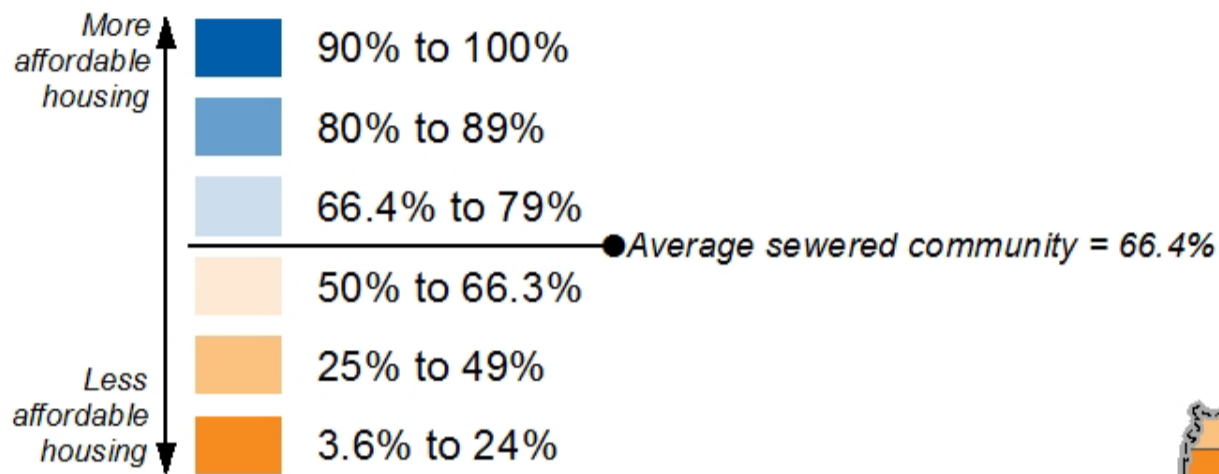


Source: Metropolitan Council staff calculations from U.S. Census Bureau, 2011 Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics.

Each community's ratio reflects jobs and working residents located within five miles of the community's geographic center. "Low-wage jobs" are those paying a monthly wage of \$3,333 or less; "low-wage workers" are those whose primary job is low-wage.

2/26/2015

Share of Housing Units that are Affordable to Households With Income At Or Below 80% of AMI



Note: Communities without sewer service are not shown.

Source: Metropolitan Council staff estimates based on 2013 and 2014 MetroGIS Regional Parcel Datasets; 2007-2011 Comprehensive Housing Affordability Strategy (CHAS) data; and the Metropolitan Council's annual survey of manufactured housing parks.

Estimates include all housing units affordable to households at 80% of Area Median Income, whether units are publicly subsidized or unsubsidized.

2/26/2015

Relative impact of adjustments

Existing affordable housing has **twice** the impact on a community's allocation than importing/exporting low-wage workers.

Rationale:

- Advocacy from work group members for adjusting for existing affordable housing
- Less dependent on assumptions
- More place-based

