



CITY OF SAINT PAUL
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DATE: September 5, 2017
TO: Comprehensive Planning Committee
FROM: Jamie Radel, PED staff
RE: 2040 Comprehensive Plan Housing Chapter (AMENDED)

BACKGROUND

What is the Comprehensive Plan?

The Comprehensive Plan is Saint Paul's "blueprint" for guiding development for the next 20 years. It addresses city-wide physical development, and contains chapters on Land Use, Transportation, Parks and Recreation, Housing, Historic Preservation and Water Resources. While the policy focus is on physical development, the Plan's core values, goals and policies reflect an understanding that how we arrange the physical elements of our city – streets, parks, housing, public infrastructure – impacts and is impacted by the people in our city. The current update of the Comprehensive Plan also has several overarching issues integrated into each chapter, including racial and social equity, aging in community, community/public health, economic development, sustainability/resiliency and urban design. The policies contained in the Comprehensive Plan are based on Saint Paul's core values; history; community priorities; and emerging social, economic and environmental trends.

Legal Framework

The state Metropolitan Land Planning Act requires that every municipality and other local government in the seven-county metropolitan region have a Comprehensive Plan, and that it be updated every 10 years consistent with the Metropolitan Council's regional plan and system plans for transportation, parks and water. (Note: In Saint Paul, several other plans beyond the six city-wide chapters have been adopted periodically as addenda to the Comprehensive Plan, including the *Central Corridor Development Strategy*, station area plans, master plans, area plans and district plans. These documents are not required by the Metropolitan Council to be updated every 10 years; they are updated as needed at any time.) The guiding regional document for this update of Saint Paul's Comprehensive Plan is *Thrive MSP 2040*. The Metropolitan Council also has a Housing Policy Plan that is not required by statute, but provides guidance to municipalities as they prepare their own Housing chapters. The mandated planning time frame for this update of the Comprehensive Plan is 2040.

In addition to *Thrive MSP 2040*, the City's update of the Comprehensive Plan must respond to regional growth projections in population, housing units and employment. The following

projections have been established for Saint Paul to 2040: an increase of 40,000 residents, 20,000 households and 30,000 jobs. We have to show how we will accomplish this growth, as well as how our local policies will implement regional policies. In its review, the Metropolitan Council also considers our Comprehensive Plan's compatibility with the plans of neighboring municipalities and agencies with jurisdiction in Saint Paul (e.g. watershed districts, Ramsey County, MnDOT). Saint Paul is designated as an "Urban Center" in *Thrive MSP 2040*.

Planning Commission Role in Review and Adoption

One of the core responsibilities of the Planning Commission is to oversee the preparation of the Comprehensive Plan, and to recommend it to the City Council for adoption. Once the City Council has adopted the Plan, it is sent to the Metropolitan Council for final approval. For three chapters – Transportation, Parks & Recreation and Historic Preservation – a Planning Commission committee or other City commission will also review the relevant draft chapter and forward a recommendation to the Planning Commission. A public hearing on the complete draft Comprehensive Plan will be held at the Planning Commission and likely at the City Council prior to adoption. The role of the Planning Commission is to ensure that the chapters of the Comprehensive Plan respond to our regional mandate for growth, maintain a city-wide perspective, are consistent with one another and reflect the city's core values.

COMMUNITY ENGAGEMENT

Extensive community engagement – far more than in a typical process – has been undertaken to set the community vision and priorities for the 2040 Comprehensive Plan, and to identify issues to address within it. The engagement approach has been to reach as many people as possible; be genuine about the role of engagement; and be representative by race, age and geography. Major engagement kicked off in May 2016 with three broadly-advertised open house events, and continued throughout 2016 into 2017 with attendance at community festivals, pop-up meetings in public locations, district council meetings, City department meetings, policymaker interviews, radio interviews on WEQY (Voice of the East Side) and KMOJ (The People's Station), Open Saint Paul online input, and discussions with experts and advocacy organizations. As of this writing, staff has spoken with over 2,000 people at 62 events, generating over 3,700 comments. At least one event was held and at least 25 people were engaged in each of Saint Paul's 17 planning districts, with an average of three events and 100 people per district. During the big engagement push of May-September 2016, the over 800 people of color engaged represented approximately 50% of the total participants, compared to a city-wide population proportion of 40% (in 2010). The age of participants was also mostly representative of the city-wide population, if somewhat older.

Nine themes and priorities emerged from the community engagement. In December 2016 and January 2017, staff sent an e-blast of the preliminary themes and priorities, and posted them in 81 strategically-selected "third places" (gathering spaces like coffee shops, libraries, and community centers) to invite feedback. Seventy-one comments were received, mostly confirming the themes and priorities, with the most commonly-suggested additions relating to climate change resiliency and adaptation. Responding to this feedback, "sustainability" was added to create a modified final list of nine themes:

- **Livability, equity and sustainability.** When we asked about regional themes established by the Metropolitan Council, a majority said livability and equity are the most important for Saint Paul. Further public input established sustainability as also being vitally important. Other regional themes to be incorporated into the updated Comprehensive Plan include prosperity and stewardship.
- **Parks and open space.** Parks and open space, from Como Park to Swede Hollow to the Mississippi River to local playgrounds, were consistently identified throughout the city as cherished places that we should preserve and enhance.
- **Sense of community.** Many people identified social connections, diversity and their neighborhood's character – whether “vibrant” or “quiet” – as key advantages of living in Saint Paul.
- **Public safety.** People want to be and feel safe in their communities, and to have positive relationships with police officers. Strategic investment and thoughtful design can improve public safety. While this issue goes beyond typical development policies covered in the Plan, other ways to meaningfully incorporate this deep concern will be explored.
- **Road safety for pedestrians and bicycles.** Pedestrian safety at crossings and improved facilities were frequently identified as issues, as were bicycle facility improvements and safety.
- **Invest in people.** Whether job training or programming at recreation centers (especially for youth), people identified this as an important issue for Saint Paul. Many commented that these investments pay dividends for livability, prosperity and public safety.
- **Jobs.** People said we need more and better jobs to allow people to provide for their families and lift up the entire community.
- **Quality affordable housing.** People said we need more affordable housing, and that existing housing must be well-maintained.
- **Saint Paul is full of opportunity sites.** The range of “places with potential” identified was astounding, including major projects like Snelling-Midway (soccer stadium area) and the Ford site; large geographies like “the East Side,” “the Green Line” or “the riverfront;” commercial corridors like White Bear Avenue or Selby Avenue; and individual sites throughout the city. People said there are gems throughout the city, ready for (re)discovery and investment.

In addition to the overall themes and priorities, staff reviewed the approximately 350 public input comments related to housing as well as the Saint Paul specific input that was gathered as part of the Addendum to the Analysis of Impediments process. Several strong themes emerged:

- **Affordability of housing.** A diversity of opinion was provided on affordable housing. Generally, respondents saw housing affordability as a serious issue. There was support for adding affordable units, and specifically along transit corridors and near job centers; however, there is also a concern about over concentrating affordable units in any one area.
- **Neighborhood stability.** Broad issues were identified that have impact on residential neighborhoods, including public safety, single-family home teardowns, multi-family infill, gentrification, and displacement.

- **Mixed-income projects and neighborhoods.** People generally supported the idea of mixed-income neighborhoods and/or creating mixed-income projects.
- **Dwelling type and households.** Diversity of housing type was identified as a positive. A desire to have new dwellings types, including accessory dwelling units, tiny houses, and cluster housing, and alternative types of household types, including cooperatives and co-housing.
- **Ability to age in community.** There is interest in the ability for residents to age in their community. Ideas provided included intergenerational housing, co-housing, and greater diversity of housing options in the neighborhoods.
- **Access to housing.** Concerns over the impact of lack of affordability, background checks, and past evictions were identified as barriers to housing.
- **Homelessness.** The need to house and provide services to Saint Paul's homeless were identified.
- **Absent or delinquent landlords.** Respondents were concerned with landlords not taking care of rental properties and the impact to those that live in those units as well as the neighborhood in which they are located.

Going beyond priorities and themes, all public comments have been read by multiple City staff and considered for use in the development of plan policies and/or plan implementation strategies. A sortable database was created for additional analysis by topic and geography.

Parallel to broad general community engagement, staff has communicated with experts, advocacy groups and focus groups, including the Saint Paul Business Review Council and other business organizations, Port Authority, colleges and universities, the Mayor's Advisory Committee on Aging and Saint Paul Public Schools. Such outreach is on-going.

2010 HOUSING CHAPTER

In the current Comprehensive Plan adopted in 2010, the Housing Chapter contained 34 policies with numerous sub-policies and substantial expository text organized under three broad strategies: (1) Build upon Saint Paul's strengths in the evolving metropolitan housing market, which focused on strategic housing growth and housing production; (2) Preserve and promote established neighborhoods, which focused on preservation of existing, stable neighborhoods, housing rehabilitation, home ownership, neighborhood revitalization, and housing for the City's changing population; and (3) Ensure the availability of affordable housing across the city, which focused on preservation and production of affordable housing. Many of the sub-policies in this chapter are housing or planning team work plan items, and it make it challenging to use this document for general policy guidance.

