

A Vision for the Next Decade

Planning for Affordable Housing in the Twin Cities Metro



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| | |
|---|----|
| Executive Summary | 5 |
| PART I: Background | |
| Introduction | 8 |
| <i>Figure 1: Progress on 2010 LCA Goals</i> | 9 |
| Goals and Scope | 10 |
| PART II: City Reviews | |
| Literature Review: Best Practices | |
| in Affordable Housing Development | 11 |
| in Comprehensive Planning | 13 |
| Methodology | 14 |
| <i>Figure 2: Affordable Housing Need 2011-2020</i> | 15 |
| City Summaries | |
| Anoka County: | |
| Andover, Blaine, East Bethel, Lino Lakes, Ramsey | 16 |
| Carver County | |
| Carver & Dahlgren Township, Chanhassen, Chaska, Victoria, Waconia | 21 |
| Dakota County | |
| Apple Valley, Burnsville, Farmington, Hastings, Inver Grove Heights, Lakeville, Rosemount | 26 |
| Hennepin County | |
| Bloomington, Brooklyn Park, Dayton, Eden Prairie, Elko/New Market, Maple Grove, Plymouth, Richfield | 33 |
| Ramsey County | |
| Maplewood | 41 |
| Scott County | |
| Belle Plaine, Prior Lake, Savage, Shakopee | 42 |
| Washington County | |
| Cottage Grove, Forest Lake, Hugo, Lake Elmo, Woodbury | 46 |
| Case Studies: Strongest and Weakest Plans | |
| Forest Lake: Impressive Intentions | 51 |
| Dayton: A Blank Slate | 52 |
| Woodbury: Flexible Policies and a Dedication to Fair Share | 53 |
| Lakeville: High Needs, No Housing Chapter | 55 |
| Brooklyn Park: Rejecting the Need Number | 56 |
| Cottage Grove: Ignoring the Need Number | 57 |
| <i>Table 1: City Overview</i> | 58 |
| <i>Figure 3: Plan Grades</i> | 59 |

| | |
|---|----|
| City Reviews: Summary of Results | 60 |
| <i>Table 2: Affordable Housing Developments: Total</i> | 60 |
| <i>Table 3: Strongest and Weakest Plans</i> | 61 |
| <i>Table 4: Plan Goals and Implementation Tools</i> | 62 |
| <i>Figure 4: Potential Obstacles to Affordable Housing Production</i> | 64 |
| <i>Table 5: Tools: Past and Future</i> | 65 |
| <i>Table 6: Potential Barriers to Affordable Housing Development</i> | 66 |
| | |
| PART III: Monitoring | |
| Introduction | 68 |
| | |
| Regional Comparisons | 71 |
| Case Studies: Portland, Seattle, Chicago, New Jersey | 72 |
| | |
| Monitoring Agencies & Stakeholders | |
| Institutional & Government | 77 |
| Resource & Development | 78 |
| Advocacy, Service & Legal | 78 |
| Organizing-based Advocacy Groups | 79 |
| University Institutes | 81 |
| | |
| Recommendations | 82 |
| Limitations | 85 |
| Monitoring Agencies & Stakeholders | 86 |
| | |
| Conclusion | 88 |
| | |
| APPENDIX | |
| I. Comprehensive Plan Review Worksheet | 90 |
| II. Interview Protocol for City Planning Staff | 92 |

A VISION for THE NEXT DECADE

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EXECUTIVE SUMMARY

This Working Group includes: Tom Bydalek, S. Rose Carr, Samantha Evans, Eric Hauge, Renee Klitzke, Liliana Ninasquibe Romero, Eden Spencer, Georges Tippens, and Hoang Ton. Ed Goetz supervised the working group. This report was prepared in the Spring of 2009.

In 2006, the Metropolitan Council (Met Council) released the results of its new fair share affordable housing allocation formula in a report entitled, “Determining Affordable Housing Need in the Twin Cities 2011-2020.” In this report, the agency provided a basis for a set of affordable housing need numbers that aim to fulfill local municipalities’ housing responsibilities toward state requirements for regional land planning. The Met Council requires cities to include affordable housing need numbers in their 2030 comprehensive plans. The McKnight Foundation asked our group to study cities’ comprehensive plans to determine whether cities are actively working to meet their affordable housing needs. Our group reviewed a sampling of comprehensive plans and requested interviews with staff from each city selected.