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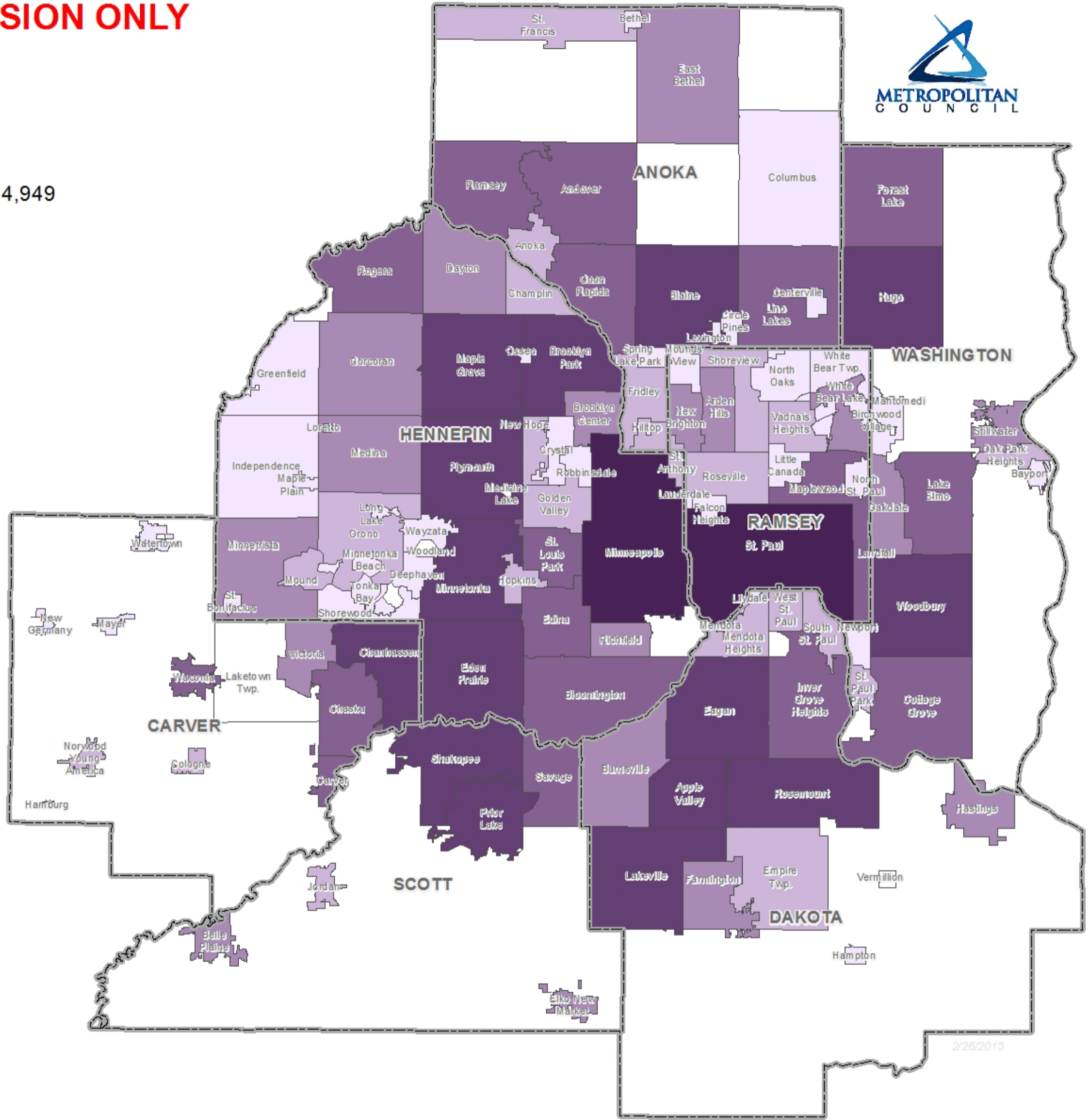


Units Allocated

- 2,963 (Saint Paul) and 4,949 (Minneapolis)
- 1,000 to 2,499
- 500 to 999
- 250 to 499
- 100 to 249
- 2 to 99
- No household growth

Note: Communities without sewer service are not shown.

