

Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED

Date: November 30, 2010
To: Council Member Lisa Goodman, Chair, Community Development Committee
Subject: Metropolitan Council Livable Communities Act-Housing Action Plan

Recommendation: Adoption of the attached Housing Action Plan (HAP) to allow the City of Minneapolis to continue participation in the Livable Communities programs of the Metropolitan Council.

Previous Directives: On October 2nd, 2009, the City Council adopted the city's Comprehensive Plan which contained a chapter on Housing. On September 3rd, 2010, the City Council affirmed its participation in the Livable Communities program, and affirmed the housing goals recently adopted in the Comprehensive Plan.

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Approved by:	Charles T. Lutz, Deputy Director, CPED	_____
	Thomas A. Streitz, Director, CPED Housing	_____
Presenters in Committee:	Wesley J. Butler	

No Financial Impact

City Goals

A Safe Place to Call Home; Livable Communities Healthy Lives; Many People, One Minneapolis; and Eco-Focused

Comprehensive Plan: Policy 1.13. Support high density development near transit stations in ways that encourage transit use and contribute to interesting and vibrant places; Policy 3.2. Support housing density in locations that are well connected by transit, and are close to commercial, cultural and natural amenities; Policy 3.3: Increase housing that is affordable to low and moderate income households. 3.3.9 Partner with other municipalities, along with county, metropolitan, state and federal agencies and policymakers, to develop a regional strategy for increasing the supply of affordable housing, supported by a more predictable, long-term revenue stream. Policy 3.6: Foster complete communities by preserving and increasing high-quality housing opportunities suitable for all ages and household types.

Zoning Code: Will comply

Supporting Information

The Metropolitan Livable Communities Act (LCA) established the Metropolitan Livable Communities Fund, which is administered by the Metropolitan Council in order to address housing and other development needs throughout the metropolitan area. Examples of

City of Minneapolis

Housing Action Plan (HAP)



Adopted: December 10, 2010

Introduction

The Housing Action Plan (HAP) is a document with its initial approval in the City of Minneapolis Comprehensive Plan, adopted October 2nd, 2009. This plan is required by the Metropolitan Council of cities that choose to participate in the Livable Communities program, which provides access to development grant funds such as the Livable Communities Demonstration Account (LCDA), Tax Base Revitalization Account (TBRA), and Local Housing Incentive Account (LHIA).

This plan itself is verbatim to the previously adopted housing chapter of the City of Minneapolis Comprehensive Plan. This was crafted this way to avoid confusion and contradiction with the approved Comprehensive Plan. This plan will change only after elements of the approved comprehensive plan changes.

City of Minneapolis Housing Action Plan (HAP)

Affordable Housing & Homelessness

The City is committed to promoting stable, affordable, high quality housing choices for all Minneapolis residents. Its leadership in supporting new affordable housing development, and stabilizing and preserving existing affordable dwelling units has been recognized by the Metropolitan Council and others. The City's priorities for creating and retaining affordable housing are described in the City's Unified Housing Policy.

The City and other funders of affordable housing have historically placed a high priority on creating housing that is affordable to households earning 50 percent or less of the metropolitan median income. While this remains a City priority, the City also recognizes the importance of meeting needs across the housing continuum, since families at all income levels play essential roles in the city's economic and social vitality. Mixed income housing (i.e. housing that contains dwelling units targeted to households of varying means) is increasingly being built in Minneapolis.

Policy 3.3: Increase housing that is affordable to low and moderate income households.