2040 HOUSING CHAPTER PROCESS

The housing chapter was drafted using the current chapter as a foundation and modifying it in context of current housing trends, community input, recommendations of the addendum to the Analysis of Impediments, and a review of best practices used by other cities. This information was considered by an interdepartmental staff team from the Departments of Planning and Economic Development (Planning and Housing teams) and Safety and Inspections for review and guidance on chapter structure and content.

Guiding principles for this process were to:

- Use clear and concise language;
- Focus policies on the big picture;
- Keep the chapter to a manageable size; and
- Make the document as user-friendly as possible.

DRAFT CHAPTER HIGHLIGHTS

The Housing Chapter has been revamped from the current version; new plan goals and policies are organized around the physical structure (maintenance/safety and design/energy efficiency), people (fair housing, owners, and renters), affordability, and neighborhoods.

Seven goals establish foundation for the proposed housing policies:

- Decent, safe and healthy housing for all Saint Paul residents.
- Well-designed, energy-efficient buildings and sites constructed with quality materials.
- Fair and equitable access to housing for all city residents.
- A supportive environment for homeownership.
- Stable rental housing.
- Improved access to affordable housing.
- Strong neighborhoods that support life-long housing needs.

The goals are the end-state the City is trying to work toward and the policies are written to act as guidance for how the City can achieve each goal. While this draft may have more strategies as first glance compared to the current plan, it has become more streamlined with no sub-policies and elimination of additional supplemental language to explain the meaning of the policy.

Unlike other chapters, the Housing Chapter serves a dual role for the City—it is a chapter of the Comprehensive Plan as well as the Housing Action Plan (HAP) required in order for the City to participate in the Metropolitan Council’s Livable Communities Program. The purpose of the HAP is to ensure that the City is working toward meeting the affordable and lifecycle housing goals the Metropolitan Council sets for Saint Paul every 10 years. The City’s 2011 – 2020 goals is to develop 2,625 units of affordable housing at 60 percent of area median income (AMI) and 2,625 – 7,000 units of life-cycle housing. In the next few years, the City will be negotiating a new LGA goals for 2021-2030.

Consideration and integration of the recommendations, when appropriate, of the Fair Housing Addendum of 2014 Regional Analysis of Impediments (2017) has been a priority during this updating process. (See Attachment 3 to review recommendations of this document. The full document is available at:

<https://www.ramseycounty.us/sites/default/files/Projects%20and%20Initiatives/Draft%20III%20Addendum.pdf>.) The recommended actions are just recommendations, and it is at the discretions of each jurisdiction as to if and how they are implemented. The Mayor’s Office has convened a Fair Housing Working Group comprised of leadership and staff from several City

departments to develop the City's strategic plan around these recommendations. Policies recommended in this draft chapter may evolve or additional policies added as an outcome of this internal process. Recommendations are expected from this group at the end of November 2017.

The following describes the scope of polices that have been identified for each of the Housing Chapter goals.

Decent, safe and healthy housing for all Saint Paul residents: Policies developed to support this goal focus on residential building maintenance, funding for maintenance, City programs that support safe buildings, housing life-cycle, lead abatement, and indoor air quality.

Well designed, energy-efficient buildings and sites constructed with quality materials: Policies in this section focus on site and building design, universal design, sustainable buildings, energy efficiency, decreasing energy cost burden, use of quality building materials, and low-maintenance landscaping. The City is working on developing a Climate Action Plan, which is slated for adoption prior to the finalization of the Comprehensive Plan. Policies in this section link back to that draft document.

Fair and equitable access to housing for all city residents: Policies under this goal focus on accommodation of housing types to support all residents, locational choice for all residents, the definition of family, and homelessness.

Supportive environment for homeownership: Policies under this goal focus on homeownership disparity, alternative ownership models, down-payment assistance, home-ownership education, and foreclosure prevention.

Stable housing rental community: Policies under this goal focus on landlord/tenant rights, preservation of Section 8 units, rental screening processes, displacement, and evictions.

Improved access to affordable housing: Policies in support of affordable housing focus on development of new housing, goals related to City-/HRA-assisted housing projects, extending the term of affordable ownership units, location of family-sized affordable and workforce housing (NOAH), stabilization of "for-sale" naturally occurring affordable housing, prioritization of NOAH in future strong-market areas and existing income-restricted units, consideration of official controls for affordable housing, and pursuit of additional funding possibilities.

Strong neighborhoods that support life-long housing needs: Policies in support of this goal have a wide breadth of focus including strong urban design, "Missing Middle" housing, small house development, tear downs, demolitions, connections between housing and schools, aging in community, and place-based investments.

NEXT STEPS

The Comprehensive Planning Committee will review this chapter (and all the chapters) before authorizing staff to release the entire draft plan for public comment in early 2018. Upon revising to respond to public comment at that time, staff will then return to the Comprehensive Planning Committee to request that a formal public hearing be set in front of the Planning Commission in April 2018.

After incorporating input from the Comprehensive Planning Committee, the staff team will set up a focus group with housing advocates to gather feedback prior to development of the final chapter.

Implementation step, additional mapping related to the chapter, and other required elements will be drafted in 2017 and presented to the Comprehensive Planning Committee for review at a later date. The plan document is anticipated to be before the City Council in June 2018 for a public hearing and adoption.

Attachments

1. Draft Housing chapter
2. Metro Cities Housing Term Glossary
3. Housing demographics and information
4. Addendum to the Analysis of Impediments
5. Required Metropolitan Council housing map

Housing Chapter

Introduction

It is the intent of this chapter to address housing needs of all Saint Paul residents. Housing needs are not just about a physical structure, but involve a complex set of issues around fairness, choice, stability and affordability. As the city grows and those living in the city change over the next twenty years, the idea of what constitutes a housing unit or a household may need to evolve to meet the needs of the city's diverse residents.

The following goals guide the Housing chapter:

- Decent, safe and healthy housing for all Saint Paul residents.
- Well-designed, energy-efficient buildings and sites constructed with quality materials.
- Fair and equitable access to housing for all city residents.
- A supportive environment for homeownership.
- Stable rental housing.
- Improved access to affordable housing.
- Strong neighborhoods that support life-long housing needs.

Please note that land use policies, such as density and specific areas guided toward housing, are found in the Land Use Chapter.

Goal: Decent, safe and healthy housing for all Saint Paul residents.

Policy H-1. Ensure upkeep and maintenance of the aging housing stock through enforcement of property maintenance codes.

Policy H-2. Ensure safe housing through the continuation and refinement, as needed, of the rental Certificate of Occupancy and the Truth in Sale of Housing programs.

Policy H-3. Weigh the expected lifecycle, market viability, and ongoing maintenance needs of residential structures prior to providing public rehabilitation funds.

Policy H-4. Address housing deficiencies and encourage reinvestment in residential properties by supporting maintenance and rehabilitation programs for property owners.

Policy H-5. Work to reduce lead exposure in homes built prior to 1978 through support lead identification and mitigation programs offered by the City of Saint Paul, Saint Paul-Ramsey County Public Health, and other partner agencies.

Policy H-6. Support continued efforts to improve indoor air quality in homes to reduce asthma and address other air-quality-associated health issues.

Goal: Well-designed, energy-efficient buildings and sites constructed with quality materials.

Policy H-7. Encourage creativity in building design and site layout.

Policy H-8. Encourage the use of universal design elements to make housing accessible for all residents.

Policy H-9. Ensure green building practices are used for housing projects that the City/HRA financially participate in by maintaining and updating, as needed, the City's sustainable building policy.

Policy H-10. Encourage the use of energy efficient mechanical systems and building products in rehabilitation and new construction to decrease building operation costs and impacts on the environment.

Policy H-11. Partner with utility companies, non-profits, and other agencies to reduce the number of energy-burdened households by encouraging building owners to undertake energy audits of and undertake improvements to their properties, such as new metering technologies that allow sub-metering.

Policy H-12. Demonstrate effectiveness of new construction technologies or techniques, such as passive house, that push the boundaries of energy efficiency in housing.

Policy H-13. Encourage use of long-lasting, high-quality building materials for residential buildings to decrease long-term housing maintenance and energy costs.

Policy H-14. Encourage the use of low-impact landscaping, such as no-mow yards, native landscaping, and rain gardens, to reduce the consumption of natural resources in yard maintenance.

Goal: Fair and equitable access to housing for all city residents.

Policy H-15. Accommodate a wide variety of culturally appropriate housing types throughout the city to support residents at all stages of life and levels of ability.

Policy H-16. Increase housing choice across the city to support economically diverse neighborhoods by pursuing policies and practices that maximize housing and locational choices for residents of all income levels.

Policy H-17. Ensure the regulatory definition of family and allowable dwelling types meet the needs of residents and reflect how people want to live while meeting fair housing requirements.

Policy H-18. Foster the preservation and production of homeless and supportive housing.

Goal: A supportive environment for homeownership.

Policy H-19. Collaborate with partner agencies, lenders, and the real estate industry to reduce racial disparities in home-ownership that could be attributable to unequal access to fair lending or intentional steering to specific neighborhoods.

Policy H-20. Promote shared-equity ownership options, such as land trusts or cooperatives, to help make homeownership achievable for a greater number of households.