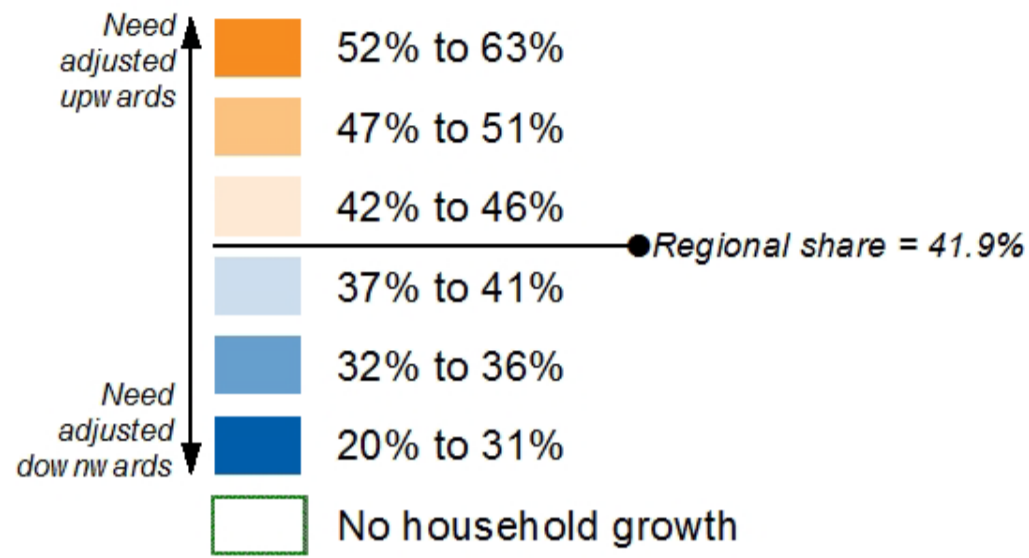
Source: Metropolitan Council staff calculations.



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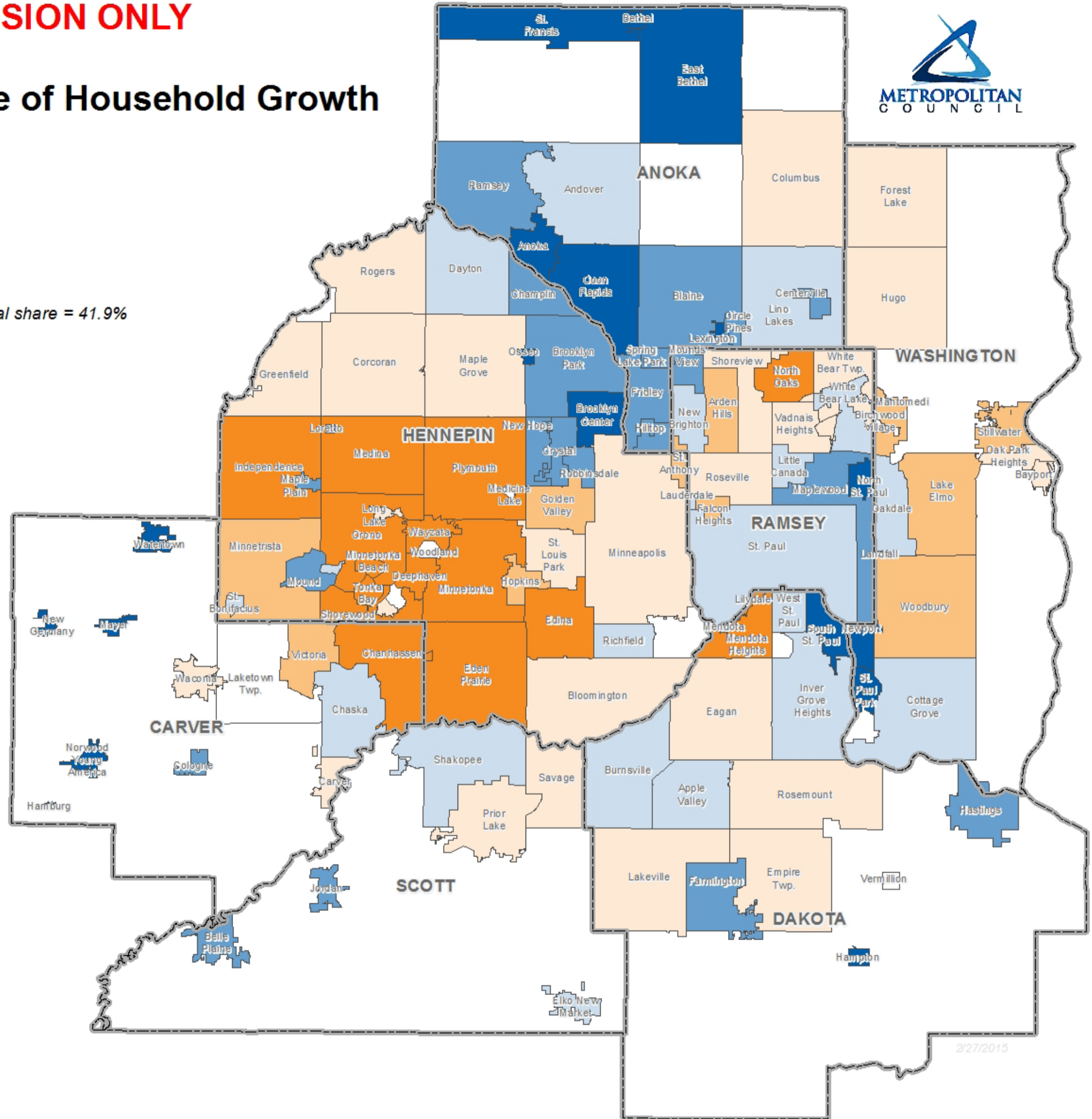
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Allocation as a Share of Household Growth



