

Business Item 2018-117

# Amend the Guidelines for Housing Policy Performance

May 7, 2018

Community Development Committee



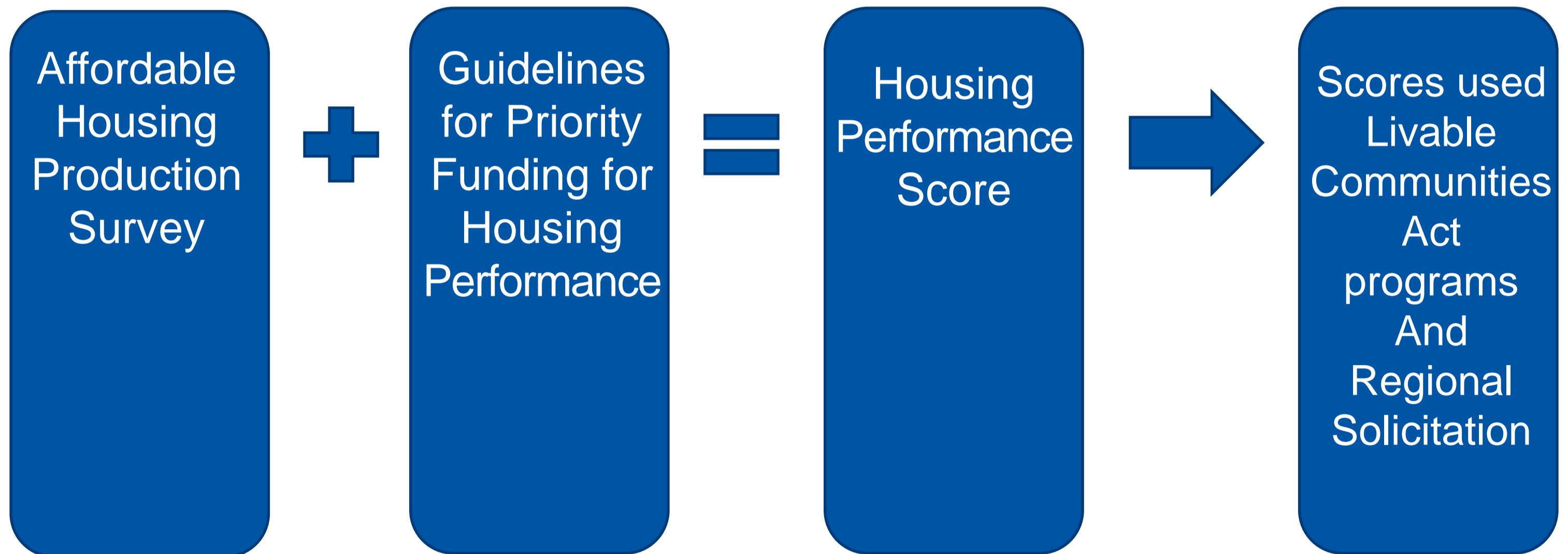
# Today's discussion

- Review of Housing Performance Scores
- Themes from Housing Performance Scores work group
- Proposed changes to the Guidelines for Housing Policy Performance
- Next steps

# Need, Goals, and Scores

Council Role	Allocation of Affordable Housing <i>Need</i>	Affordable and Life-cycle Housing <i>Goals</i>	Housing Performance <i>Scores</i>
What	Forecasts the future need for affordable housing. Allows communities to plan for their share of the regional need.	Negotiated housing goals for housing production that communities agree to actively pursue and encourage.	<b>Used in grant funding decisions to incent communities to create and maintain affordable housing</b>
Why	Metropolitan Land Planning Act	Livable Communities Act	<b>Council Policy</b>