- 3.3.1 Continue to utilize housing development finance programs to foster growth in the city's affordable housing stock in all parts of the city.
- 3.3.2 Utilize city housing resources and partnerships to preserve the affordability of existing affordable housing.
- 3.3.3 Work to provide affordable housing for both rental and ownership markets at a broad range of income levels.
- 3.3.4 Support policies and programs that create long-term and perpetually affordable housing units.
- 3.3.5 Support the development of housing with supportive services that help households gain stability in areas such as employment, housing retention, parenting, and substance abuse challenges.
- 3.3.6 Use planning processes, requests for proposals for city owned properties, and other community engagement processes to engage in dialogue with community participants about affordable housing and its compatibility with all Minneapolis neighborhoods.
- 3.3.7 Increase low-income family access to ongoing rental assistance.
- 3.3.8 Foster partnerships with housing developers, financial institutions, faith communities and others to extend the city's capacity to create affordable housing.
- 3.3.9 Partner with other municipalities, along with county, metropolitan, state and federal agencies and policymakers, to develop a regional strategy for increasing

the supply of affordable housing, supported by a more predictable, long-term revenue stream.

The City of Minneapolis partners with Hennepin County and other municipalities to end the cycle of homelessness using a common road map, the report [Heading Home Hennepin: The Ten-Year Plan to End Homelessness in Minneapolis and Hennepin County](#).

From the appendix:

Housing Implementation Program

Like its two predecessors, this update to the comprehensive plan is required to have a housing implementation program, that identifies official controls, programs and fiscal tools the City will use to implement its housing goals and policies. These are outlined below. Similar information is included in the Implementation chapter of the plan.

In its guidance for this round of comprehensive plan updates, the Metropolitan Council has recognized the need for the increased availability of affordable housing throughout the region. In order to ensure an equitable distribution of this housing throughout the region, it has set targets for each municipality to achieve between 2011 and 2020, to meet an overall regional goal of 51,000 newly constructed affordable housing units. The City of Minneapolis' share of this overall goal is 4,088 new affordable housing units. The [full report on housing goals](#) is available online. The allocation of these goals by jurisdiction was determined by three factors:

- Proximity to low wage jobs compared to the number of local low wage workers
- Existing percentage of affordable housing
- Level of transit services

The City of Minneapolis acknowledges its share in the regional need for low- and moderate-income housing. It is committed to achieving the goal as stated above. Additionally, the city is committed to growing its housing stock at all income levels, consistent with Metropolitan Council demographic projections for 2030.

Affordable Housing Programs and Fiscal Devices

Housing policy implementation at the City of Minneapolis is managed primarily through the Community Planning and Economic Development Department's Housing Policy & Development Division, in partnership with Regulatory Services, Health and Family Support, and other departments and partners. The Housing Division administers a range of programs which develop and preserve affordable housing, eliminate blighting influences, encourage private market activities, and assist low income households in purchasing and rehabilitating homes. These include direct assistance programs as well as various fiscal devices, and are funded through a variety of different sources. As of the date of this plan's adoption, these include:

- Affordable Housing Trust Fund Program (AHTF)

- Affordable Ownership Housing Development Program
- Emergency Shelter Grant (ESG) Program
- Higher Density Corridor Housing Program
- Low-Income Housing Tax Credits (LIHTC)
- Multifamily Housing Revenue Bond (HRB) Program
- Nonprofit Development Assistance Program
- Tax Increment Financing (TIF)
- Capital Acquisition Revolving Fund (CARF)
- Century Homes Program
- Distressed Properties - Vacant Housing Recycling Program
- The Home Ownership Program
- Home Ownership Works (HOW) Program
- Housing Replacement Tax Increment Districts
- Senior Housing Regeneration Program™ (SHRP)
- CityLiving – Mortgage Loans
- Code Abatement Loans
- Home Repair Loans
- American Dream Downpayment Initiative - Affordability Loan
- Minneapolis Advantage
- Don't Borrow Trouble
- Five-Point Strategy
- Northside Home Fund

[More information](#) about these programs and fiscal devices is available online. Details about specific progress on program objectives are described in the annual HUD Consolidated Plan for Housing and Community Development, and the [Consolidated Annual Performance Report](#).

Housing Goals and Policies

The plan is required to include goals and policies addressing the need to add low-and moderate-income affordable housing or other housing to meet special needs, other development and redevelopment expectations, housing maintenance and preservation, density and diversity of housing type. These goals and polices are contained within Chapter 3 – Housing.
Housing Action Plan