Note: Communities without sewer service are not shown.

Source: Metropolitan Council staff calculations.



2/27/2015

Impact of adjustments

Maplewood:

Pre-adjusted allocation:
712 units

(with weighting:)

Jobs adjustment: -4%

Housing adjustment: -15%

Adjusted allocation:
576 units

Waconia:

Pre-adjusted allocation:
712 units

(with weighting:)

Jobs adjustment: -1%

Housing adjustment: +2%

Adjusted allocation:
713 units

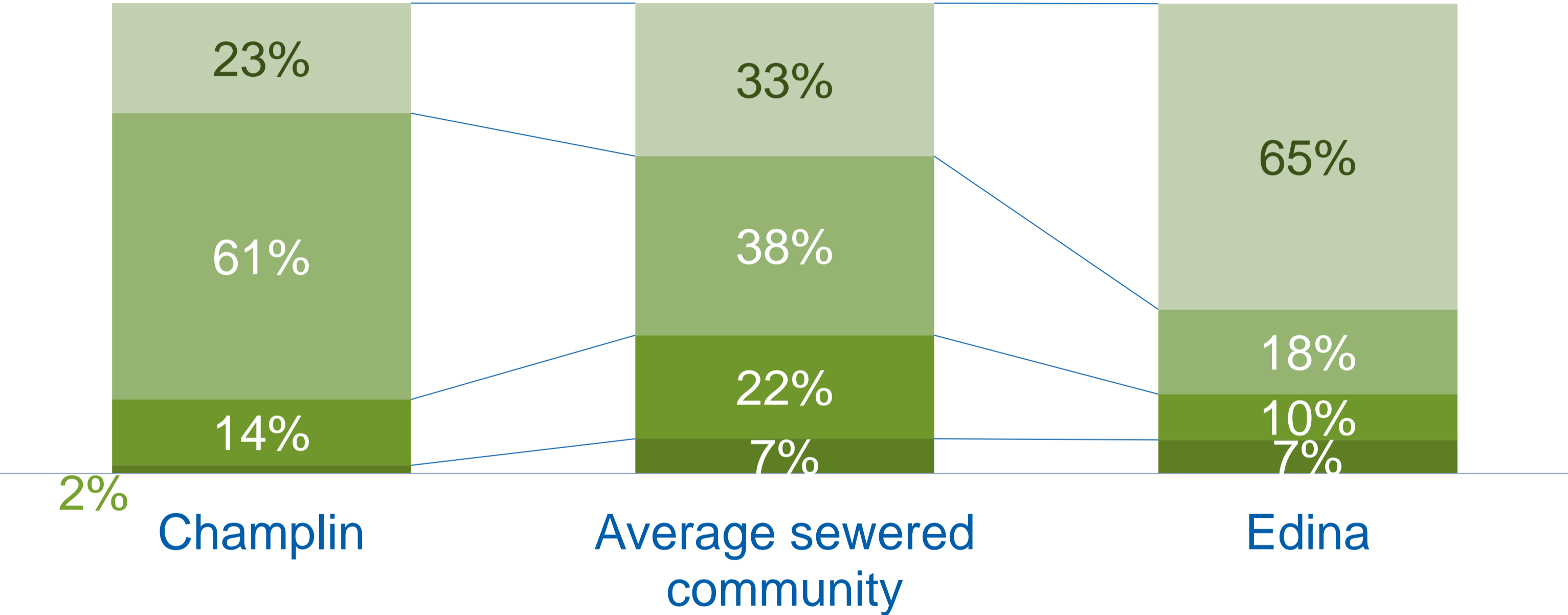
Allocation into the bands

- Existing housing adjustments are made relative to each band of affordability:
 - <30% Area Median Income (AMI)
 - 31-50% AMI
 - 51-80% AMI
- This allows communities to focus on the kinds of affordable housing that are most needed in their community

Three bands for affordability

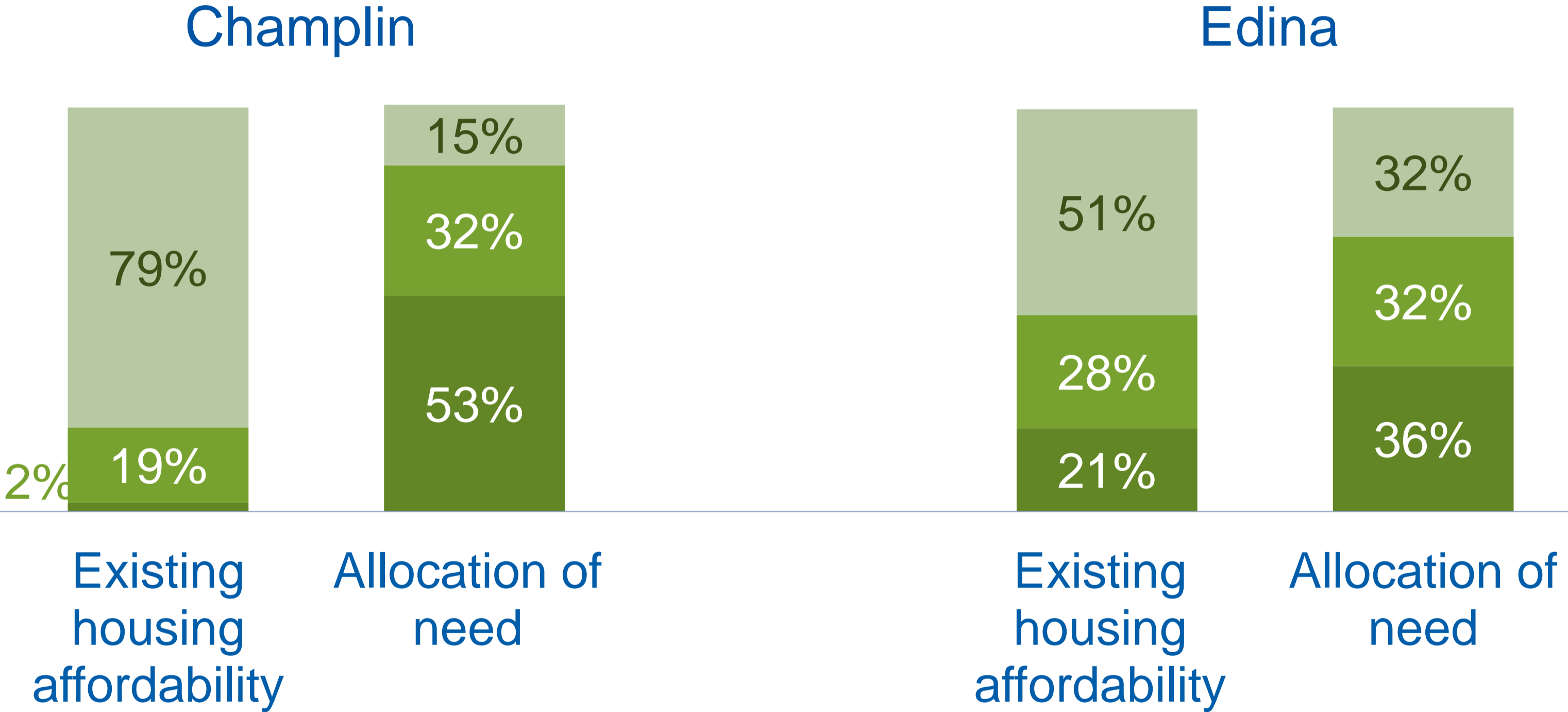
Household Size:	30% AMI	50% AMI	80% AMI
One-person	\$17,400	\$29,050	\$44,750
Two-person	\$19,900	\$33,200	\$51,150
Three-person	\$22,400	\$37,350	\$57,550
Four-person	\$24,850	\$41,450	\$63,900
Five-person	\$27,910	\$44,800	\$69,050
Six-person	\$31,970	\$48,100	\$74,150
Seven-person	\$36,030	\$51,400	\$79,250
Eight-person	\$40,090	\$54,750	\$84,350

