

# Business Item

Community Development Committee



**Committee Meeting Date:** March 6, 2023

**For the Metropolitan Council:** March 22, 2023

## Business Item: 2023-64

Strategic Land Acquisition for Affordable Housing Initiative; Termination of Joint Powers Agreement and Repayment Obligation

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Minn. Stat. §§ 471.59; 473.195
<b>Staff Prepared/Presented:</b>	Sarah Berke, Senior Manager, Livable Communities
<b>Division/Department:</b>	Community Development

### Proposed Action

That the Metropolitan Council:

1. Authorize Minnesota Housing to release Land Bank-Twin Cities from its obligation to repay Council grant funds made available for the Strategic Land Acquisition for Affordable Housing Initiative, contingent on the Land Bank's: (a) submission of a final report to the Council that demonstrates use of the grant funds consistent with the terms and conditions of the grant agreement; and (b) commitment to use the funding for the acquisition of strategic sites for affordable housing located in the seven-county metropolitan area.
2. Authorize the Community Development Executive Director to execute agreements necessary to terminate the Land Bank's obligation to repay the Council funds and terminate the Joint Exercise of Powers Agreement with Minnesota Housing.

### Background

In 2016, the Council authorized a \$1,000,000 grant to support the Twin Cities Community Land Bank (now Land Bank-Twin Cities) to acquire strategic sites for future affordable housing in market areas where land prices are rising and the availability of strategic sites for affordable housing is at risk. The Council funding was made available through a Joint Exercise of Powers Agreement (JPA) between the Council and Minnesota Housing. The Land Bank received the Council funds under a grant agreement with Minnesota Housing which required the Land Bank to use the funds on a revolving basis as acquired sites were sold to affordable housing developers and new sites were purchased. The JPA and the grant agreement required the Land Bank to repay the funds. The JPA and the grant agreement also required the Land Bank to submit semi-annual reports on projects where funds were invested, capital leveraged by the grant funds, and an assessment of challenges, successes, learning opportunities, and recommendations to improve the program.

The Land Bank has successfully deployed and partially redeployed the \$1 million in grant funds as part of the acquisition of ten (10) strategic sites. The proposed action would authorize Minnesota Housing to release the Land Bank from repayment obligations associated with the grant agreement, contingent on the receipt of a final report in a form acceptable to the Council and a commitment from the Land Bank to use the funds for acquisition of strategic sites for affordable

housing in the seven-county metropolitan area.

The JPA with Minnesota Housing will terminate when these contingencies are met.

### **Rationale**

This proposed action supports direction in the Council's:

- Housing Policy Plan, which includes a strategy to work with community partners to develop and provide mechanisms and financial resources to support a full range of housing choices across the region, and
- Transit Oriented Development Policy, which includes a strategy to pursue private sector and government partnerships to accelerate land acquisition and development for TOD.

Additionally, the proposed action recognizes successful deployment of the original grant, and the Land Bank's commitment to continue using the funds to leverage private capital to continue strategic acquisitions of sites throughout the region for affordable housing and community development projects.

### **Thrive Lens Analysis**

This funding supported the Thrive Stewardship outcome by using Council tax levy funds to support regional resilience, economic competitiveness, and a full range of housing choices that comes with the creation and preservation of affordable housing. Strategic affordable housing investments also contribute to the Thrive outcome of livability.

### **Funding**

The \$1 million original grant was made from the Council's 2015 Unified Budget from general purpose levy funds.