Policy H-21. Support partner organization’s down payment assistance and first-time home-buyer mortgage programs to help homebuyers invest in Saint Paul.

Policy H-22. Encourage home-owner education through continued support of organizations that provide services, such as financial counseling and pre-and post-purchase training, to help potential and new homeowners make well-informed decisions.

Policy H-23. Continue foreclosure prevention programs to help residents understand available options and provide guidance throughout the process.

Goal: Stable rental housing.

Policy H-24. Create awareness around tenant and landlord rights, responsibilities, best practices, and resources to decrease conflicts that could lead to evictions.

Policy H-25. Collaborate with HUD and MHFA to preserve project-based Section 8 vouchers within the City that are at risk of being withdrawn from the building or transferring to another building outside of Saint Paul.

Policy H-26. Advocate for research on and best practice development for tenant screening criteria, such as rental and criminal history reviews, to reduce housing insecurity.

Policy H-27. Support efforts and/or legislation to discourage renter displacement due to change in ownership that increases rent increases and/or eliminates acceptance of Section 8 vouchers.

Policy H-28. Support efforts and/or legislation to reduce non-just-cause evictions filings.

Goal: Improved access to affordable housing.

Policy H-29. Support the development of new affordable housing units throughout the city.

Policy H-30. Work toward at least 30 percent of units in City/HRA-assisted rental housing projects being affordable to residents earning 60 percent of AMI with 10 percent affordable to residents earning 30 percent of AMI, 10 percent affordable to residents earning 50 percent of AMI, and 10 percent affordable to residents earning 60 percent of AMI.

Policy H-31. Further affordable ownership housing goals in HRA/City-assisted projects by working toward 20 percent of all units being affordable to residents earning 80 percent of AMI and 10 percent affordable to residents earning 60 percent of AMI.

Policy H-32. Work with partners to explore mechanisms to ensure that affordable ownership units developed with City/HRA assistance remain affordable beyond the first generation of owners.

Policy H-33. Encourage the development of family-sized affordable housing in strong market areas.

Policy H-34. Encourage the development of affordable workforce housing in areas well-served by transit and/or in proximity to employment centers.

Policy H-35. Encourage acquisition, if put up for sale, of naturally occurring affordable housing by non-profit organizations, community development corporations, religious institutions, tenants, and/or private sector actors committed to preserving and investing in affordable housing, and the long-term upkeep and maintenance of these properties.

Policy H-36. Prioritize preservation of naturally occurring affordable housing in areas with improved/improving transit and/or planned reinvestment to reduce resident displacement.

Policy H-37. Prioritize preservation of existing income-restricted affordable housing units to ensure continued affordability of those units.

Policy H-38. Consider use of official controls to require affordable housing to facilitate achieve mixed-income neighborhoods

Policy H-39. Pursue public and private funding sources for affordable housing preservation and production.

Policy H-40. Encourage and support state and federal legislation that preserves existing programs and provide new funding opportunities for affordable ownership and rental housing.

Policy H-41. Strive to achieve the Metropolitan Council's affordable housing goals.

Goal: Strong neighborhoods that support life-long housing needs.

Policy H-42. Encourage high-quality urban design for residential development that is compatible with the pattern and scale of the neighborhood, but allows for innovation and consideration of market needs.

Policy H-43. Explore expanding permitted housing types in Urban Neighborhoods (as defined in the Land Use Chapter) to include duplexes, triplexes, town homes, small-scale multifamily and accessory dwelling units to allow for neighborhood-scale density increases and broadened housing choices.

Policy H-44. Consider amendments to the zoning code to permit smaller single-family houses and duplexes to facilitate the creation of small home development types, such as pocket neighborhoods and cottage communities.

Policy H-45. Balance the market demand for larger homes in strong market areas with the need to maintain a mix of single-family housing types and that is sensitive to the surrounding neighborhood context.

Policy H-46. Analyze the neighborhood context of residential structures, in addition to general safety, prior to moving forward with city-sponsored demolition to ensure neighborhood housing assets are not prematurely removed.

Policy H-47. Collaborate with Saint Paul Public Schools and other educational partners to ensure that school choice and location furthers housing investment and neighborhood stability.

Policy H-48. Support alternative household types, such as co-housing, intergenerational housing, intentional communities or other shared-living models that allow residents to “age in community.”

Policy H-49. Support housing for older people that is proximate to transit.

Policy H-50. Improve the stability and health of communities of concentrated disadvantage by implementing place-based investments, such as public infrastructure, improvements and maintenance.



Housing Terms Glossary

(definitions excerpted from the Metropolitan Council Housing Policy Plan, adopted 2014, and other sources)

Accessibility

Refers to an original or modified housing element that enables independent living for persons with disabilities, including: an accessible building entrance and route through the dwelling unit; accessible common areas; doors usable by a person in a wheelchair; environmental controls such as light switches in accessible locations; and usable kitchens and bathrooms.

Accessible Unit

A dwelling unit that has physical features, such as grab bars or an entrance ramp, that help tenants with mobility impairments gain full use and enjoyment of their apartment.

Accessory Dwelling Units (also known as accessory apartments, guest apartments, in-law apartments, family apartments, or secondary units)

Dwelling units that provide supplementary housing and can be integrated into existing neighborhoods with little or no impact on the character of the neighborhood. Because the units are usually small, they are more affordable than full-size rentals and include units both attached to or detached from the primary housing unit.

Affordable Housing

The Met Council adopts the affordability definitions as set forth by HUD, under which housing is “affordable” for low- and moderate-income households when they pay no more than 30% of gross household income on housing. The Council has adopted three tiers of affordable housing in allocating the regional need for affordable housing: up to 30 percent area median income, 31-50 percent AMI, and 51-80 percent AMI.

Area Median Income

100% of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD. The area median income is a critical component of housing-related activity, including eligibility for affordable housing programs.

Bridge Loan (also known as interim financing or gap financing)

A short-term loan that is used until an entity secures permanent financing or removes an existing financial obligation. The loans are short-term (up to one year) with relatively high interest rates and are backed by some form of collateral such as real estate or inventory.

Consolidated Request for Proposals/Super RFP

To streamline the process of securing and deploying funding for affordable housing development, Minnesota Housing coordinates the Consolidated Request for Proposals (Super RFP). The Super RFP

allows Minnesota Housing and its funding partners (the Metropolitan Council, Department of Employment and Economic Development, Family Housing Fund, and Greater Minnesota Housing Fund) to use a single funding application and allows developers to apply for multiple funding resources at once. Creative finance packages that best fit each project and the strategic priorities of each funder can be assembled during the project review and selection processes.

Community Development Block Grant (CDBG)

Created under the Housing and Community Development Act of 1974, this HUD program provides grant funds to local and state governments to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low- and moderate-income residents.

Community Fix-Up Program

This Minnesota Housing program assists communities in addressing specific home improvement needs and goals by promoting partnerships between Fix Up lenders and community organizations to add supplemental funds or other incentives to borrowers.

Community Land Trust (CLT)

Community Land Trusts help low- and moderate-income families benefit from the equity built through home ownership and at the same time preserve the affordability of these homes so future residents will have the same affordable homeownership opportunities. A Community Land Trust (CLT) creates affordable housing by taking the cost of land out of the purchase price of a home and maintains affordability by controlling the resale price of houses on CLT land through a ground lease and resale formula.

Comprehensive Plan

Cities, townships and counties in the seven-county area are statutorily required to provide comprehensive plan updates every 10 years to the Metropolitan Council. The Metropolitan Council reviews local plans for conformity with regional systems, and consistency with regional policy plans, including housing, and provides guidance to cities in the preparation of plans through a Local Planning Handbook.

Construction Loan

A short-term loan typically with a high interest rate used to finance the building of housing or other real estate. Developers or builders take out a construction loan in order to begin the project while they obtain long-term funding.

Credit Enhancement

Credit enhancement is a measure taken with the goal of reducing credit risk and boosting the credit rating of an entity. Through credit enhancement, the lender is provided with reassurance that the borrower will honor the obligation through additional collateral, insurance, or a third party guarantee.

Density

The Council measures minimum net density across all areas identified to support forecasted growth by taking the minimum number of planned housing units and dividing by the net acreage. Net acreage does not include land covered by wetlands, water bodies, public parks and trails, public open space, arterial road rights-of-way, and other undevelopable acres identified in or protected by local ordinances such as steep slopes.

Density Bonus

Density bonuses are a zoning tool that permits developers to build more housing units, taller buildings, or more floor space than normally allowed in exchange for a defined public benefit, such as a specified number or percentage of affordable units included in the development.

Disadvantaged Business Enterprise (DBE) Program

The Council receives funding for projects and procurements from several sources, including federal funding from the United States Department of Transportation (US DOT) and the Environmental Protection Agency (EPA). Both the US DOT and the EPA require their fund recipients to have a DBE Program. Under the DBE program, prime contractors subcontract project work to DBE firms. Achievements are measured by the percent of contract dollars subcontracted to DBE firms.

