

Community Development Committee

Meeting date: May 18, 2020

Subject: 2020 Housing Performance Score Update

District(s), Member(s): All

Policy/Legal Reference: 2040 Housing Policy Plan

Staff Prepared/Presented: Hilary Lovelace, Senior Housing Planner (651-602-1555)

Division/Department: Community Development/ Regional Planning

Proposed Action

None. Information and discussion only; Council staff seek Committee feedback on the proposed changes below.

Background

Housing Performance Scores (Scores) are a Council measure that were created in response to the passing of the Livable Communities Act (LCA) in 1995 to provide prioritization criteria for funding the LCA programs. The Scores have also been used in evaluation of Regional Solicitation applications for federal transportation funding. The original purpose of the Scores was to evaluate LCA participants' annual efforts to create affordable housing opportunities. The [2040 Housing Policy Plan](#) overhauled the Housing Performance Score criteria beginning in 2016 and required that that criteria be revisited and adjusted every two years. Housing Performance Scores criteria has therefore been revisited in 2018 and again now in 2020.

In 2020, the effectiveness and helpfulness of using Scores in LCA funding prioritization was evaluated. At the [February 26 Council](#) meeting, the Council adopted the [2020 Livable Communities Act Fund Distribution Plan](#) which eliminated the Housing Performance score as funding criteria for all LCA programs. Housing Performance Scores remain important measures, however, as they allow the region and communities to evaluate annual progress toward affordable housing goals and provide rich data for regional housing policy analysis.

Housing Performance Scores have been calculated using outside data sources and information entered by local community staff. Criteria and weighting within the Score have also been improved and changed over time to align with regional housing policy. The Housing Performance Scores also capture newly constructed affordable housing across the region for a statutorily mandated annual report to the legislature. The Score sheets are pre-populated as much as possible before being distributed to individual communities to acquire the most accurate information possible about affordable housing efforts across the region.

2020 Summary of Proposed Changes for Discussion

Council staff suggest removing most of the existing housing stock component that awarded communities points for naturally occurring affordable housing in their community. This is partly in response to workshop comments that community actions should be prioritized in scoring, but also in response to earlier comments from communities in the past two rounds of the Housing Performance Scores that have their scores effectively capped because of development patterns despite many recent actions to support affordable housing.

Communities will still be awarded points for shelters and transitional living

facilities, though the focus will be shifted from number of facilities to number of people served at each facility.

Table 1: Recommended changes to the Guidelines

Substantive Changes	Rationale	Anticipated Impact
Remove existing housing stock as criteria.	This change shifts focus from housing opportunities that exist in a community to recent actions and construction that serves housing cost burdened residents within the community.	Some communities may see a reduction in their score of up to 25 points if they do not report ALHOA spending required for participation in LCA.
Increase points awarded for local spending to further affordable and lifecycle housing opportunities in the past year .	This change shifts focus from housing opportunities that existing a community to recent actions and construction that serves people with low-incomes in the community.	This will have an uneven impact across County lines, as some Counties levy and spend money to create affordable and lifecycle housing while other Counties do not levy for housing at all. Communities in Counties that do not levy will have to account for their spending on housing opportunities to receive a high score.
A suite of existing and new housing policy categories will be included, and adoption of housing policy and date of policy last used will be asked rather than just if a policy is in place.	In the past few years many new types of housing policy efforts have become more mainstream in the region, but not all policies have been utilized or very effective.	Communities with accessory dwelling unit policies that have not produced many units will be incentivized to revisit their policies for a higher score.
Shift to using ALHOA instead of total development cost as the factor by which to judge community financial contribution to new construction and rehab.	Uneven responses about total development cost, a value not always known by communities, was creating uneven scoring outcomes based on capacity. ALHOA is a value the Council calculates and provides.	Using ALHOA in place of total development cost will remove this disparity and maintain a focus on the ability communities have to fund affordable housing.

The Housing Performance Score has previously been sent in a large excel document for community staff to fill out and complete. The largest change to the survey will be in format, as Information Services staff wrap up the conversion of the survey to an online web survey. Many communities expressed difficulty with using the excel document to respond to the Housing Performance Score survey.

Housing Performance Score Outreach

At the close of 2019, communities that returned the Housing Performance Scores were asked to complete a follow-up survey responding to a few questions about the future of the Score approach.

Ten communities responded anonymously to the follow-up survey, with responses ranging on questions including the level of scoring detail in the Score, the time it takes to complete the Housing Performance Scores survey, and future uses of the Housing Performance Scores.

In March, two engagement sessions were held with a workgroup including city staff, county housing staff, housing advocates, developers, and Metro Cities to discuss the Housing Performance Scores. The goal of these meetings was to discuss the future of the Scores and revisit scoring criteria, focused on the next two years. Those in attendance indicated they wanted most things about the Housing Performance Score to stay the same as the continued use of the Scores in Regional Solicitation was still unknown, including how the Scores are calculated and general weighting. City staff indicated that they see a use of the Scores outside of funding considerations, including:

- Tracking their efforts
- Encouraging elected officials to consider new policies, programs and practices to increase their score
- Comparing themselves to peers across the region
- Identifying areas for improvement

Council staff similarly found use in the Housing Performance Score for several reasons outside of the tracking of new affordable housing construction for the report to the legislature, including:

- Collecting community reported spending to meet legislatively defined criteria to participate in Livable Communities Act Programs (Affordable and Lifecycle Housing Opportunities Account)
- Best aligning technical assistance to needs among communities in the region
- Tracking adoption of local policies
- Finding ways to uphold and honor examples of exemplary housing assistance to other communities
- Reminding communities of their self-identified housing needs in their comprehensive plan updates

Although responses to the follow-up survey about the Housing Performance Score collected in 2019 indicated an interest in simplifying the survey, the workgroup indicated that the length and time it took to complete the survey was not overburdensome. Council staff recognize that communities that attended workgroups represent some of the higher staff capacity communities in the region, as most lightly staffed communities invited to the workgroup did not attend or respond with times they could attend. As a result, modest efforts to simplify the completion of the Housing Performance Score have been taken, including reformatting and rewording of some criteria that make sense to a more general audience.

Suggestions from the workgroup included tracking age-restricted housing, focusing on community identified housing needs, and prioritizing actions rather than composition of housing in the community. Metro Cities indicated that pre-populating the survey with information gathered from common sources by the Council was very important to keep, and Council staff agree and plan to continue this practice, which includes reaching out to Counties and other state agencies for data on affordable housing construction and shelters.

The Housing Performance Scores criteria have been preserved as mostly the same from the last update, collecting a few additional pieces of information including age-restricted housing, and refined

AMI bands to respond to public and Council requested information about affordable housing production.