

2021-2030 Livable Communities Act Re-enrollment

Determining Affordable and Life-cycle Housing Goals

January 16, 2020

Land Use Advisory Committee



Today's discussion

- Overview of the Livable Communities Act, including 2021-2030 re-enrollment
- Overview of affordable and life-cycle housing **goals** which must be adopted by local governments to enroll/re-enroll in LCA
- Summary of discussions to date about how to determine 2021-2030 affordable and life-cycle housing **goals**
- Seek feedback from the committee:
 - What are your initial thoughts on how to determine 2021-2030 goals?
 - Do you have thoughts on how to best reach out to cities regarding goal determination and the LCA reenrollment process?

Metropolitan Livable Communities Act (LCA)

- Voluntary grant program adopted by legislature in 1995 to promote:
 - Living-wage jobs
 - A full range of housing options
 - Compact and efficient development
- Participants/Applicants must be units of local government
- In addition to statutory requirements, LCA is an incentive tool:
 - Support affordable housing production
 - Develop Comprehensive Plans that are consistent with Council plans and policies

Three active LCA accounts

Tax Base Revitalization Account (TBRA)

Environmental Investigation

Environmental Clean-up

Local Housing Incentives Account (LHIA)

Create and preserve affordable housing

Part of Minnesota Housing's Consolidated Request for Proposals

Livable Communities Demonstration Account (LCDA)

Promote living-wage jobs, a full range of housing options, and compact development

Separate Transit Oriented Development (TOD) category

Separate Pre-development categories for both LCDA and LCDA-TOD

Requirements for participation

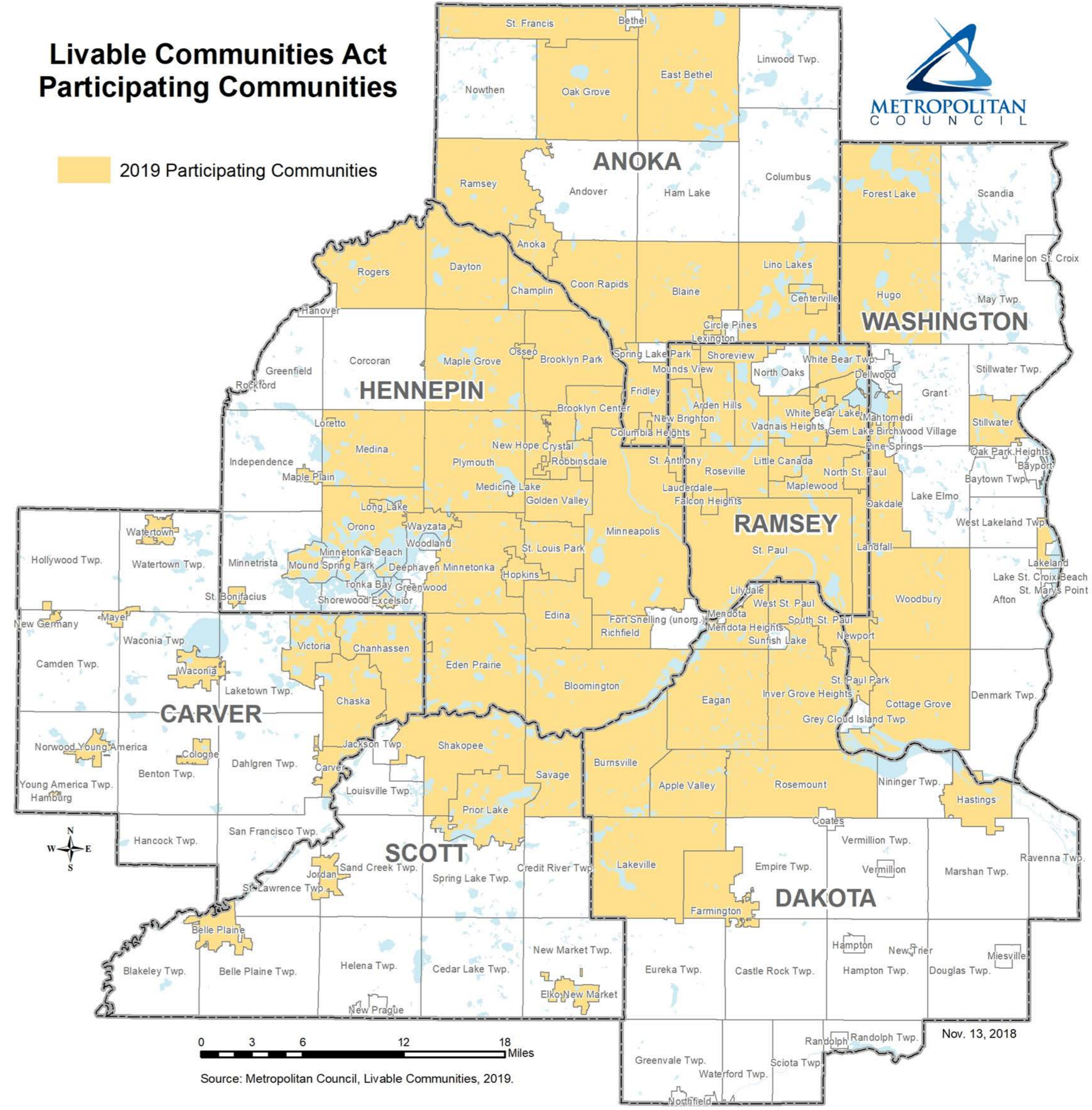
Communities must:

- Establish a Housing Action Plan
- Spend an affordable and life-cycle housing opportunity amount (ALHOA)
- Adopt affordable and life-cycle housing goals

Livable Communities Act Participating Communities



2019 Participating Communities

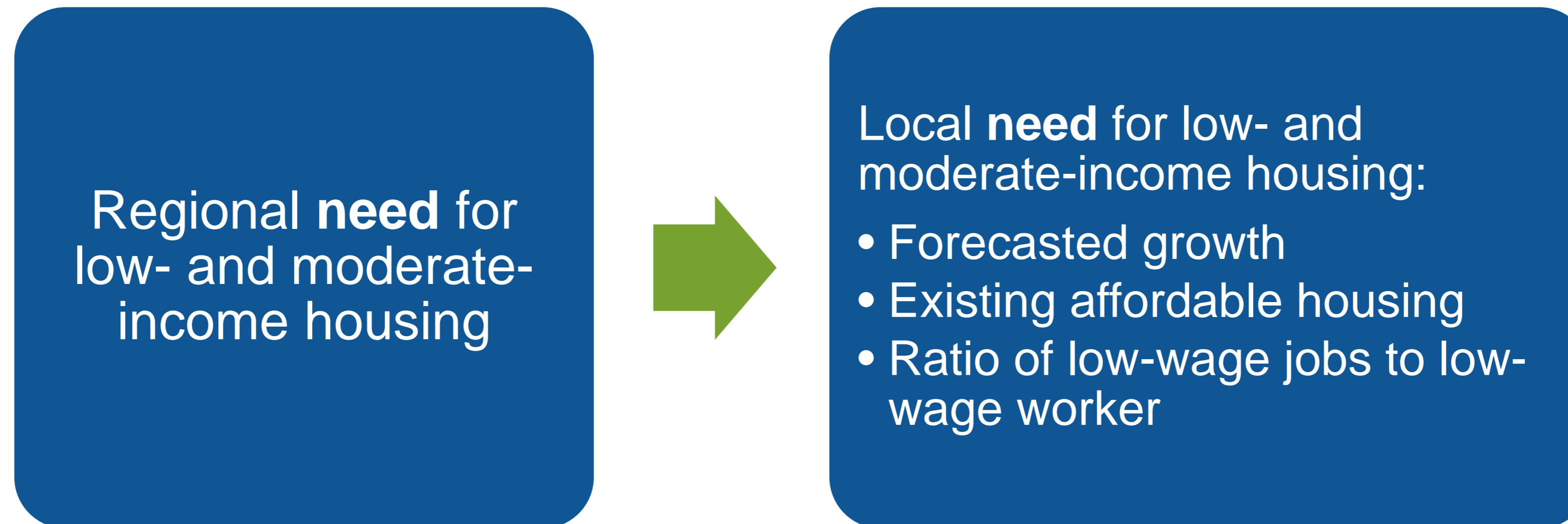


2021-2030 Re-enrollment process

- Affordable and Life-cycle Housing Goals are updated every decade
- Current participating communities adopted Affordable and Life-cycle housing goals that expire at the end of 2020
- Must adopt 2021-2030 Affordable and Life-cycle Housing Goals by November 15, 2020
- Opportunity to enroll in the program on an annual basis, but the 10-year re-enrollment process applies to all communities

Baseline principles for goal determination

- Affordable and Life-cycle Housing Goals should be connected to Council policies
 - A community's **allocation of affordable housing need** should be the foundation from which goals are determined



- Every community's Goals should be determined using a consistent methodology that is easy to understand and explain

How were *2011-2020* goals determined?

- Began with a community's 2011-2020 allocation of affordable housing **need**
- Federal, state, and local funding availability estimates were projected for the decade
 - Determined to be enough to build about 65% of the affordable housing need
- Goals were calculated as a range:
 - Low-end: 65% of their 2011-2020 allocation of affordable housing need
 - High end: Allocation of the housing need
- Minneapolis, St. Paul, and Dakota County cities were exceptions to the low-end calculation
 - These communities are sub-allocators of Low Income Housing Tax Credits

Discussion to date

- Two meetings with stakeholders thus far
- Consensus on baseline principles
- General comfort with projected funding availability
- Significant discussion on whether goals should be the same as the **need** or based on funding availability

Considerations for goal/need determination

- Goal = Need

- Allows **goal** to reflect the true significance of the affordable housing **need**
- There is no “penalty” for not meeting the **goal**, so no “risk” in having a higher **goal**
- Cities are already deeply embedded in how to address their **need** through the Comprehensive Plan update process

- Goal = Share of Need we expect funding for

- Acknowledges lack of funding to meet **need**
- Acknowledges cities alone cannot meet their **need**
- Higher **goals** may discourage program participation

Next steps

- February 3rd: Discussion at Community Development Committee (CDC)
- March/April: Return to CDC for confirmation of approach
- May - July: Communicate with all cities about upcoming reenrollment, goal determination
- August – November 15: Local adoption of proposed goals
- November: Public hearing at CDC meeting
- December: CDC and Council adopt 2021-2030 goals as part of mass reenrollment

Questions for discussion

- What are your initial thoughts on how to determine 2021-2030 goals?
- Do you have thoughts on how to best reach out to cities regarding goal determination and the LCA reenrollment process?

Thank you!
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