



**CITY OF SAINT PAUL**  
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To: Comprehensive Planning Committee  
From: Jamie Radel, City Planner (266-6614)  
Date: August 27, 2014  
RE: Comments on Metropolitan Council's Draft Housing Policy Plan

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### **Overview of the Housing Policy Plan**

This is the first time since 1985 the Metropolitan Council has prepared a Housing Policy Plan. According to information they provided on the Plan's website, its purpose is to do the following:

- Advance and refine the Council's housing policy direction as defined in *Thrive MSP 2040*;
- Facilitate a meaningful, inclusive regional conversation on housing;
- Identify local and regional needs and priorities for housing;
- Promote housing options that give people in all life stages and of all economic means viable choices for safe, stable and affordable homes;
- Connect housing to the other Council system plans (e.g. Transportation, Regional Parks, and Water Resources);
- Incorporate recommendations from *Choice, Place and Opportunity: An Equity Assessment of the Twin Cities Region*;
- Provide a "toolkit" of best practices, strategies and technical assistance to local communities; and
- Help inform and provide guidance for local housing planning.

The City of Saint Paul had two representatives on the Plan's work group—former PED Director Cecile Bedor and former Housing Director Allen Carlson. Staff has been in contact with both of them to try to understand what issues they were trying to advance on the City's behalf during this process and what concerns they might have had during the course of the process.

The Plan is organized in five parts—

**Part I: Housing for a Growing, Thriving Region** – This section identifies the makeup of who lives in the region today and forecasts how that will and is likely to change between now and 2040. It then moves on to describing the regional housing stock and discusses, at length, some of the affordable housing challenges, and then suggests that by acting regionally, the Metropolitan area is better positioned to tackle some of these larger issues than if individual communities acted in a vacuum.

Part II: Outcomes: Using our housing resources wisely to create a prosperous, equitable, and livable region for today and generations to come – This section is organized around the five desired outcomes identified in *Thrive MSP 2040*—stewardship, prosperity, equity, livability, and sustainability. Each of these outcomes has a series of goal statements and then identifies the roles for both the Metropolitan Council to take on and those for local units of government. This is followed by a discussion on principles that looks at the identified goals through the lenses of integration, collaboration, and accountability, which again identifies a series of actions for the Metropolitan Council.

Part III: Council Policies and Roles to Expand Viable Housing Options – This section discusses what the Council does today and how it expects to provide new and expanded roles in support of implementation of this plan.

Part IV: Opportunities for Impact – This section is the Council’s future housing policy workplan.

Part V: Next Steps – This section identifies short-term and longer-term actions the Council is expecting to take.

### **Staff Comments on the Draft Housing Policy Plan**

The demographics provided in this report are very useful and provide keen insight as to what is expected to occur within the region. It would be useful if all of the demographic information were brought to the front of the report instead of being placed within subsections of the report. Specifically, the information presented in the Livability Section (p. 34) would be helpful to have while reading the earlier sections because it provides a good overview of the expected aging of the population and how that impacts housing choice.

The Plan provides excellent information on affordable housing. In some instances it seems like too much information buried within disparate sections of the Plan. To make the plan more readable, consolidating that information into an appendix and making reference to it might make it more accessible.

The stewardship section discusses “naturally occurring” affordable housing or unsubsidized affordable housing. For Saint Paul this type of housing is often found in areas of disinvestment—whether single-family homes or aging apartments. On p. 5, the Plan acknowledges that “many of these aging units have become more affordable but may not be viable.” Without direct subsidy of these properties (as is suggested in bullet points five and six of this section through tax abatement, fee waivers, local financing tools, reduced inspection fees, and home rehabilitation grants), any investment in them will decrease their level of affordability and then they are neither “naturally occurring” nor “unsubsidized.” Programs, like Saint Paul’s Inspiring Communities, are working to stabilize neighborhoods by strategically investing in properties in hopes of sparking people’s interest to invest in their properties.

Saint Paul supports working with developers to design high-quality projects. On p. 23, the recommendation is to do such, but the recommendation would be stronger if it were to recommend

that cities review and adopt official controls to require high quality housing projects and neighborhoods.