Distribution of existing housing



- At or below 30% of AMI
- 31% to 50% of AMI
- 51% to 80% of AMI
- Above 81% of AMI

Distribution of allocation



■ At or below 30% of AMI
 ■ 31% to 50% of AMI
 ■ 51% to 80% of AMI

Tensions in the proposal

- Continued confusion about what the Allocation of Affordable Housing Need is:
 - Ignoring existing housing need
 - Ignoring housing solutions other than building housing
- Need is high:
 - All advocate for the formula that gets their city the lowest need
- Simplicity vs. precision of the methodology
- Additional adjustment factors discussed and set aside:
 - Proximity to transit
 - Concentrations of poverty
- Lack of supportive services in dispersed locations



Discussion?

Comprehensive Plan Requirements

Charge to the group

Advise the Council on its requirements of local comprehensive plan updates per Minn. Stat. 473.859:

- “...a housing element containing **standards, plans and programs** for providing adequate housing opportunities to meet **existing** and **projected** local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low and moderate income housing.”
- “An implementation program shall describe public programs, fiscal devices and other specific actions to be undertaken in stated sequence to implement the comprehensive plan and ensure conformity with metropolitan systems plans.”

Overall proposed structure

Existing housing needs

- Existing housing assessment
- Identification of needs and priorities



Projected housing needs

- Allocation of affordable housing need
- Promoting the availability of land



Implementation program

- Public programs, fiscal devices, and specific actions to meet existing and projected needs

Existing housing assessment

- The Council will provide the existing housing assessment
 - Communities may use their own reliable sources to complete the existing housing assessment
 - Minimum information required is based on the following criteria:
 - Existing data sources are reliable and reasonably accessible
 - Information provided is valuable in understanding existing housing needs

Existing housing needs

- Complete plans will combine the existing housing assessment with local context and community priorities to clearly identify their existing housing needs
- Communities will be encouraged to provide any additional information that would enhance a robust evaluation of their existing housing need

Projected housing needs

- The Council will provide each community with their Allocation of Affordable Housing Need at each of the 3 bands of affordability:
 - <30% Area Median Income (AMI)
 - 31-50% AMI
 - 51-80% AMI
- Communities must guide residential land at densities sufficient to promote affordable housing development

Densities sufficient to promote affordable housing development

Option 1:

Guide sufficient land at a minimum density of **8 units/acre** to meet your community's total need

Option 2:

Guide sufficient land at a minimum density of:

- **12 units/acre** to meet need at <50% AMI (combines the two lower affordability bands)
- **6 units/acre** to meet need at 51-80% AMI

Options for guiding density

		Option 1		Option 2	
	Allocated Need	Minimum density guidance	Minimum acreage needed	Minimum density guidance	Minimum acreage needed
Less than 30% AMI	430	8 units / acre	54	12 units / acre	62
31-50% AMI	310		39		
51-80% AMI	260		32	6 units / acre	43
Total	1000		125		105

Implementation program

- Complete plans will clearly and directly link identified needs with the programs, fiscal devices and other specific actions available, and will specify in what circumstances they would be used
 - Plans not addressing widely accepted tools that may address housing needs will be incomplete
 - Plans including *reasonable* explanations for why available tools will not be used to address housing needs may be complete

Technical Assistance

- *Local Planning Handbook* will identify resources, best practices, and plan examples to assist communities in completing their housing elements
- Council housing staff will be available to communities beyond the *Handbook* to provide additional information on housing element requirements and how to get more out of their plan

Tensions in the proposal

- More robust interpretation of statute vs. more work for communities
- Differences of opinion over what widely accepted tools to address housing needs are
- Calling attention to areas in the community that have relatively more affordable housing

Discussion?

