

Community Development Committee

Meeting date: March 21, 2022

Metropolitan Council Meeting Date: April 13, 2022

Subject: Update to Regional Planning Policy 1-2: Affordable Housing Policy

District(s), Member(s): All

Policy/Legal Reference: Minn. Stat. § 473.123, subd. 4(d)

Staff Prepared/Presented: LisaBeth Barajas, Executive Director, Community Development (651-602-1895)

Division/Department: Community Development

Proposed Action

That the Metropolitan Council adopt RF 1-2: Affordable Housing Policy version 3 as shown in Attachment 1.

Background

The Council's Regional Planning Policy (RF 1-2): Affordable Housing Policy was last updated in 1998 following the passage of the Livable Communities Act, legislative updates to the Metropolitan Land Planning Act, and legislative updates to the enabling legislation for the Council's Metro Housing and Redevelopment Authority.

The proposed revisions in RF 1-2 clarify the policy, expand upon and add related governing federal and state statutes, add in related responsibilities in the Metropolitan Land Planning Act, and more clearly identify implementation roles, responsibility, and accountability.

A Council-wide Policy and Procedure Review Team reviews all policies and procedures for consistency, clarity, and compliance. This team reviewed RF 1-2 version 3 and endorsed it to move forward to the Council approval process.

Rationale

Minnesota Statutes § 473.123, subd. 4(d) permits the Council to adopt policies and procedures governing its operations. The proposed revisions ensure that the policy is consistent with present-day parameters.

Thrive Lens Analysis

The proposed revisions to RF 1-2 advance the Council's Equity outcome and Accountability principle. The proposed revisions advance Equity by documenting the inter-related roles and action to support the provision of affordable housing in the region and provide housing choice. The proposed revisions also advance the Accountability principle by transparently clearly identifying the responsible departments for implementing this work as well as articulating the different required reporting that is conducted on an annual basis.

Funding

The proposed action does not result in a change in funding allocations. Rather, the departments responsible for implementing this policy have these responsibilities already incorporated into their annual work plans.

Attachments

Attachment 1: RF 1-2: Affordable Housing Policy version 3

Attachment 2: RF 1-2: Affordable Housing Policy version 2

POLICY

Affordable Housing Policy

RF 1-2

Category: Regional and Foundational Policies

Business Unit Responsible: CD: Metro Housing Redevelopment Authority & Livable Communities

Policy Owner: Executive Director of Community Development

Policy Contact: Tara Beard, Manager Livable Communities
Angela Torres, Manager Local Planning Assistance
Terri Smith, Director, Metro HRA

Synopsis: Establish the framework for the Metropolitan Council to work toward the provision of affordable and life-cycle housing opportunities throughout the region.

POLICY

The Metropolitan Council supports the provision of affordable housing opportunities throughout the region, and the Metropolitan Council will, to the extent permitted by law:

- Work with local jurisdictions in partnership to meet the range of housing needs of people at various life-cycle stages and to help local jurisdictions fulfill their statutory housing planning obligations
- Broaden locational housing choice and access throughout the region for people of all income levels
- Work toward removing barriers that limit housing choice and the creation of affordable housing throughout the region
- Support the use of public funds to help achieve these goals in collaboration with non-profit and for-profit organizations

These goals are carried out through support in the development and review of local comprehensive plans as required by the [Metropolitan Land Planning Act](#), and implementation of the [Metropolitan Livable Communities Act \(LCA\)](#) and [Metropolitan Housing and Redevelopment Authority \(Metro HRA\)](#) programs.

PURPOSE & SCOPE

This policy establishes the framework for the Metropolitan Council to work toward the provision of affordable and life-cycle housing opportunities throughout the region, to promote efforts to broaden economic and housing opportunities inside and outside of areas of poverty concentration, and to further improve accessibility to jobs and housing opportunities. This policy also describes how the Metropolitan Council directs Livable Communities Act grant programs to support affordable housing preservation and development to help create a full range of housing choices throughout the region.

The policy also provides a framework for the Metro HRA to administer federal- and state-funded housing assistance programs that are designed to achieve two major objectives:

- Provide decent, safe, sanitary, and affordable housing opportunities for families and individuals

- Promote housing choice and inclusive communities that allow people to live in a place of their choosing.

