

Community Development Committee

Meeting date: February 4, 2013

ADVISORY INFORMATION

Date: January 16, 2013

Subject: Weighting of Affordable Housing in Evaluation of Livable Communities Grant Applications

District(s), Member(s): All

Policy/Legal Reference: Minnesota Statute 473.25

Staff Prepared/Presented: Paul Burns (651) 602-1106

Division/Department: Community Development/Housing and Livable Communities

Proposed Action

None. Information Only

Background

During presentations on recommendations for Livable Communities Act (LCA) grant awards in 2012, Committee members asked questions about how scores for affordable housing fit into the application and review processes for all the LCA grants. In August, Beth Reetz provided an overview of how affordable housing fit into the scoring criteria for reviews of Tax Base Revitalization Account grant applications. At this meeting LCA staff will present information on how affordable housing scoring criteria fit into the reviews of all LCA programs.

Additional information attached from Kevin Roggenbuck, TAB Transportation Coordinator, per Council Member Elkins request.

**Transportation Advisory Board
of the Metropolitan Council of the Twin Cities**

TO: Guy Peterson, Director, Metropolitan Council Community Development
Amy Vennewitz, Deputy Director, Metropolitan Transportation Services

FROM: Kevin Roggenbuck, TAB Transportation Coordinator

DATE: January 28, 2013

RE: History of affordable housing in the regional solicitation process.

In response to a data request regarding how affordable housing is a factor in the scoring of federal transportation funds that the TAB and Council allocate, I have prepared the following brief history on affordable housing in the regional solicitation process.

1997: The regional solicitation included 25 points for life cycle housing. Criteria read as follows: "Applicants for ISTEA funds can be eligible for up to 25 points if the communities in which the project is located have demonstrated a commitment to preserving or developing life-cycle housing through a strategy that is consistent with the community's situation." The criteria could not be applied to all applicants, so it was applied to the city where the project was located.

1999: TAB implemented the Supplemental Transportation Funding Program to Support Livable Communities. This initiative provided up to \$3.0 million as a financial incentive to project sponsors to help support livable communities principles (e.g. promote life cycle or affordable housing, compact mixed use development or pedestrian-oriented development).

2001: The TEA-21 Affordable Housing for Economic Development (AHED) program was implemented. TAB set aside \$3.0 million for federally-eligible projects that could demonstrate a benefit to a proposed or planned affordable housing development.

2001: TAB also added 100 points in Surface Transportation Program, Congestion Mitigation Air Quality Program and Transportation Enhancements Program categories for affordable housing performance. A total of 1,300 points were possible in each category.

2003 to present: Affordable housing performance is still in the regional solicitation, but the points have changed. In the 2011 regional solicitation, the criterion for Progress Toward Affordable Housing Goals was valued as follows:

- Surface Transportation Program: 50 points in all project categories except "A" Minor Arterial Connectors. These roads are in the Rural Development Area. A total of 1,200 points are possible in all categories.
- Congestion Mitigation Air Quality Program: 100 points in the Transit Expansion category, zero points in the System Management category. A total of 1,600 points are possible in the Transit Expansion category.
- Transportation Enhancements Program: Zero points in all categories.

The affordable housing criterion is written and scored by staff from the Council's Community Development department.

Transportation Advisory Board 390 Robert Street North St. Paul, Minnesota (651) 602-1728
Below is the complete text from the 2011 regional solicitation package.

Progress Towards Affordable Housing Goals: **0-50 points**

NOTE: Information and analysis in this section will be provided by Council staff

Methodology for Evaluating Progress Made Towards Affordable Housing Goals

Up to 50 points can be awarded to a project, based upon a community's or group of communities' progress in addressing their affordable housing goals for 1996-2010.

For communities that participate in the Livable communities Local Housing Incentives Program, data from their 1996-2010 negotiated housing goals was used to determine the progress they have made toward providing opportunities to address their affordable housing goals.

For communities that do not participate in the Local Housing Incentives Program, progress will be measured against what the benchmarks were for their community in the Council's LCA goal setting methodology used in determining goals for 1996 to 2010.

Communities negotiated goals for both ownership and rental housing. Analysis consisted of comparing the goal, progress made to date and determining the percentage of the goal achieved for both ownership and rental combined.

Example of Analysis:

	Negotiated Goal	Progress to Date	Overall Progress Made - %
Rental Units	900	200	
Ownership Units	200	125	
Total Housing Units	1,100	325	30%

Scoring:

Percent of Progress Made: Points Awarded:

90-100%	50
71-89%	40
51-70%	30
31-50%	20
11-30%	10
1-10%	5

For projects with 2 or more communities, scores are averaged and then applied to the project. Communities that do not have negotiated goals are given the same average score of the other communities within their group.