Due Diligence

An analysis that includes reviewing all financial and legal records, title, or history of a property that is being considered for purchase by a potential buyer. Sellers of property, finance providers, and investors also typically perform a due diligence analysis on a buyer's or borrower's capacity to acquire the property. Due diligence helps parties analyze and minimize risks in a development project.

Emergency Loan Program

This Minnesota Housing program provides a zero interest, deferred, and forgivable loan for extremely-low-income homeowners for basic improvements that directly affect the safety of the home and health of its inhabitants. This can involve addressing lead paint hazards, repair or replacement of failed electrical, plumbing, heating, or other systems, structural repairs, and other emergency conditions.

Enhanced Vouchers (used under the Project-Based Section 8 Program)

When a private owner leaves a HUD project-based subsidy program, usually by prepayment of a subsidized mortgage or opt-out of a project-based Section 8 contract, the owner's obligation to maintain the low rents or accept the project-based assistance at the property is lifted, leaving most of the residents unable to pay the new rent without a new rental assistance subsidy. Enhanced vouchers subsidize rents for tenants facing opt-out or prepayment.

Entitlement Communities

Local entitlement communities are larger cities and urban counties that receive annual grants directly from HUD through the CDBG program to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

Fair Housing Act

Originally passed in 1968, the federal Fair Housing Act prohibits discrimination that makes housing unavailable to people because of race or color, religion, sex, national origin, family status, or disability.

Fair Market Rent

HUD calculates a Fair Market Rent (or FMR) to estimate the rent that would be required to be paid in a particular housing market area in order to obtain privately owned, decent, safe and sanitary rental housing with suitable amenities. Fair Market Rent includes the cost of utilities (except telephone).

Feasibility Study

An analysis of the ability to complete a project successfully, taking into account legal, economic, technological, scheduling, and other factors. Feasibility studies allow project managers to investigate the possible negative and positive outcomes of a project before investing too much time and money.

Federal Home Loan Banks (FHLB)

The Federal Home Loan Bank Act of 1932 created Federal Home Loan Banks to increase the amount of funds available for lending institutions that provide mortgages and similar loan agreements to individuals. The FHLB system currently focuses on increasing the amount of funds available for lending to support affordable housing and community development projects.

Federal Housing Administration (FHA)

FHA is a United States government agency that provides mortgage insurance to qualified, FHA-approved lenders. FHA mortgage insurance helps protect lenders from losses associated with mortgage default; if a borrower defaults on a loan, the FHA will pay a specified claim amount to the lender. FHA loans are generally given to people who otherwise would be unable to qualify for a conventional home mortgage loan.

Financial Intermediaries

Notable for providing higher-risk loans such as predevelopment, construction, bridge, or gap loans, financial intermediaries such as the Local Initiatives Support Corporation (LISC) and Enterprise Community Partners play a particular role in affordable and mixed-income development. Because of their unique combination of mission-orientation and financial strength, they are often able to provide financing at more favorable rates than private lenders and may be willing to make loans the private sector would not.

Fiscal Tools

Policies concerned with government revenues (such as taxes or fees) and expenditures. Fiscal tools are one means that local communities can use to enable and support housing development, preservation, and other housing activities, and may involve direct financing support in the form of loans or grants, abatement or exemption from property taxes, waiver of local fees, or other means.

Floor Area Ratio (FAR)

The total square feet of a building divided by the total square feet of the lot the building is located on. FAR is used by local governments in zoning codes. Higher FARs tend to indicate more urban (dense) construction. Buildings of varying numbers of stories can have the same FAR, because the FAR counts the total floor area of a building, not just the building's footprint. On a 4,000 square-foot lot, a 1,000 square-foot, one-story building would have the same FAR (0.25) as a two-story building where each floor was 500 square feet.

Foreclosure

A specific legal process in which a lender attempts to recover the balance of a loan from a borrower who has stopped making payments to the lender by forcing the sale of the asset used as collateral for the loan. Foreclosure relief, recovery, mitigation, and counseling programs in response to the impacts of the Great Recession are still a high priority for governments and housing-focused nonprofits.

Funding Gaps

A major part of financing affordable housing is covering funding gaps. A funding gap is the difference between the cost a developer pays to produce the housing and the available, secured financial resources to help pay for costs. Three primary types of funding gaps are:

- **Affordability Gap:** occurs when the housing cost is higher than a household can afford to pay at the targeted income level.
- **Multifamily Underwriting Gap:** occurs when the financing sources secured for an affordable or mixed-income project are less than the total development cost, or TDC.
- **Value Gap:** occurs when the cost to construct an affordable unit is greater than the purchase price or rent that the local market will bear.

General Obligation, or G.O. Bond

A municipal bond backed by the credit and taxing power of the issuing jurisdiction rather than the revenue from a given project.

Guaranteed Loan

A loan guaranteed by a third party in the event that the borrower defaults. The loan is quite often guaranteed by a government agency which will purchase the debt from the lending financial institution and take on responsibility for the loan.

Holding Costs

Costs incurred by a developer if the property sits idle. Typical examples of holding costs include interest on loans, taxes, and property maintenance and security.

HOME Investment Partnerships Program

This HUD program provides grants to states and localities that communities use, often in partnership with local nonprofit groups, to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership, or to provide direct rental assistance to low-income people.

Housing Discrimination

Discrimination based on protected class status, including race, gender, age, ethnicity, national origin, sexual orientation, gender identity, marital status, or veteran status. Specific areas of housing discrimination are rental discrimination, sales discrimination, lending and mortgage discrimination, and discrimination in the approval of homeowner's insurance.

Housing Element (part of the Comprehensive Plan)

Under state statute, a local comprehensive and land use plan must include a housing element containing standards, plans, and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low- and moderate-income housing.

Housing Implementation Program (part of the Comprehensive Plan)

Local comprehensive plans must include an implementation section identifying the programs, fiscal devices, and official controls the community will use to address their share of the region's need for low- and moderate-income housing (the Need).

Housing Improvement Areas

A defined area within a city where housing improvements are made or constructed and the costs of the improvements are paid in whole or in part from fees imposed within the area.

HousingLink

HousingLink is an affordable housing information clearinghouse established as a result of the 1995 Hollman v. Cisneros consent decree to ensure that low-to-moderate-income families have access to the affordable housing information they need.

Housing Revenue Bonds

Bonds issued to finance construction or rehabilitation of multifamily housing projects where a specified proportion of the units will be rented to moderate- and low-income families, in some cases specifically

targeted toward elderly residents. These securities may provide financing either directly or through a loans-to-lenders program, and may be secured by federal agency guarantees or subsidies.

Inclusionary Housing Account, Livable Communities Act

The Inclusionary Housing Account was created under the Livable Communities Act but has only been funded once by one-time state appropriation. The account was created to help spur construction of new mixed-income development.

Inclusionary Zoning

Zoning code requirements that originated in the early 1970s aiming to stimulate the production of affordable housing. Generally, these ordinances require that a minimum percentage of new housing units be set aside for low-income households. Inclusionary zoning can be mandatory or voluntary.

Infill Development

Infill development is the construction of a building or buildings on vacant land within otherwise developed neighborhoods.

Livable Communities Act

The 1995 Livable Communities Act (LCA) funds community investment that revitalizes economies, creates affordable housing, and links different land uses and transportation. The LCA's voluntary, incentive-based approach leverages partnerships and shared resources to help communities achieve their regional and local goals. Under the LCA, the Council makes grant and loan awards from three accounts:

- Livable Communities Demonstration Account (LCDA): Supports development and redevelopment that links housing, jobs, and services while demonstrating innovative, efficient and cost-effective use of land and infrastructure.
- Local Housing Incentives Account (LHIA): Produces and preserves affordable housing choices for households with low to moderate incomes to help municipalities meet their negotiated LCA housing goals.
- Tax Base Revitalization Account (TBRA): Cleans up brownfields for redevelopment, job creation, and affordable housing.

A portion of the funds in the LCDA and TBRA are targeted for transit-oriented development (TOD) projects.

Low Income Housing Tax Credit (LIHTC) Program

Since its creation via the Federal Tax Reform Act of 1986, the Low Income Housing Tax Credit Program (LIHTC) has become the premier financing tool for the development of new affordable housing as well as the acquisition and/or rehabilitation of existing affordable housing. Administered at the federal level by the Internal Revenue Service, the LIHTC provides tax credits to investors of qualifying projects.

Manufactured Housing and Manufactured Housing Parks

Manufactured housing (formerly known as mobile homes) is built to the Manufactured Home Construction and Safety Standards (HUD Code). Manufactured housing units are constructed primarily off-site prior to being moved to a piece of property where it is set. Manufactured housing parks provide access to utilities and solid foundations for manufactured homes.

Market Demand

The total number of households in a defined market area that would potentially move into any new or renovated housing units. Market demand is not project specific and refers to all applicable households, independent of income.

Market Rate Rent

The rent that an apartment commands in the primary market area considering its location, features and amenities. Market rent should be adjusted for concessions and owner-paid utilities.

Market Study

A comprehensive study of a specific proposal including a review of the housing market in a defined market area. Project-specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market-specific market studies are used to determine what housing needs, if any, exist within a specific geography.

Metropolitan Land Planning Act

The Metropolitan Land Planning Act, passed in 1976, provides the basis for local comprehensive plans in the seven-county Twin Cities region.

