



**Minneapolis**  
*City of Lakes*

**Community Planning &  
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September 22, 2014

Libby Starling  
Metropolitan Council  
390 Robert Street North  
Saint Paul, MN 55101

RE: Housing Policy Plan- City of Minneapolis comments

Dear Ms. Starling,

Thank you for the opportunity to comment on the Metropolitan Council's draft Housing Policy Plan. We appreciate the work of the Metropolitan Council staff and the project group that developed the draft plan. We commend you on developing a strong document and taking the leadership in renewing the Housing Policy Plan as part of the series of policy plans developed to inform next year's Systems Statements. The plan should serve the region well.

We submit the following comments on behalf of the City of Minneapolis. The following items (included in this letter) identify major areas of comment; these comments are supported by more detailed comments which are enclosed in a separate, more detailed document.

1. The City of Minneapolis is supportive of the Metropolitan Council leveraging its existing resources, tools, programs and funds to help meet the overall housing goals of the plan. We believe this is critically important to the future health and development of the region. We are also supportive of finding additional funding tools, such as the Inclusionary Housing Fund. However, given the outlook for the supply and demand for affordable housing provided in the Plan, the City of Minneapolis feels that the Housing Policy Plan should be more emphatic in laying out the current and future housing needs and the lack of resources to preserve and develop housing; as well as identify more active collaboration for all partners in retaining and growing programs and funding sources for affordable housing.
2. The City of Minneapolis supports the Metropolitan Council's data driven approach outlined in the plan and we endorse your approach to the refinements to, and broader application of, the Housing Performance Score and refinements to the methodology used for the Allocation of Affordable Housing. We note that the final formulas and methods are not included in the draft plan and we request that you involve the City of Minneapolis in the refinement of these methods and measures prior to their completion and implementation.

3. The City of Minneapolis is supportive of the Metropolitan Council's commitment to use its resources, in particular transit investments, to increase equity and amenities in areas of concentrated poverty resulting in more income-diverse neighborhoods. However, we are concerned that Plan does not identify the Metropolitan Council's role in regional parks as an additional way to address equity and further increase amenity in areas of concentrated poverty to further catalyze more income-diverse neighborhoods. The City of Minneapolis feels this should be added to the Housing Policy Plan as well as the upcoming Regional Parks Policy Plan.
4. The Housing Policy Plan contemplates additional funding streams for affordable housing, and mentions exploring a scenario with SAC credits. The Metropolitan Council is correct to note that SAC can be a highly sensitive topic. The City of Minneapolis has consistently advocated for improvement to SAC including less complexity and lower rates. We have also advocated for a fee structure where there is a more direct correlation between the charge and a service or benefit rendered. Currently, all SAC rate-payers pay the same amount even though some sewer access projects require tremendous investment or new infrastructure, while others may not require any change whatsoever. Any increase in the volume of wastewater is already accounted for through the Metropolitan Wastewater Charge (MWC).

We support the goal of finding additional funding sources for affordable housing development and preservation. However, it is currently unclear if an Affordable Housing SAC Credit is the most effective tool to achieve the desired outcomes. The current proposal lacks detail, but we would be open to discussing the issue further, particularly in the broader context of the SAC fee structure. As a cost-for-service program, we believe SAC rates should be determined based on the costs of providing wastewater services. A credit program with a neutral impact on rates may be distinguishable. We would be sensitive to proposals which could lead to an increased burden for SAC rate-payers, or that could affect the MWC rates as the result of MWC transfers to SAC to cover deficient balances.

5. The City of Minneapolis is supportive of the concept to preserve and retain naturally occurring affordable housing that is discussed in the Housing Policy Plan. However, we have concerns about its implementation when it intersects with policy regarding Areas of Concentrated Poverty and Transit Oriented Development. Additionally, we are concerned that the Plan does not adequately address the reason a property is considered naturally occurring affordable housing including the quality and condition of the property. We feel a more nuanced understanding of why a property is considered naturally occurring affordable housing will help in crafting strategies to retain and preserve these units as well as provide more informed interpretation of potentially conflicting policies. We revision to the Plan regarding these elements prior to its adoption.
6. The City of Minneapolis is supportive of the Metropolitan Council moving forward with working on the five items outlined in Part IV Opportunities for Impact of the Housing Policy Plan. The City recognizes these areas need some additional direction that will be developed as these items mature on the Metropolitan Council's work plan, but we have concerns about how some of the issues are framed and approached. We offer specific comments and revisions for the following:
  - Reduction of barriers to development of mixed-income housing
  - Exploration of inclusionary housing strategies

- Building wealth and expanding investments in Areas of Concentrated Poverty.
7. The City of Minneapolis commends the Metropolitan Council for elevating the issue of Fair Housing, and exploring the role that it can play to end discrimination in housing. The structural disparity and equity issues that the Fair Housing Act strives to address have significantly impacted Minneapolis and its residents. We support the Metropolitan Council in developing its own Fair Housing policy and facilitating a dialogue about this important issue. The City looks forward to actively participating in these conversations and we thank the Metropolitan Council for its leadership. We support the need for determining effective strategies, roles and responsibilities as well as the identification and allocation of resources needed to support monitoring and enforcement of the Fair Housing Act. We would like further discussion with the Metropolitan Council about the role that Fair Housing efforts play in future project funding determinations.

We look forward to continued collaboration around these topics and others. Please contact Kjersti Monson, Director of Long Range Planning in Community Planning & Economic Development with questions.

Sincerely,

Kjersti Monson  
Director of Long Range Planning  
Community Planning & Economic Development - CPED  
City of Minneapolis

CC:

Craig Taylor, Executive Director, CPED  
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Mark Van der Schaaf, Metropolitan Council  
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