BACKGROUND & REASONS FOR POLICY

With the passage of the Metropolitan Livable Communities Act (LCA) in 1995, the Minnesota Legislature recognized the need to stimulate housing, economic, and community development in the seven-county metropolitan area. As part of its responsibility under the act, the Metropolitan Council produces an annual affordable and life-cycle housing report that describes progress toward meeting affordable housing needs in the region and provides detail on specific programs and related planning activities. Through one specific LCA program, the Local Housing Incentive Account, and in the funding preferences of all other LCA programs, the Metropolitan Council prioritizes affordable housing preservation and creation in a way that promotes the regional housing policies as defined in the *2040 Housing Policy Plan* and other related administrative policies.

The Metropolitan Land Planning Act requires that local comprehensive plans address existing and future housing needs and facilitate the development of affordable housing through the consideration and use of various local housing policies and strategies and through the guidance of land suitable for the development of new affordable housing. Metropolitan Council staff review the housing element of local comprehensive plans and plan amendments for consistency with statutory requirements and Metropolitan Council housing policies. Staff also provide technical assistance to communities including best practices in housing policy and methods to address localized housing issues.

The Metropolitan Council, through its Metro HRA, provides affordable housing services and rent assistance to low-income individuals and families throughout the region. The Metro HRA will provide a cost-effective, regional delivery mechanism, removing the burden on the limited financial and staff capacities of many local jurisdictions. Tenant-based federal and state rent subsidies will be provided to program participants in communities of choice that fill the gap in service provision often not possible by smaller jurisdictions.

Federal and state assisted-housing programs, as currently administered by Metro HRA, receive funding based on congressional appropriations and competitive application processes. The Metropolitan Council's annual reports on housing and affordable housing production indicate there continue to be challenges to the region that result in a growing need for the provision of affordable housing. Thus, the Metropolitan Council, through the Community Development division, continues to work toward effective and collaborative relationships with jurisdictions, communities, and partners to find ways to achieve regional goals and objectives that are consistent with local planning goals.

IMPLEMENTATION & ACCOUNTABILITY

The Community Development division is responsible and accountable for implementing its programs and executing its functions as directed by and within the parameters of the Metropolitan Land Planning Act and the Metropolitan Livable Communities Act. The division is responsible for developing and submitting annual reports to the legislature on comprehensive plan reviews and Livable Communities Act programs.

The division is also responsible for ensuring that the Metro HRA operates all its assisted housing programs in compliance with the applicable federal and state laws and regulations, including the U.S. Department of Housing and Urban Development (HUD) Code of Federal Regulations, federal, and state program guides, and federal, state, and local fair housing laws and regulations. The Metro HRA also is accountable through its annual performance reporting as required by federal and state program rules. In addition, the Metro HRA partners with others to promote program participant success through

collaboration with public, private, and non-profit partners including social service agencies, other public housing agencies and local governments. The Metro HRA explores new and additional state and federal program opportunities as they become available to further the purpose of this policy and the provision of rent assistance and services to people with lower incomes.

PROCEDURES

- [*RF 1-2a Implementation of the Metropolitan Livable Communities Act Procedure*](#)

RESOURCES

Related Procedures

- [*RF 1-1b Review of Local Comprehensive Plans Procedure*](#)

Statutory (Minnesota Statutes or Rules, U.S. Code, Federal Regulations)

- Metropolitan Land Planning Act (Minn. Stat. §§ 473.175 & 473.851-473.871)
- Livable Communities Act (Minn. Stat. §§ 473.25-473.255)
- Housing and Redevelopment Authority (Minn. Stat. §§ 473.194-473.201)

Council Website

- [*Metropolitan Livable Communities Act Programs \(LCA\)*](#)
- [*Metropolitan Housing and Redevelopment Authority \(Metro HRA\)*](#)
- [*Local Planning Handbook*](#)

Other Resources

- [*2040 Housing Policy Plan*](#)

HISTORY

Version 3 – Approval Date

xx/xx/2022 – Update to reflect current roles and practices as it relates to housing.

Version 2 – Template Update

10/12/2020 – Updated content into new template.