Minnesota Housing (also known as Minnesota Housing Finance Agency)

Created in 1971, Minnesota Housing issues mortgage revenue bonds to raise capital for first-time homebuyer loans, allocates Low Income Housing Tax Credits, and distributes federal and state funds to support single-family and multifamily affordable housing. For more information on Minnesota Housing, visit www.mnhousing.gov.

Mixed-Income Housing

A mixed-income housing development is comprised of housing units with differing levels of affordability, typically with some market-rate housing and some housing that is affordable to low- or moderate-income households below market-rate.

Mixed-Use Development

Mixed-use developments provide more than one use or purpose within a shared building or development area and may include any combination, of housing, office, retail, medical, recreational, commercial, or industrial components.

Mortgage Interest Deduction

A common itemized income tax deduction that allows homeowners to deduct the interest they pay on any loan used to build, purchase, or make improvements upon their residence.

Mortgage Revenue Bond (MRB) Programs

Mortgage revenue bonds raise capital used as a funding source for home mortgages. Mortgage revenue bonds help low- and middle-income first-time home buyers obtain long-term mortgages at below-market rates. In order to qualify, prospective home buyers must earn less than stated threshold levels for annual income and must otherwise financially qualify for a mortgage from a conventional lender.

Multifamily Housing

Multifamily housing refers to residential structures of five or more attached units.

Multifamily Housing Revenue Bonds

Bonds issued to finance construction or rehabilitation of multifamily housing projects where a specified proportion of the units will be rented to low- and moderate-income families.

Multigenerational Living

A family household that contains at least two adult generations or a grandparent and at least one other generation. According to the Pew Research Center, 16.7% of the US population, approximately 51 million people, live in a multigenerational household.

Permanent Loan or Financing

Long-term (maturity period of 15 to 30 years) mortgage loan obtained after completion of construction, usually to repay a shorter-term construction loan.

Project-Based Rent Assistance

Rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income-eligible tenant of the property or an assisted unit.

Public Housing

Public housing is housing financed by the federal government under HUD's Public Housing Program and owned and operated by local housing authorities (often Public Housing Authorities, or PHAs).

Rehabilitation Loan Program

Minnesota Housing's Rehabilitation Loan/Emergency and Accessibility Loan Programs assist very-low-income homeowners in financing basic home improvements that directly affect the safety, habitability, energy efficiency or accessibility of their homes. The Emergency and Accessibility Loan Program is available for home improvements addressing emergency conditions of the home or accessibility needs for a person with a disability.

Section 202 Program

HUD's Section 202 program provides nonprofit organizations funds for the construction, rehabilitation or acquisition of supportive housing for very-low-income elderly persons, and provides rent subsidies for the projects to keep them affordable.

Section 3

Under Section 3, recipients of HUD funding for housing construction, reconstruction, conversion or rehabilitation must make dedicated efforts to extend contractual, labor, and procurement opportunities to Section 3 residents and Section 3 business concerns. A Section 3 resident is either a public housing resident or a low- or very low-income person. A Section 3 business concern is a business that is at least 51% owned by Section 3 residents, employs Section 3 residents as at least 30% of its full-time employees, or commits to subcontract more than 25% of all subcontracts to businesses meeting the criteria.

Section 8 Housing Choice Voucher Program

This HUD program provides rental assistance to low-income families in the form of vouchers eligible households may use for the housing of their choice. The voucher payment subsidizes the difference between the gross rent and the tenant's contribution of 30% of their adjusted income (or 10% of their gross income, whichever is greater).

Single-Family Housing

A dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling. In many funding programs, properties with up to four units (including duplexes, triplexes, and quadplexes) are treated as single-family housing.

Steering

A term used to describe the illegal practice of real estate agents only showing certain ethnic and/or racial groups housing located in certain areas.

Suballocators

The cities of Minneapolis and Saint Paul and Dakota and Washington counties receive their own allocations of Low-Income Housing Tax Credits that they, as suballocators, may allocate to eligible affordable housing projects.

Subsidized Housing

Subsidized housing is housing that is made available at below-market rates through the use of government subsidies. Unlike other government support programs, such as food stamps or Medicaid, housing subsidies are not an entitlement and are generally in short supply. Most subsidized housing is reserved for income-qualifying low-income households and have rents that do not exceed a specific percentage (usually 30%) of a household's gross annual income.

Tax Exemption

A deduction allowed by law to reduce the amount of income that would otherwise be taxed.

Tax Increment Financing (TIF)

A financing tool available to local governments for redevelopment and improvement projects. TIF uses the projected increase in property taxes that a redevelopment will generate to finance the costs of the development.

Transit Oriented Development (TOD)

TOD is walkable, moderate- to high-density development served by frequent transit that can include a mix of housing, retail, and employment choices designed to allow people to live and work with less or no dependence on a personal car.

Universal Design

Universal design is design practices intended to produce buildings, products, and environments that are accessible and usable to the greatest extent feasible regardless of age, ability, or status in life. Often used to refer to building accommodations made for older and disabled people, universal design features might include curb cuts or sidewalk ramps, cabinets with pull-out shelves, or placement of countertops at several heights to accommodate different tasks or postures.

Unsubsidized Affordable Housing

Unsubsidized affordable housing, also known as naturally occurring affordable housing, is housing that is not currently publicly subsidized. The rent prices that the housing can demand in the unsubsidized private market given the properties' quality, size, or amenities is low enough such that the tenants of these properties, whose income might otherwise qualify them to be a participant in publicly funded housing programs, can reasonably afford them. For more information about unsubsidized affordable housing, see *The Space Between*, available at: http://www.fhfund.org/wp-content/uploads/2013/06/Space_Between_Final_June-2013.pdf.

US Department of Housing and Urban Development (HUD)

A federal agency established in 1965, HUD's mission is to increase homeownership, support community development, and increase access to affordable housing free from discrimination.

Zoning

Zoning is the regulation of the use of real property by local government, and places specific requirements on land including the type of use (e.g., residential, commercial, industrial, mixed-use), parking requirements, floor area ratio (see definition above) and other size and dimension requirements, and many other site and design considerations.

Housing Information

Type of Housing

	Units	
	Number	Percent
Total	120,373	100%
Tenure of Unit		
Owner-occupied	55,171	49.3%
Renter-occupied	57,217	50.7%
Vacant ¹	7,385	6.1%
Type of Unit		
Single-family detached	59,145	49.1%
Townhomes (single-family attached)	5,158	4.3%
Duplex	9,134	7.6%
Triplex/quads	4,848	4.0%
5-9 units	5,642	4.7%
10-19 units	9,316	7.7%
20 or more units	26,867	22.3%
Mobile home	243	0.2%
Boat, RV, van, etc	20	0.0%

Source: U.S. Census, American Communities Survey 5-year Estimates, 2011-2015

¹ Vacancy rates: Homeowner, 1.7%; Rental, 3.6%

Number of Units Affordable at ≤30%, >30% and ≤50%, and >50% and ≤80% of AMI

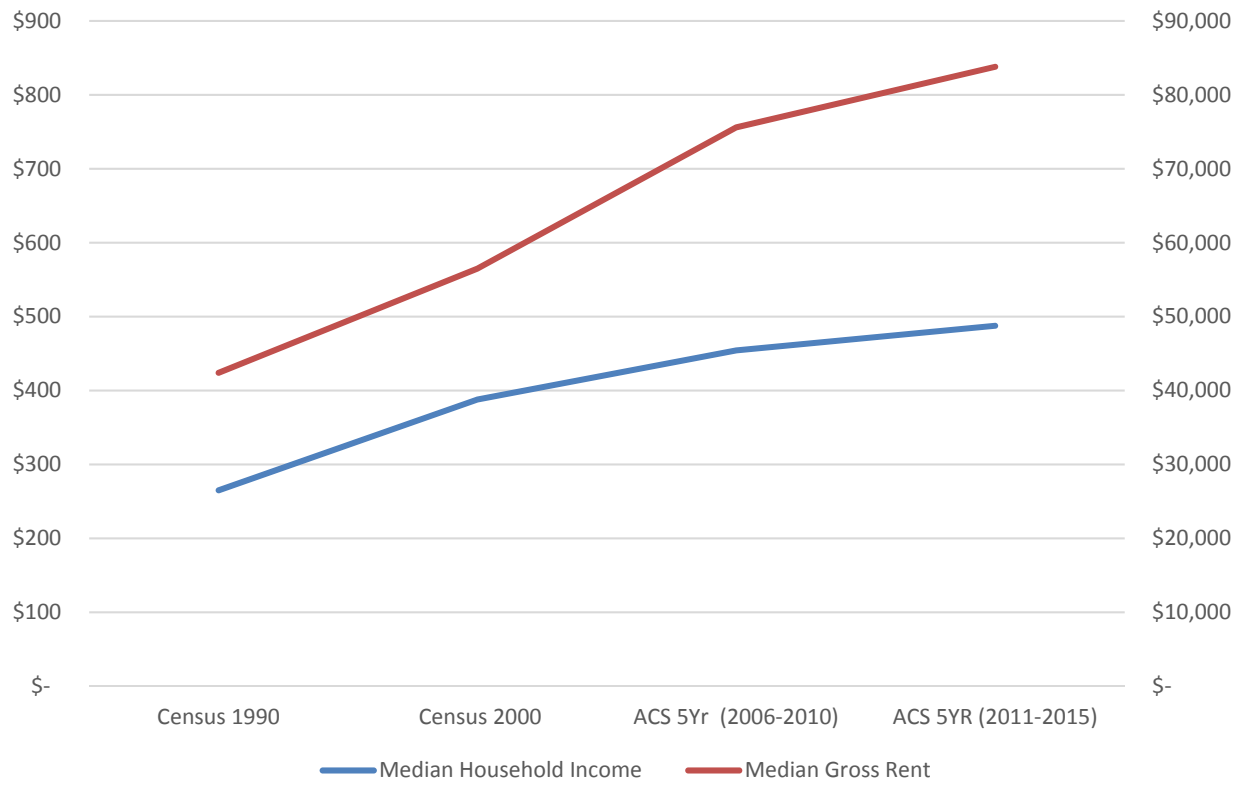
Level of Affordability	Number of Units		
	Ownership	Rental	Total
≤30% of AMI	3,149	11,730	14,879
>30% and ≤50% of AMI	14,846	28,140	42,986
>50% and ≤80%	19,805	17,605	37,410