# How Scores are Calculated



# Housing Performance Scores Work Group

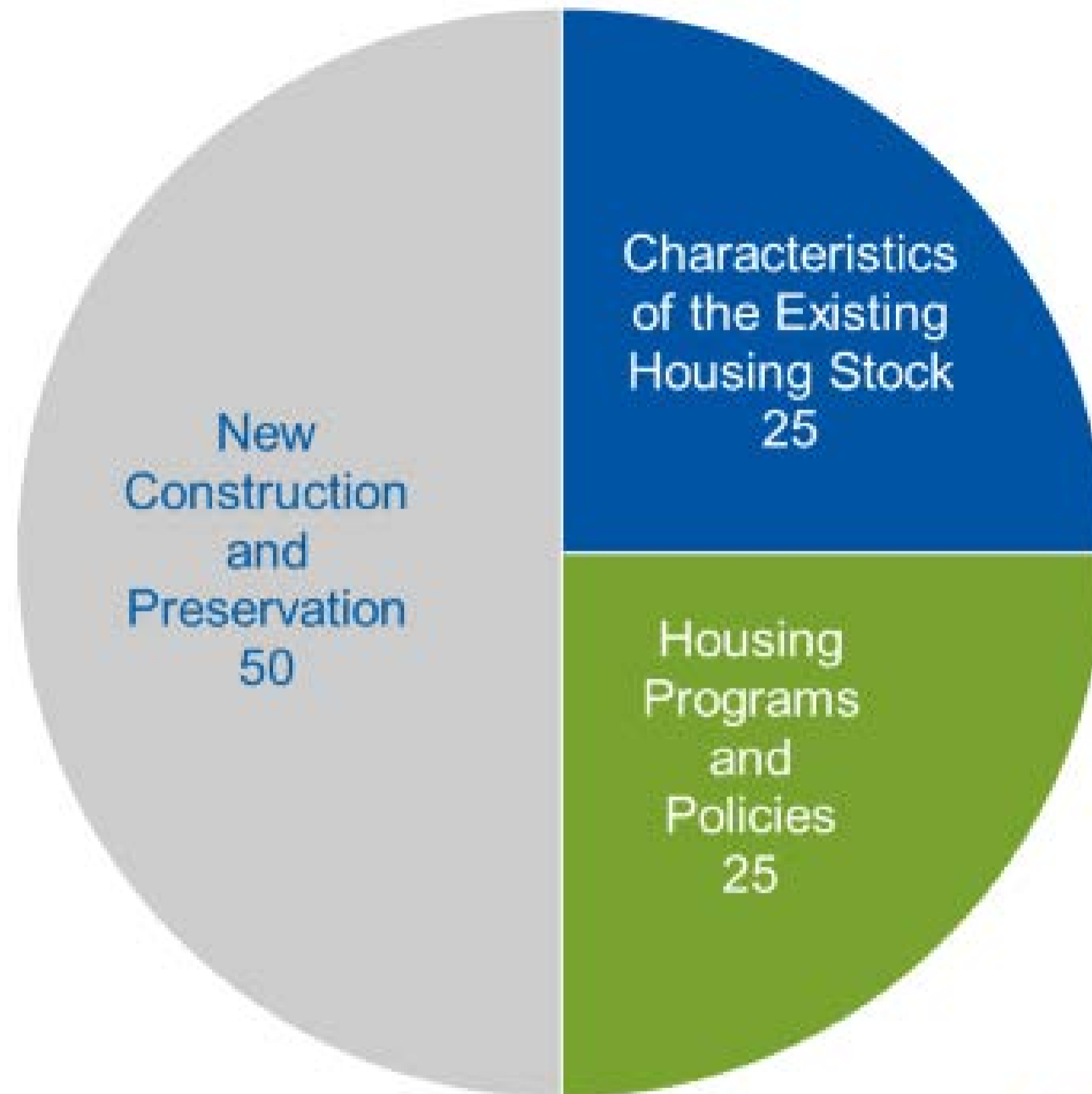
- Formed to review 2016 Guidelines changes
- Comprised of staff from five cities, two counties, Minnesota Housing; Metro Cities; Housing Justice Center; and Minnesota Housing Partnership
- Held two focused, productive sessions
- Discussed and debated scoring elements raised by staff and by work group members



# Topics reviewed

- Hold harmless provision
- Categories that have garnered few or no points
- Categories that may “double count”
- Adding/changing categories for policies and practices that have become more common in the region
- Categories that add complexity without helping achieve parity

# Retained Category Structure



# Proposed changes: Hold harmless provision

- 2016 Guidelines specified a review of the provision in 2018
- Communities have had 3 years to adjust to the new Guidelines and adapt their housing strategies accordingly
- In an analysis of 2017 Scores, only 5 cities would have had a reduction of 10 or more points in their Score without the hold harmless provision



# Proposed changes: More pathways to points

- New construction and preservation of affordable housing points will be split equally between all communities (25 points each, 50 point max)
- Intensity of growth is not sufficient to determine which strategy is more important
- Rollover points will still be allowed if one category exceeds 25 points and the other doesn't reach it
- In an analysis of 2017 Scores, 8 communities showed decreases in their final score (3 points or more) and 17 communities showed increases

# Proposed changes: Responding to trends

- In 2016, only one community had a mixed income housing policy that embedded affordable units into private market developments
- Since 2016, three additional communities have adopted such policies, and many more are working toward it
- Unlike heavily subsidized projects, mixed income policies may require a smaller percentage of affordable units, but those units reflect significant effort on the part of the city

# Proposed changes: Eliminating the LCA calculation

- Comparing affordable housing production to Livable Communities Act (LCA) goals is not a very accurate measure of city effort:
  - Goals were negotiated a decade ago
  - Great Recession deeply impacted production
- When the Scores methodology is reviewed in 2020, LCA Goals for 2021-2030 should be negotiated – staff proposes reconsidering their value in calculating Scores at that time

# Next Steps

- Collect data from Minnesota Housing and counties
- Distribute survey to local governments by late June
- Compile and score survey results
- Release 2018 Housing Performance Scores in fall

# For more information:

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Or see:

<http://metro council.org/Housing/Planning/Housing-Performance-Scores.aspx>