Version 1 – Approval Date

09/11/1998

Last Reviewed Date

Not Set

Next Content Review Date

12/31/2022

Former Reference

1-1-1

Version

3

POLICY

Affordable Housing Policy

RF 1-2

Category: Regional and Foundational Policies

Business Unit Responsible: CD: Metro Housing Redevelopment Authority & Livable Communities

Policy Owner: Director of Community Development

Policy Contact: Tara Beard, Manager Livable Communities
Terri Smith, Director, Metro HRA

Synopsis: Establish the framework for the Metropolitan Council to work toward the provision of affordable and life-cycle housing opportunities throughout the region.

POLICY

The Metropolitan Council supports the provision of affordable housing opportunities throughout the region, and Council will:

- work with local communities in a partnership to meet the range of housing needs of people at various life-cycle stages;
- broaden locational choice and access throughout the region for people of all income levels;
- work toward the removal of barriers that exist to limit the creation of affordable housing throughout the region; and
- support the use of public funds to help achieve these goals in collaboration with non-profit and for-profit organizations.

These goals are carried out through the implementation of local comprehensive plans, the [Metropolitan Livable Communities Act \(LCA\)](#) and the programs of the [Metropolitan Housing and Redevelopment Authority \(Metro HRA\)](#).

PURPOSE OF POLICY

The purpose of this policy is to establish the framework for the Metropolitan Council to work toward the provision of affordable and life-cycle housing opportunities throughout the region, promote efforts to broaden economic and housing opportunities inside and outside areas of poverty concentration, and to further improve accessibility to job, housing, and training opportunities.

The policy also provides a framework for the Metro HRA to administer the federally assisted Section 8 programs that are designed to achieve two major objectives:

- to provide decent, safe and sanitary housing for very low income families and individuals while maintaining their rent payments at an affordable level;
- to promote freedom of housing choice and spatial de-concentration of very low income families of all races and ethnic backgrounds.

In addition, the Metro HRA promotes efforts to link housing with economic self sufficiency opportunities for participants through collaboration with other social service agencies and existing programs.

PURPOSE OF POLICY

With the passage of the Metropolitan Livable Communities Act (LCA) in 1995, the state legislature further recognized the need to stimulate housing, economic and community development in the seven county metro area. As part of its responsibility under the Act, the Council produces an annual affordable and life-cycle housing report that will, over time, form a composite of regional housing market conditions and provide detail on specific programs and related planning activities.

Through its authority as the Metropolitan Housing and Redevelopment Authority (Metro HRA), the Council will provide affordable housing services to low income individuals and families throughout the region. The HRA will provide a cost effective, regional delivery mechanism that eliminates the need for local community involvement or expertise. Tenant-based federal rent subsidies will be provided to clients in communities of choice and fill the gap in service provision often not possible by smaller jurisdictions.

Federally assisted housing programs, as currently administered by Metro HRA, receive funding based on an assessment of the documented need for affordable housing in a specified area of jurisdiction. Reports such as the 2030 Regional Development Framework and the Report to the Minnesota Legislature on Affordable and Life-Cycle Housing indicate, that there continue to be challenges to the region that result in a growing need for the provision of affordable housing. Thus, the Metropolitan Council, through the Community Development Division, continues to work toward effective and collaborative relationships with communities in order to find ways to achieve regional goals and objectives that are consistent with local planning goals.

IMPLEMENTATION & ACCOUNTABILITY

The Community Development Division reviews housing elements of local comprehensive plans for consistency with regional housing policy and has certain legislative requirements in the implementation of the LCA that will, over time, prove a more critical assessment of community efforts in providing life-cycle and affordable housing. The Division also has the responsibility for ensuring that the Metro HRA operates all its assisted housing programs in compliance with the US Department of Housing and Urban Development (HUD) Code of Federal Regulations, as well as all Federal, State and local fair housing laws and regulations.

PROCEDURES

- [*RF 1-2a Implementation of the Metropolitan Livable Communities Act Procedure*](#)

RESOURCES

Council Website

- [*Metropolitan Livable Communities Act \(LCA\)*](#)
- [*Metropolitan Housing and Redevelopment Authority \(Metro HRA\)*](#)

HISTORY

Version 2 – Template Update

10/12/2020 - Updated content into new template.

Version 1 – Approval Date

09/11/1998

Last Reviewed Date

09/11/1998

Next Content Review Date

12/31/2021

Former Reference #

1-1-1

Version

2