Housing Performance Scores

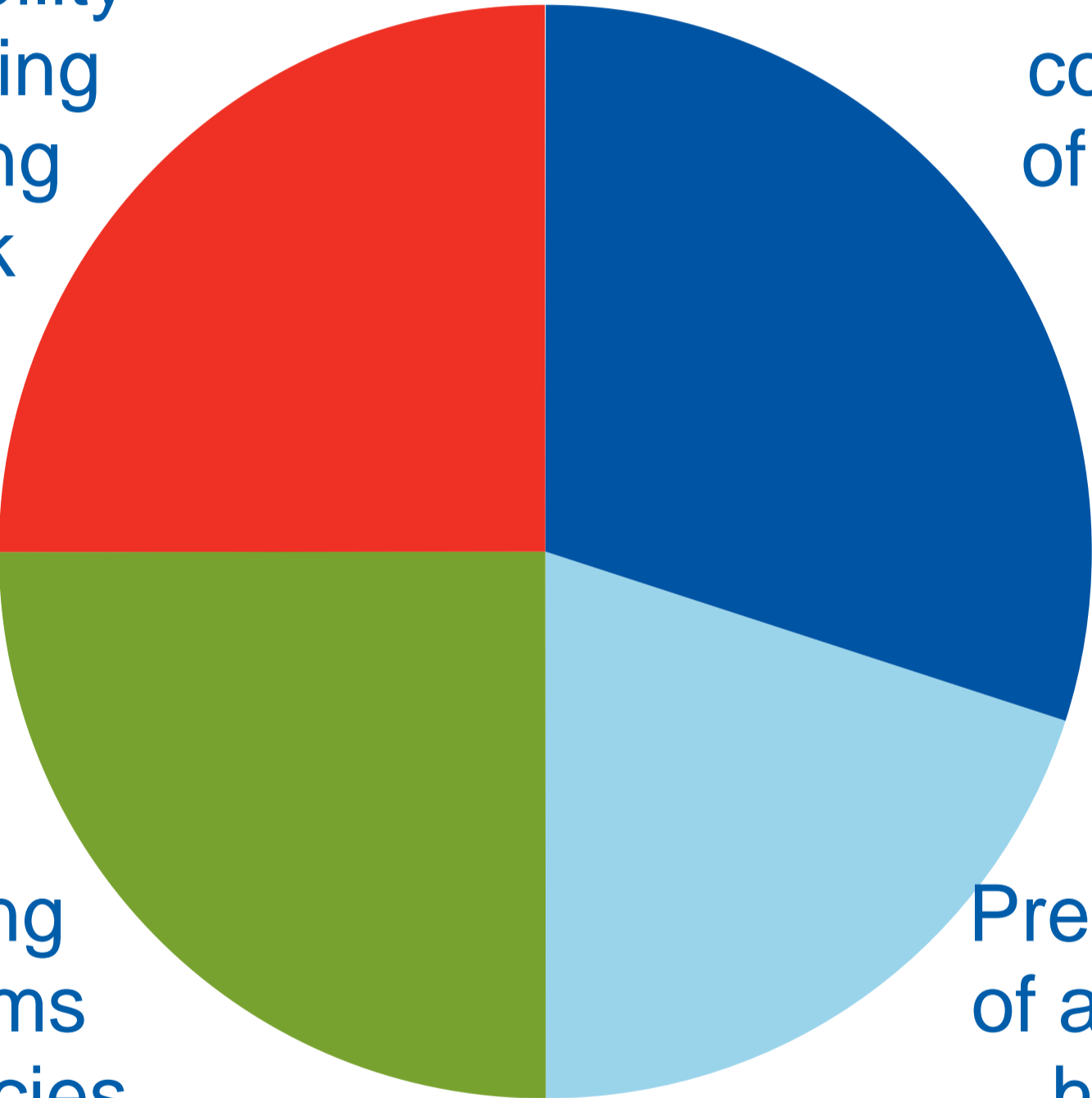
Charge to the group

Advise the Council on its development of a new approach to Housing Performance Scores:

- Used in scoring in the Livable Communities Act programs and the Regional Solicitation for transportation funding
- Substantial update to the Guidelines for Housing Performance, first introduced in 2002 (minor changes in 2012)

Overall proposed structure

Affordability of existing housing stock
25



New construction of affordable housing
30

Split of points between New Construction and Preservation to vary by Community Designation

Housing programs and policies
25

Preservation of affordable housing
20

Affordability of existing housing

25 points

- Share of existing housing units affordable to households earning:
 - Less than 30% of area median income (AMI)
 - Less than 50% of AMI
 - Less than 80% of AMI
 - Less than 115% of AMI (owner-occupied only)
- Affordable housing reserved for:
 - Seniors
 - Households with a disability
 - Vulnerable populations

New affordable housing

~30 points

- Share of new housing that are units affordable to households earning:
 - Less than 30% of area median income (AMI)
 - 31-50% of AMI
 - 51-80% of AMI
 - 81-115% of AMI (owner-occupied only)
- Local financial contributions (including value of controls adjusted)
- Official local controls used, waived or adjusted

Preserved affordable housing

- Preserved housing units affordable to households earning: **~20 points**
 - Less than 30% of area median income (AMI)
 - 31-50% of AMI
 - 51-80% of AMI
 - 81-115% of AMI (owner-occupied only)
- Local financial contributions
- Includes preservation of: physical assets, affordability, and existing federal or state subsidies

Housing programs and policies

25 points

- Direct housing assistance to households, including:
 - Rental assistance
 - Down payment or closing cost assistance
 - Local administration of housing rehabilitation programs
 - Housing counseling (foreclosure prevention, pre-purchase)
- Local policies, including:
 - Accessory dwelling unit ordinance
 - Fair housing policy

Tensions in the proposal

- Relative distribution of points
- Controlling for variations in development patterns and financial capacity (including sources of funding only available to some cities) across cities
- Simplicity vs. counting all activities

Discussion?

Next steps

Housing Policy Plan: Next steps

- March 16: CDC recommends releasing draft amendment for public comment
- March 25: Council approves releasing draft amendment for public comment
- May 4: Public hearing at CDC
- May 15: Public comment period closes
- June 15: CDC recommends amendment to the *2040 Housing Policy Plan*
- July 8: Council approves amendment to the *2040 Housing Policy Plan*