

Information Item

Community Development Committee



Meeting Date: March 4, 2024

Topic

Housing Policy Plan Draft Objectives Review

District(s), Member(s):	ALL
Policy/Legal Reference:	Minn. Stat. § 473.145 Minn. Stat. § 473.859, subd. 2
Staff Prepared/Presented:	Hilary Lovelace, Housing Planning Analyst, 651-602-1555 Sarah Berke, Senior Manager, Housing & Livable Communities, 651-602-1198 Maia Guerrero-Combs, Senior Planner, 651-602-1060 Olivia Boerschinger, Senior Planner, 651-602-1327
Division/Department:	Community Development / Regional Planning

Background

The Metropolitan Council is developing the next Regional Development Guide, *Imagine 2050*. The current Regional Development Guide, *Thrive MSP 2040*, along with the Council's metropolitan system and policy plans, are the governing documents that help guide the orderly growth and development of the region. System and policy plans include the 2040 Regional Parks Policy Plan, the 2040 Transportation Policy Plan, the 2040 Water Resources Policy Plan, and the 2040 Housing Policy Plan.

This presentation will invite a discussion on Draft Objectives for the Housing Policy Plan. Following this meeting, Council staff will continue drafting the Housing Policy Plan, with a draft available for public comment prepared in early May alongside other policy areas. Completion of the housing policy plan is expected in early 2025, aligned with the timelines for the other components of the 2050 regional development guide.

Minn. Stat. § 473.859, subd. 2(c) requires that a local government's land use plan include 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." Additionally, Minn. Stat. § 473.859, subd. 4(3) requires that land use plans include specific steps "to implement" housing plans and "provide sufficient existing and new housing to meet the local unit's share of the metropolitan area need for low- and moderate-income housing."

Minn. Stat. § 473.145 requires that the Council's Regional Development Guide address physical, social, and economic needs of the Region.

Affordability Limits

In the past, the Affordability Limits the Council has used in setting policy, tracking development, and funding awards have been based on the standard Minnesota Housing calculates for LIHTC,

using federal HUD data, on an annual basis. In Thrive 2040, Council housing policy shifted from only considering 60% of Area Median Income (AMI) to considering bands of affordability at and below 30%, 50%, and 80% AMI. In October 2022, Housing staff received support from the Committee to explore an Affordability Standard that better reflects the realities of low- and moderate-income households in our region.

Allocation of Affordable Housing Need

As stated in Minn. Stat. § 473.859, subd. 2(c), local governments must address in their local comprehensive plans their response to future regional needs for housing. The Council calculates an affordable housing need allocation for each city and township with sewer-serviced household growth in the first decade of each regional development guide. The history of calculating regional housing need at the Metropolitan Council predates the Metropolitan Land Planning Act, though adjusting the formula and allocating at the local jurisdiction level came later.

Housing Consistency for Local Comprehensive Plans

As stated in Minn. Stat. § 473.859, subd. 2(c), local governments must include a housing element in their comprehensive plans. The Council may set standards for consistency with regional housing policy, ranging from guiding enough land to support the development of communities' allocations of regional affordable housing need, to what programs and policies they will use to meet their local housing needs. Recent analysis of affordable housing development in the region suggests that mixed use land uses are frequently used to build affordable housing, and affordable housing is frequently developed at much higher densities than the minimum densities set in policy.