In Saint Paul, Concentrated Areas of Poverty (CAPs) and Racially Concentrated Areas of Poverty (RCAPs) are of critical concern. The City supports the Council's efforts to bring this to the forefront of its policy efforts. On page 70, the Plan discusses the Council's role to "build wealth and expand investment in Areas of Concentrated Poverty." The first bullet point is to "work to mitigate [these areas] by better connecting their residents to opportunity and catalyzing neighborhood revitalization." There are no action steps identified. One key action that the Metropolitan Council should identify in this Plan is to convene the transit service providers to identify ways to connect affordable housing options in the CAPs and RCAPs to the jobs opportunities in the greater region. Regional transit service between the CAPs/RCAPs and the broader region is inadequate. Many of those living in CAPs/RCAPs are transit-dependent riders, yet to get to jobs outside of Saint Paul is often challenging or not possible. Additionally on p. 26, the Plan identifies a local role to "identify opportunities to improve links between existing housing clusters and job concentrations" and to "explore how to improve residents' ability to access jobs, services, and amenities without a personal vehicle." Again, a role for the Council is to identify mechanisms through public transit agencies to better serve areas where people who are transit dependent.

On p. 33, it seems a role for the Council and/or local governments could be to provide improved education to landlords on how to rent to Section 8 voucher recipients.

On p. 37, the discussion on placemaking assumes that transit-oriented development (TOD) projects are inherently mixed-income. As this is not necessarily the case, one of the Council's roles should be to advocate for mixed-income projects in TOD areas through the implementation of the LCDA-TOD and TBRA-TOD programs.

On p. 35 the Plan speaks to "Plan Housing Choices for the Growing Senior Population." Earlier in the Plan it states that  $\frac{3}{4}$  of net new households to 2040 will be headed by seniors age 65+. This is a startling statistic and a demographic reality that deserves more in-depth discussion of how the needs of these new households will be met and more robust roles for the Met. Council and local governments than those listed.

The strategy, "Incorporate Housing Performance Scores as a scoring element in the Regional Solicitation for Transportation Funding," on p. 42 and p. 56, "Propose to the Transportation Advisory Board the inclusion of the Housing Performance Scores (existing and as updated in this plan) as a scoring element in the Regional Solicitation for Transportation Funding" are strong strategies with sound policy direction. In a similar vein, the "data-driven approach to measure[ing] progress" strategy to address "Accountability" on p. 47 is strongly supported.

Later in the document (p. 50) the Metropolitan Council recommends moving to three tiered thresholds of affordability (<30%; 30-50%, 50-80%) instead of one threshold (<60%) and establishing adjustment factors (p. 51) to measure need. Both of these policies are strongly supported.

The discussion on Housing Performance Scores (pp. 53-54) illustrates a more nuanced way to calculate HPS, which should give communities more attainable and measurable ways to ascertain progress. In addition, there is an action identified on p. 54 that the Council will use the HPS as a funding application evaluation element. Both of these strategies are strongly supported.

In Part III: Council Policies and Roles, beginning on p. 48, city staff strongly support the concepts of the Metropolitan Council offering expanded technical assistance to local governments and, in particular, are strongly supportive of the Metropolitan Council acting as a “convener” to “elevate housing dialogue” (p. 60).

Perhaps one of the most critical elements of the Draft Housing Policy Plan is the introduction of Part IV: Opportunities for impact where six items in the Metropolitan Council’s future housing policy workplan are outlined. These are:

1. Reduction of barriers to development of mixed-income housing;
2. Exploration of inclusionary housing strategies;
3. Assessment of feasibility of strategies to share risk;
4. Shared regional strategies to affirmatively further fair housing and address housing discrimination;
5. Building wealth and expanding investment in Areas of Concentrated Poverty.

These are excellent strategies and are strongly supported by the City. However, a critical missing piece is that there are no initiatives identified to lobby the federal government or state government to assist in achieving this goal. While convening interested parties is important, real change must often come from policy makers in higher office.

Finally, the City is very supportive of Section V: Implementation and Next Steps, particularly the table identifying measures, baselines, and desired outcomes (pp. 75-76). However, while identifying and measuring indicators is very important, funding must follow in order for those goals to be achieved. As the Metropolitan Council is a significant funder, they must ensure that their funding guidelines and criteria align with the goals outlined in the measures and desired direction table.

The full policy document may be found online here:

<http://www.metrocouncil.org/Housing/Planning/Housing-Policy-Plan.aspx>

### **Recommendation**

Staff is requesting the Comprehensive Planning Committee send these comments to the full Planning Commission for discussion and recommendation to the Mayor in order to submit the City’s comments to Metropolitan Council staff by the Sept. 26, 2014 deadline. The September 16<sup>th</sup> committee meeting can also be used for additional discussion if needed by the Committee, followed by action at the September 19<sup>th</sup> Planning Commission meeting.

Should Planning Commissioners be interested, they may attend the Metropolitan Council’s public hearing on the draft 2040 Housing Policy Plan at 5 p.m. on Monday, September 15, 2014 in the Metropolitan Council Chambers, 390 Robert Street North, Saint Paul, MN 55101.