

C Community Development Committee

For the Metropolitan Council meeting of April 11, 2012

Item: 2012-114

ADVISORY INFORMATION

Date Prepared: April 3, 2012

Subject: Guidelines for Priority Funding for Housing Performance – Minor and Clerical Revisions

Proposed Action:

That the Council adopt the *Guidelines for Priority Funding for Housing Performance* with one modification to the revisions as proposed in the attached document to make clarifications and other miscellaneous changes to the January, 2003 publication.

Summary of Committee Discussion / Questions:

Staff presented a very brief history of the development and implementation of the Council housing policy that evolved over time to be the *Guidelines for Priority Funding for Housing Performance*. Staff noted that the reason for the proposed "housekeeping" type revisions are that the *Guidelines* have not had any changes in a decade and are in need of some updating to be current. Staff suggested more thorough policy based revisions will occur after the preparation of a Housing Policy Plan in 2012 and 2013. The Committee asked that one proposed revision not be included. Staff had proposed revising the baseline year for determining a score in the fourth criterion applicable to Cities and Townships from 1996 to 2006. The Committee voted not to make this change but rather keep 1996 as the baseline year.

Tim Thompson of the Housing Preservation Project addressed the Committee and suggested their support of a comprehensive revision of the *Guidelines* following adoption of the Policy Plan, but encouraging the Council not to wait to broaden the use of the housing scores in Council funding decisions such as those regarding the distribution of transportation funding.

C Community Development Committee

Meeting date: April 2, 2012,

For the Council Meeting of April 11, 2012

ADVISORY INFORMATION

Date:	March 28, 2012
Subject:	Guidelines for Priority Funding for Housing Performance – Minor and Clerical Revisions
District(s), Member(s):	All
Policy/Legal Reference:	Minnesota Statutes Section 473.175
Staff Prepared/Presented:	Beth Reetz, Director, Livable Communities, 651 602-1060; Guy Peterson, Director, Community Development Division, 651 602-1418
Division/Department:	Community Development

Proposed Action

That the Council adopt the *Guidelines for Priority Funding for Housing Performance* with the revisions as proposed in the attached document to make clarifications and other miscellaneous changes to the January, 2003 publication.

Background

The Metropolitan Council has been measuring the performance of local government in the provision and support for housing affordability and diversification since its first regional Housing Policy Plans in the 1970s. This determination in the form of a housing performance score has been undertaken by the Council for all but perhaps a 10 year hiatus during the 1990s.

In the heyday of federally required A-95 review by regional entities as a prerequisite for federal categorical grants, the Council had in place specific housing policy requiring that the performance of communities with regard to low-and-moderate income having be a factor in the evaluation of applications for federal funds. In competitive processes, preference would be given to communities providing affordable housing and using programs, fiscal devices and land use official controls and regulations to facilitate the development of more.

In the 70s and 80s different versions of the Housing Policy Plan included Policy 13 and later, Policy 39 as the policy basis for evaluating the housing performance of communities to be used as a factor in the rating and ranking of applications for federal, and in some instances, state funding. In those years, as in the past decade, communities were asked to complete a housing performance survey each year, from which staff determine a score for each community based on several criteria and metrics.

With the demise of the federal A-95 review by the late 1980s, both the importance and applicability of the housing performance scores diminished. Their relevance and use declined not only because of the absence of opportunities to apply the scores as the broad range of federal funding and grants programs shrunk dramatically, but because the Housing Policy Plan itself failed to be updated in the 90s. As the focus of Council attention turned away from affordable housing until the latter part of the decade and the creation of the Livable Communities Act, the policy and its determination of scores fell out of practice entirely.

Early in its tenure, the Mondale Council (1999-2002) was confronted with funding decisions and prioritization for which it sought the inclusion and application of communities' affordable housing performance. Finding that none were still in place and practices, or required as a factor in the evaluation of applications for discretionary funding, they pressed staff to reinstitute the practice of measuring affordable housing performance. By 2001, after nearly a year of development and public interaction and comment, the Council adopted the *Guidelines for Priority Funding for Housing Performance*.

The *Guidelines* say the Council may apply the evaluation of how well communities do on several measures regarding housing affordability and diversification in the form of a performance score from 0 to 100. In late 2002 several minor revisions were made to the criteria by the Mondale Council, and the revised document was published in January, 2003 as the Council transitioned to new policymaker membership.

Since then the housing performance scores determined through the *Guidelines* have been used exclusively in the evaluation and rankings of LCA grant applications. They have not been employed in other Council funding decisions.

Rationale

Because the *Guidelines* have not been revised at all since the end of 2002, there are various changes in definitions, descriptions, applicable threshold amounts and terminology, as well as formatting improvements, that haven't been made to the document that should be to make it more clear, accurate and current.

Staff has reviewed the document for appropriate places for what might be described as "housekeeping" or "cleanup" changes that do not change the intent or application of the criteria but instead are intended to clarify and make applicable to 2012.

A more thorough re-examination and revision of the criteria employed in the *Guidelines* should be undertaken after the Council develops and adopts a new regional Housing Policy Plan in late 2013 or early 2014.

Funding

The criteria themselves are not a funding decision. They are a tool used by the Council as a factor in funding decisions.

Known Support / Opposition

None.