Ownership: Ramsey County Property Tax, July 2017; Rental: CHAS data, 2010-2014 (tables 14B and 15C)

Number of Cost Burden and Severely Cost Burdened Households at ≤30%, >30% and ≤50%, and >50% and ≤80% of AMI

	Number of Households			Percent of at Income Level			Percent of Total Households		
	Ownership	Rental	Total	Ownership	Rental	Total	Ownership	Rental	Total
≤30% of AMI	12,560	22,329	34,889	36%	64%	100%	11%	20%	31%
Cost burden	690	4,305	4,995	2%	12%	14%	1%	4%	4%
Severe cost burden	2,705	12,920	15,625	8%	37%	45%	2%	11%	14%
Total cost burdened	3,395	17,225	20,620	10%	49%	59%	3%	15%	18%
>30% and ≤50% of AMI	16,955	11,940	28,895	59%	41%	100%	15%	11%	26%
Cost burden	1,820	6,056	7,876	6%	21%	27%	2%	5%	7%
Severe cost burden	1,430	1,815	3,245	5%	6%	11%	1%	2%	3%
Total cost burden	3,250	7,880	11,130	11%	27%	39%	3%	7%	10%
>50% and ≤80%	24,560	9,194	33,754	73%	27%	100%	22%	8%	30%
Cost burden	2,545	2,020	4,565	8%	6%	14%	2%	2%	4%
Severe Cost Burden	695	244	939	2%	1%	3%	1%	0%	1%
Total cost burden	3,240	2,264	5,504	10%	7%	16%	3%	2%	5%
Grand Total (Cost Burden households)	9,885	27,369	37,254	27%	73%	100%	9%	24%	33%

Saint Paul Median Income to Median Gross Rent (1990-2015)



VIII. Recommendations

The data and analysis running throughout this Addendum has generally suggested that the Twin Cities region implement a two-pronged planning approach to fair housing. It is imperative that the members of the Fair Housing Implementation Council (FHIC) work to facilitate the mobility of residents who wish to locate in communities that offer them greater opportunities while simultaneously investing in human capital development and physical improvements in places of concentrated poverty to increase opportunities for residents there. The appropriate balance between these two approaches will vary based on geography and other factors, however these basic guidelines should be employed:

- Investment in construction of new affordable housing should prioritize expanding affordability regionally and within jurisdictions, including in areas with access to opportunity, as defined through a community engagement process, that may include, but are not limited to, quality schools, transportation, economic opportunity, and other public resources. Construction of new units in areas of concentrated poverty, and particularly in areas of concentrated poverty where 50% or more of the residents are people of color, should be considered only as part of a comprehensive community investment strategy to address targeted community housing needs. Preservation of existing affordable housing in these areas should be prioritized over new construction.
- Community development investment, to include investments in both people and physical places, should be focused on areas of concentrated poverty, and particularly areas of concentrated poverty where 50% or more of the residents are people of color.
- In areas where gentrification is believed to be occurring, preserving the affordability of existing housing and securing property for development of new affordable units should be a priority.
- Enforcement of fair housing laws and efforts to prevent housing discrimination are key to opening up a variety of housing options throughout the region in areas of all types of opportunity.

To implement these guidelines, the following pages contain ten goals, each supported by a list of fair housing recommendations corresponding to fair housing issues raised in this report and paired with an implementation timeframe and responsible parties.

The members of the FHIC, who will primarily be the responsible entities for carrying forward the recommendations, are diverse in their character, politics, resources, demographics, and challenges. Accordingly, the recommendations here are generally drafted so as to allow various courses and mechanisms that arrive at the desired ends. In this way, individual FHIC

jurisdictions have the latitude to consider and implement the recommended strategies in the ways that are most feasible within their respective jurisdictions. While overly-prescriptive recommendations in this document would limit the effectiveness of some jurisdictions' implementation actions, specificity is important. Implementation must balance many considerations, some of which may conflict with one another in certain contexts. Accordingly, progress cannot be measured via conformance to a checklist; rather, these recommendations are tools and strategies that can be effective in various contexts in addressing impediments to meeting the requirement to affirmatively further fair housing. Each FHIC entitlement jurisdiction will, in its Consolidated Plan and Annual Action Plan, describe in greater detail the specific steps and actions it plans to take toward the recommendations listed here. Their annual Consolidated Annual Performance Evaluation Reports (CAPERs) will document actual progress toward implantation of the recommendations.

A final note about the responsible parties listed on the following pages: Public Housing Authorities (PHAs) and Housing and Redevelopment Authorities (HRAs) are intended to mean those authorities that administer Housing Choice Vouchers and are controlled by a FHIC member. For example, the Minneapolis Public Housing Authority and Saint Paul Public Housing Authority are not party to this Addendum and are not intended to be bound by these recommendations. The Hennepin County HRA is an instrument of the County, but does not administer Housing Choice Vouchers; therefore, those recommendations that are the responsibility of HRAs are not applicable to Hennepin County HRA.

No.	Recommendation	Fair Housing Issue Addressed	Time-frame	Responsible Parties
Goal #1: Improve Opportunities for Mobility within the Region				
Renter households attempting to use a housing choice voucher or to access public housing may face barriers to moving within the region, particularly from urban to suburban locations, which can in turn limit access to opportunities desired by these households. The recommendations included in this section address policies related to voucher use, voucher holder mobility, and PHAs/HRA policies. They build on recent legislation (the passing of a Section 8 source of income protection in Minneapolis) and research (Family Housing Fund’s “Enhancements and Best Practices Designed to Expand Resident Choice and Mobility in Minneapolis”).				
1A	Develop a communication strategy to inform rental property managers and housing choice voucher holders of the recently-passed source of income protection ordinance.	Fair Housing Enforcement and Education is Needed	2017	Minneapolis, MPHA
1B	Collect and present local data to elected officials illustrating the need for source of income protection. Advocate for source of income protection legislation across the region.	Access to Housing is Reduced for Some Groups	2018	Entitlements and Subrecipients
1C	Develop and implement an ongoing campaign to promote the acceptance of HCVs, especially in suburban communities. Require HCV acceptance for housing using public funds, and monitor for compliance.	Distribution of Affordable Housing	Ongoing, beginning 2018	Entitlements, Met Council
1D	Monitor findings related to the Family Housing Fund’s research on pooling vouchers for use in high-opportunity areas as well as its voucher mobility research for MPHA and study applicability for other PHAs. Specifically: a) Evaluate recommendations in “Enhancements and Best Practices Designed to Expand Resident Choice and Mobility in Minneapolis” to determine MPHA’s implementation approach for those that are most promising. b) Determine recommendations in “Enhancements and Best Practices Designed to Expand Resident Choice and Mobility in Minneapolis” that are relevant to other PHAs and HRAs and develop an implementation approach. c) Develop a demonstration program to pool HCVs across multiple PHA/HRAs and examine results relative to expanding mobility and choice for low-income families.	Multifaceted Values on Neighborhoods and Housing	Parts (a) and (b) – 2017, Part (c) – 2018	PHAs HRAs
1E	Monitor the success of Met Council’s mobility program for strategies that can be adapted or duplicated elsewhere.	Multifaceted Values on Neighborhoods and Housing	2018-2021	PHAs HRAs
1F	Review and update tenant screening policies related to criminal background based on revised HUD guidance issued in 2016.	Regulations and Policies Impact Housing Development	2017	PHAs HRAs
1G	Review residency preferences for impact on mobility across the region. Amend as needed to better advance regional fair housing choice.	Regulations and Policies Impact Housing Development	2018	PHAs HRAs

