

C Community Development Committee

Meeting date: April 19, 2010

ADVISORY INFORMATION

Date:	April 14, 2010
Subject:	Negotiation of the LCA Affordable and Life Cycle Housing Goals (Guy Peterson 651 602-1418)
District(s), Member(s):	All
Policy/Legal Reference:	Minnesota Statutes §473.254
Staff Prepared/Presented:	Guy Peterson, Director, Community Development
Division/Department:	Community Development

Proposed Action

None. Staff will bring forward a recommendation on goals and a rollout process in May.

Background

LCA Goals - 1995

In 1995, to implement the Livable Communities Act (LCA), the Metropolitan Council negotiated affordable and life-cycle housing goals with 97 cities that voluntarily chose to participate in the Local Housing Incentives Account (LHIA) of the LCA, and therefore be eligible to compete for grants in the Act's three grant categories – Livable Communities Demonstration Account, Tax Base Revitalization Account, and the LHIA. After 1995, a dozen or so additional communities sought participation and negotiated goals with the Council. The goals for these 100+ cities were the same numbers as those subsequently identified by the communities in their Comprehensive Plan Updates, prepared to fulfill the Local Planning Act (LPA) plan update requirements for 1998.

These LCA goals were expressed as goal ranges intended to increase or maintain each participating cities' share of affordable or life-cycle housing during the 15 year timeframe of 1996 through 2010.

If all of the participating cities achieved the new unit goals they agreed to, the region would see the addition of 85,000 affordable owner units and 16,000 affordable rental units over this timeframe.

LCA Goals - 2010

Fifteen years later we are in the last year of the timeline for the above described negotiated goals and new goals need to be negotiated for the next decade of LCA implementation.

In 2006, as part of the LPA affordable housing planning requirement, the Council provided each community with a need number representing the community's share of the estimated 51,000 new affordable housing units needed by the region between 2011 and 2020. To date, all of the Comprehensive Plan Updates for communities with an affordable housing need number have acknowledged and included this affordable housing need number.

Though communities have accepted the concept that they shoulder their fair share of this housing need for the next decade, they have expressed legitimate concerns that there may not be sufficient resources for affordable housing available to the region over

the course of the next decade to support the addition of 51,000 new units of affordable housing needed through 2020.

Staff have worked with MN Housing over the course of the past couple months to determine a fair and realistic expectation of the funding availability for new affordable units over the next 10 years based upon funds availability and utilization in the region over the past four years. This level of resources is proposed by staff to be used to establish the low end of an LCA goal range for communities for new affordable units. The high end of the range will be a communities' share of the total regional need as set forth in their Comprehensive Plan Updates for 2008.

In this fashion, the proposed LCA affordable housing goals expectations for communities will be a numerical range of units that recognizes funding realities and limitations for producing new units as the low end of a range, yet acknowledges a communities' complete share of the regional need as the high end of that range should sufficient resources become available over the decade to meet its share of the total need.

Regarding the life-cycle housing goals requirement in the LCA, staff is proposing that every community choosing to participate in the LCA going forward agree that their life-cycle housing goal for 2011 to 2020 be a range of numbers already set forth in their local Comprehensive Plan Updates.

The low-end of the life-cycle housing range is suggested to be the community's full affordable housing needs number as identified in their Plan Update. Since it is generally agreed that most new affordable housing opportunities are created through attached housing, LCA participating communities should set as their minimum life-cycle housing goal enough attached housing for at least their adopted share of the regional affordable need. The high end of their life-cycle goal range would be the number of attached housing units that can be developed in the community given the future land use designations in their 2008 Plan Update.

The key ingredient to the proposed life-cycle goals will be the use of the communities' own unit numbers as set forth in their Plan Updates. The numbers proposed as the life-cycle units range are already addressed in the future land use designations and allowable densities set forth in the local Plan Updates. They would be recast as a community's LCA goals to satisfy the life-cycle housing goals requirement of the law.

Next Steps:

Staff will provide the Community Development Committee with examples of the housing goal ranges that would be created by the application of these range-creating methods for both affordable and life-cycle housing.

With the Committee's concurrence staff would use the next month to engage in a dialogue with Metro Cities, its member communities, the Council's housing funding partners and other stakeholders about the proposed LCA housing goals and Housing Action Plan requirements of the Act.

In May, the Committee would be asked to make a recommendation to the Council to adopt the LCA housing goals numbers and process brought forth by staff following stakeholder interaction and dialogue.

Rationale

MN Statutes 473.254 requires the Council to negotiate affordable and life-cycle housing goals with each municipality that elects to participate in the Local Housing Incentives Account. The LCA goals previously negotiated in 1995 for the timeframe 1996 through 2010 are expiring at the end of this year and new goals must be negotiated with municipalities electing to do so.

Funding

There is no funding involved in the goals negotiation, however only communities that elect to participate in the LCA and negotiate new goals with the Council can receive LCA funding after 2010.

Known Support / Opposition

No known opposition.