Goal #2: Reduce Resident Displacement				
Low- and moderate-income residents displaced from their housing in a tight housing market with very low vacancy rates can face extreme challenges in locating affordable housing while the vacated units tend to become less affordable. These twin consequences – greater demand for affordable housing and a market that provides less of it – compound the effects of displacement and underscore the importance of countering it. Some of the strategies proposed here are designed to reduce pressure on individual residents to leave their residences; others are neighborhood-based strategies focused on preemptively securing affordable units in areas where displacement pressure is anticipated.				
2A	Research state law regarding just cause eviction ordinances. As possible, work toward and advocate state, regional, and/or local adoption of just cause eviction ordinances.	Displacement Causes a Loss of Affordable Housing	2019	Entitlements
2B	Monitor state legislation regarding right of first refusal statutes and develop program to implement locally as appropriate. Consider implementation for manufactured/mobile home communities and multi-unit rental properties.	Displacement Causes a Loss of Affordable Housing	Ongoing	Entitlements Met Council (Partners: MHP, HOME Line)
2C	Research and create property tax abatement programs and market them to homeowners in areas of increasing displacement.	Displacement Causes a Loss of Affordable Housing	2019	Minneapolis and Saint Paul (Partners: HOME Line, MHP)
2D	Promote policies that provide for rehabilitation and preservation of existing affordable housing in areas where displacement is known to be occurring.	Distribution of Affordable Housing	2018	Entitlements
Goal #3: Increase Access to Homeownership				
Households of color have significantly lower homeownership rates than white households. In addition to inhibiting housing choice, diminished access to mortgage lending and homeownership opportunities also reduces these households' ability to build wealth. Research indicates a variety of factors that contribute to this gap, including lower mortgage loan application rates, higher mortgage loan application denial rates, less resources available for downpayments, steering towards subprime or otherwise inferior loan products, and higher foreclosure rates. This goal contains several strategies designed to address these factors, along with the development of a regional partnership to consider additional ways to expand homeownership opportunities.				
3A	Use distribution of government financial relationships (within banking regulations) to incentivize fair and affordable housing by financial institutions, using research such as U of M Responsible Banking study. Meet with lenders to inform them of jurisdictions' goals for furthering fair housing in homeownership. Invite lenders to coordinate business and charitable programs accordingly. Require that financial institutions report on home mortgage lending and other fair lending activities.	Access to Housing is Reduced for Some Groups	2018	Entitlements
3B	Develop partnerships with credit counseling agencies to reach communities of color and build a pipeline of potential homebuyers.	Access to Housing is Reduced for Some Groups	2018	Entitlements

3C	Increase FHIC and public-sector participation in the Homeownership Alliance. Consider topics such as expanded first time homebuyer programs, expansion of homeownership options through land trusts and cooperatives, increased efforts to help low-income households build savings, identify shortcomings in Minnesota's Contract for Deed law, and advocate for legislative improvements in the law.	Access to Housing is Reduced for Some Groups	2018	FHIC, Entitlements, Subrecipients, PHAs/HRAs
3D	Work with public and non-profit agencies to expand information and services related to fair lending and foreclosure prevention, such as: <ul style="list-style-type: none"> Affirmative marketing for quality lending products, including financing options for Muslim homebuyers (and others who may be averse to interest-bearing mortgages for cultural or faith-based reasons), and information on identifying subprime mortgage products Increased fair lending enforcement Increased foreclosure prevention and defense advocacy services. Ensure that all outreach efforts are accessible to non-English speaking residents, including oral presentations of information.	Access to Housing is Reduced for Some Groups	2017	Entitlements (Partners: Housing Justice Center, MMLA, SMRLS)
3E	Conduct code enforcement to make sure that lender-owned, post-foreclosure properties have effective repair, maintenance, and security services, especially in areas of concentrated poverty where a majority of residents are people of color.	Access to Housing is Reduced for Some Groups	Ongoing, beginning in 2017	Entitlement Cities
Goal #4: Expand Funding for Affordable Housing Presently, the Low Income Housing Tax Credit program provides funding for the majority of new affordable housing constructed or rehabilitated in the region. However, production levels fall short of need, and, in many cases, do not provide deep enough subsidy levels to support very low-income households. The following recommendations address the need to cultivate new funding sources for affordable housing production and preservation, both at the regional and local levels, including, but not limited to, resources to address the needs of households with incomes below 30% AMI.				
4A	Develop an overarching strategy to increase funding for affordable housing that includes: <ol style="list-style-type: none"> Identifying more resources for affordable housing. These may include regional approaches to expanding funds for affordable housing and local approaches by individual jurisdictions (tax increment financing, tax abatement, special tax levy authority, general tax levy authority, general funds, and/or other local sources). Working with a marketing firm and local stakeholders, including organizations operating in communities of color, to develop a campaign to raise awareness among the public about housing affordability and its connection to education, jobs, and other infrastructure. Campaign should build political will, counter NIMBYism, and include an appeal to philanthropies for funding. 	Distribution of Affordable Housing	Ongoing, beginning 2017	Entitlements (Partner: MHP)

4B	Use locally-controlled resources to preserve naturally occurring affordable housing. Work with GMHF to support NOAH Fund, publish success stories, market to susceptible property owners, increase capitalization and funding sources.	Distribution of Affordable Housing	Ongoing	Entitlements (Partner: Greater Minnesota Housing Fund)
Goal #5: Improve Fair and Affordable Housing Planning				
A serious and sustained effort to expand fair and affordable housing will require ongoing planning, research, and capacity-building. This set of recommendations focuses on developing capacity at the local level through technical assistance and plan review, along with training on fair housing implications of local policy and investment decisions. Also included are recommendations to advance analyses around fair housing issues such as zoning and gentrification. Finally, enhancing the FHIC by establishing a fair housing advisory committee will allow for ongoing feedback and guidance during implementation of fair housing activities and future fair housing planning efforts.				
5A	Met Council should build its capacity to serve as a resource for information and best practices on fair housing planning and policy for local government staff. Local governments should support and assist Met Council's efforts to provide technical assistance.	Segregation & Disparate Access to Opportunity	2018	Met Council
5B	Continue to review and provide feedback on comprehensive plans to ensure they adequately describe a plan to meet affordable housing need.	Distribution of Affordable Housing	2017	Met Council
5C	When using CDBG and other funding for community and economic development activities consider prioritizing areas that have shown a commitment to expanding affordable housing.	Segregation & Disparate Access to Opportunity	2019	Counties
5D	Work with local research partner to analyze zoning codes in areas not covered by this study (i.e., cities within the region that are not entitlements or subrecipients) for fair housing issues.	Regulations and Policies Impact Housing Development	2020	FHIC (Partner: CURA, IMO, or other organization with zoning research capacity)
5E	Monitor continued research into gentrification and loss of affordable housing to identify areas where it may be occurring.	Displacement Causes a Loss of Affordable Housing	Ongoing, beginning 2017	Entitlements (Partners: CURA, IMO, MHP)
5F	Review where investments in creation, preservation and/or rehabilitation of affordable housing using LIHTCs are occurring in the region. Keep HousingLink LIHTC database current and study trends over time in the development of tax credit projects.	Distribution of Affordable Housing	Ongoing, beginning 2017	MHFA, Suballocators (Partner: HousingLink)
5G	Develop and deliver a fair housing education and training program for elected officials and municipal staff focused on concepts such as disparate impact and the impact of public infrastructure investments on fair housing choice.	Fair Housing Enforcement and Education is Needed	2019	FHIC Municipalities and Counties

				(Partners: Housing Justice Center, MMLA, SMRLS)
5H	Establish a standing fair housing advisory committee to provide input and guidance to the FHIC regarding fair housing planning and implementation. Strive to increase diversity on the FHIC to be more representative of the regional population.	Multifaceted Values on Neighborhoods and Housing	2017	FHIC
Goal #6: Expand Locations of Affordable Housing				
When affordable housing is limited to some communities and lacking in others, the effect is decreased housing choice for residents of the region. Municipal zoning codes and other regulatory tools can be modified or employed to reduce restrictions on the development of affordable housing in areas where it may presently be prohibitive. Such actions can open up new housing opportunities in communities of choice. This goal contains several strategies related to zoning changes, but also includes actions recommended by MN Challenge that can be taken in individual jurisdictions to lower the cost of affordable housing development, and other opportunities to expand affordable housing opportunities in communities where it is needed.				
6A	Adopt zoning code amendments to either (1) have the definition of “family” more closely correlate to neutral maximum occupancy restrictions found in safety and building codes; (2) increase the number of unrelated persons who may reside together to better allow for nontraditional family types; or (3) create an administrative process that allows for a case-by-case approach to determining whether a group that does not meet the code’s definition of family or housekeeping unit is nonetheless a functionally equivalent family.	Regulations and Policies Impact Housing Development	2018	Crystal, Minneapolis
6B	Amend zoning maps as appropriate to rezone large-lot single-family zones to higher density/ lower minimum lot area standards and allow for infill development or conversion of large single-family dwellings to two-family and triplex units to allow more density on the same footprint or minimum lot size; where environmental protections effectively prohibit denser development patterns, alternatively consider focused redevelopment strategies in areas served by existing water and sewer. Consider reducing administrative barriers to PUD and cluster development approvals which support affordable housing.	Regulations and Policies Impact Housing Development	2018	Apple Valley, Blaine, Burnsville, Eagan, Eden Prairie, Minnetonka
6C	Amend zoning codes to reflect more flexible and modern lot design standards such as increasing maximum height allowances, increasing minimum density or floor area ratios, increasing maximum floor area ratios (FAR), decreasing minimum parcel sizes, and decreasing minimum livable floor areas of individual dwelling units.	Regulations and Policies Impact Housing Development	2018	Lakeville

6D	Consider development incentives such as density bonuses and expedited permitting processes or fee waivers for voluntary inclusion of affordable units or mandatory set asides in cases where local government funding or approvals are provided, should be adopted across all jurisdictions to encourage or require mixed-income, affordable units.	Regulations and Policies Impact Housing Development	2018	All local governments with zoning authority
6E	Review and update zoning codes as necessary for consistency with the state Planning Act regarding manufactured and modular homes. Review conditional permit use criteria and inclusionary zoning provisions to ensure they support and encourage this type of alternative affordable housing.	Regulations and Policies Impact Housing Development	2018	Lakeville
6F	Consider allowing reductions in off-street parking requirements where there is a showing that shared parking, bike parking, or access to public transportation reduces the actual need or demand for off-street vehicle parking; consider adopting maximum off-street parking restrictions.	Regulations and Policies Impact Housing Development	2018	Brooklyn Park
6G	Consider relaxing or offering measures to mitigate the cost of some requirements related to building materials, height, trees, windows, parking, basement space, and outdoor play areas, especially when applied to affordable housing developments.	Regulations and Policies Impact Housing Development	2018	Minneapolis
6H	Consider adoption of an inclusionary zoning ordinance requiring set-asides of affordable housing units or payment-in-lieu (of set asides) into a designated affordable housing fund for developments requiring city funding, site location assistance, or planning approvals.	Regulations and Policies Impact Housing Development	2018	Apple Valley, Blaine, Brooklyn Center, Brooklyn Park, Burnsville, Coon Rapids, Crystal, Eagan, Eden Prairie, Hopkins, Minnetonka, Plymouth, Richfield, Saint Paul
6I	Analyze the MN Challenge recommendations related to reducing the cost of affordable housing for feasibility at the local level; implement as appropriate. The 11 recommendations from the MN Challenge report are: a) Support appropriate density b) Contribute local financial resources c) Identify and acquire sites d) Reduce parking requirements e) Waive or reduce fees f) Streamline administrative processes g) Revise material, site, and design requirements	Distribution of Affordable Housing	2018	Entitlements and Subrecipients

	<ul style="list-style-type: none"> h) Consider manufactured and modular housing i) Be open to all affordable housing developments j) Adopt inclusionary housing and/or mixed income policies k) Address community opposition 			
6J	Monitor relevant legislative proposals (including a recent proposal by HAVEN (Housing Advocates for Vitality and Equality Now)), the Qualified Allocation Plans of MHFA and local suballocators, and state legislative changes related to 4% tax credits and Private Activity Bonds. Advocate for and implement policies that direct affordable projects toward strategic ends (i.e. preservation focus, location of new units in areas of opportunity, income restrictions to serve extremely low-income households).	Distribution of Affordable Housing	2018	MHFA, Suballocators
6K	Ranked list of municipalities in QAP should be re-examined for impact on perpetuating concentrations of affordable housing; consider whether other measures of affordable housing need may be more effective.	Regulations and Policies Impact Housing Development	2017	Washington County
<p>Goal #7: Institute Effective and Meaningful Community Engagement</p> <p>Public planning and investment decisions are too often made without the engagement and active participation of the affected communities, particularly when those are communities of color. Jurisdictions across the region should allocate resources to fund proper engagement with their communities and ensure that effective, culturally-appropriate mechanisms are in place to meaningfully engage communities around housing and related issues. Planning processes should be reconstructed to require and accommodate engagement that is impactful and not merely a “check the box” exercise.</p>				
7A	Explore options for amplifying community voices in local planning decisions. Plan to include non-English speakers, and those of oral traditions.	Concentrated Poverty Requires Place-Based Investment	2018	Minneapolis and Saint Paul
7B	Maintain data on the racial and ethnic composition of local elected and appointed boards and commissions; encourage representation reflective of the communities served.	Concentrated Poverty Requires Place-Based Investment	2019	Met Council (Partner: Nexus Community Partners’ Boards and Commissions Leadership Institute)
7C	Review LEP plans and update as needed to better serve the needs of all cultures and communication needs.	Fair Housing Enforcement and Education is Needed	2018	Entitlements

7D	Commit staff resources to efforts to enhance engagement with communities of color regarding available housing programs and needs. Entitlement jurisdictions should be intentional regarding their community outreach to open and maintain lines of communication within communities of color. Consideration should be given to the designation of a specific staff member to facilitate these intentional engagement efforts.	Fair Housing Enforcement and Education is Needed	2020	Entitlements and Subrecipients
7E	Develop tenant training programs, one targeted to high school students, and one targeted to specific immigrant communities, and work with local school districts and existing community organizations on a program and schedule for delivery of the training.	Fair Housing Enforcement and Education is Needed	2018	FHIC (Partners: HOME Line, SMRLS, MMLA)
7F	Improve coordination with school districts. Consider the impacts of affordable housing development and public sector investments on the segregation or integration of affected schools.	Concentrated Poverty Requires Place-Based Investment	Ongoing	Entitlements
Goal #8: Invest in Place-Based Community Improvements				
Focusing investment in defined communities most affected by poverty is needed in order to enhance the physical environment, increase the opportunities available to the community's residents, and also to build the human capital of the people residing there. Place-based investment is more impactful than a strategy of smaller investments made in a number of different communities simultaneously and is key to creating real change in a place and its people. The strategies described here include several different platforms from which a place-based investment model can be employed.				
8A	Consolidated Plans should contain place-based strategies, focusing available funding on improving the human capital and physical resources in specific, defined high-poverty areas.	Concentrated Poverty Requires Place-Based Investment	2018	Entitlements
8B	Review capital improvement planning models to ensure process is informed by data on concentrated poverty and areas of low opportunity.	Concentrated Poverty Requires Place-Based Investment	2019	Entitlements
Goal #9: Support Multicultural Housing Needs				
The ethnic and cultural diversity in the Twin Cities region requires that jurisdictions work closely with existing ethnic and cultural organizations to reach and interact with these populations in appropriate ways. Not only do methods of application for housing units need to be adapted, but channels for disseminating information about housing programs and about one's rights under the Fair Housing Act need to be opened through organizations that are trusted by the community. Cultural housing needs, such as large units to house multigenerational families, should be considered.				
9A	Routinely review PHA subsidy standards, LIHTC QAPs, and other housing program policies and occupancy standards to ensure accommodation of units for large, multigenerational families.	Multifaceted Values on Neighborhoods and Housing	Ongoing, annually. Beginning 2018	Suballocators PHAs HRAs Entitlements
9B	Ensure applications for housing program assistance are available online as well as in hard copy and that both options are advertised; work with cultural organizations to implement effectively.	Access to Housing is Reduced for Some Groups	Ongoing, beginning 2017	Entitlements, Subrecipients, PHAs, HRAs

9C	Explore partnerships to disseminate fair housing information and resources to undocumented residents through existing organizations that have earned the trust of the communities they serve.	Fair Housing Enforcement and Education is Needed	2018	FHIC
Goal #10: Support Residents' Fair Housing Rights				
Work to prevent housing discrimination remains an important consideration for the jurisdictions in the Twin Cities region. The strategies here involve support for existing organizations that are providing fair housing education and enforcement, a recommendation for a region-wide program of fair housing testing to determine areas of particular concern for compliance with the Fair Housing Act, and a review of local affirmative marketing plans for sufficiency in protecting protected classes from discrimination in the rental of subsidized housing units. Additionally, residents engaged in this analysis described code enforcement actions that had significant unintended consequences such as displacement and homelessness. These issues are addressed by the strategies in this section as well.				
10A	Continue dialogue between code enforcement, child welfare agencies, and housing rehabilitation programs to discuss linkages that would provide assistance to tenants living in substandard conditions.	Displacement Causes a Loss of Affordable Housing	2018	Entitlements
10B	Ensure local code enforcement departments are trained to minimize substandard housing conditions without creating vulnerability to tenants. Ensure staff are trained to maintain communication and status updates with complainants as well as property owners.	Fair Housing Enforcement and Education is Needed	2018	Entitlement Cities
10C	Monitor and provide financial support for the efforts of existing community-based organizations in offering fair housing education in culturally-appropriate ways to non-English speaking communities; education materials should include general information about landlord and tenant responsibilities as well. A “what to do if you’re facing eviction” insert could be helpful.	Fair Housing Enforcement and Education is Needed	2018	FHIC (Partners: MMLA, SMRLS, HOME Line)
10D	Conduct region-wide fair housing testing specifically in the areas of steering and discrimination on the basis of familial status.	Fair Housing Enforcement and Education is Needed	2019	FHIC (Partners: SMRLS, MMLA)
10E	Review affirmative marketing plans and enact as appropriate policies or provisions that ensure non-discrimination in the lease of publicly-subsidized rental housing.	Fair Housing Enforcement and Education is Needed	2019	Entitlements