Our report offers a review of the responses of cities in the Twin Cities region to these affordable housing need numbers. Analysis of the current 2030 comprehensive plans, both final and draft, and interviews with city planners revealed a wide variety of responses. Some cities actively accept the new formula’s need numbers and demonstrate a deep understanding of the subsidy and non-subsidy means at their disposal to work toward meeting them. Some cities rejected the affordable housing needs as too high and argue that the Met Council is overstepping its bounds. Others did not even mention the affordable housing need that was assigned to them in their plans and could not recall the number at the time of their interview.

Our analysis graded and compared comprehensive plans, specifically looking at cities’ affordable housing goals and their implementation strategy to meet those needs. In order to calculate these grades, we tallied the number of items discussed in each plan from a list of best affordable housing practices as well as noting whether cities accepted or rejected the affordable housing need number. Out of a possible 30 points, only Forest Lake’s plan earned a perfect score of 30, and Lake Elmo scored the least, with merely 2 points. The 35 plans reviewed scored an average of 11.2.

Overall, most comprehensive plans reviewed did not receive very high grades using our rubric, Forest Lake being the most outstanding exception. Many cities include replacement and preservation policies and rental housing goals in their comprehensive plans. Goals related to transit oriented developments that include affordability requirements, and the allowance of accessory units, among other tools, were less common. With regards to implementation tools, tax increment financing is

included in most plans, along with density minimum and PUDs that incentivize high densities. Very few plans include expedited approval processes or inclusionary zoning.

Interviews with city planners were conducted in order to ascertain the level of feasibility of affordable housing production. Each plan review was followed by an interview with a planner from the city in question with the exception of Lakeville, which has the highest need number of all suburbs in the region, but declined to participate. Questions directed to planners pertained to what each city has done in the past to encourage affordable housing and what they plan to do in the future. Over the past decade, cities have used an average of five programs and policies to facilitate affordable housing production. Burnsville had the highest number with twelve of the possible fourteen, followed by Waconia, Woodbury, and Rosemount, each with ten programs and policies. The lowest scoring city was East Bethel, which has not used any program in the last decade outside allowing for manufactured housing in their zoning ordinance. Lake Elmo, Carver & Dahlgren, Elko/New Market, and Lino Lakes, had each used two tools from the list.

When asked if the city will use such programs and policies in the future, Victoria received a score of 14, the only city willing to use all identified programs and policies in the future, ahead of Rosemount (12.5)¹ and Forest Lake and Apple Valley (11.5 each). Richfield, with a score of 1, received the lowest score, slightly below Lake Elmo and Hugo (1.5 each). Responses to questions about future policies were fairly subjective. Some planners answered by not ruling out any tool for the future, while others predicted the use of certain tools based on the current city council's voting records. Finally, some planners answered based on the level of discussion surrounding certain tools within the planning office and city council.

We also asked planners about barriers to affordable housing that might be present in their communities, including large lot sizes, requirements for finishes and materials. Maplewood, Woodbury, Plymouth, and Waconia each responded that none of the given potential barriers limits affordable housing development in their city. Andover acknowledged the highest number of barriers. This question is also fairly subjective, and planners are not the most likely stakeholders to identify zoning ordinances as barriers. It is not surprising, and perhaps not particularly accurate, then, that most cities scored very well on this measure.

Most planners believe that market forces and lack of funding are potential obstacles to the production of affordable housing, while political will and public opposition to affordable housing development are not potential obstacles in many cities. Great variation exists among cities on the past and future use of programs and policies to facilitate affordable housing development. The least inhibitive barrier to affordable housing development in the cities reviewed is the amount of multifamily land zoned, while lot size requirements and permitting processes and fees limit affordable housing development greatly.

In addition to the review of city responses, the McKnight Foundation charged this group to make recommendations for a future monitoring system of the housing elements in comprehensive plans

¹ Half points were awarded for a response of "maybe" on each policy.

of cities in the metropolitan area. Regardless of the sincerity and breadth of the commitments seen in comprehensive plans, there is great concern that policies will not be implemented, or that implemented policies will not result in the actual development of affordable housing. Advocacy groups in the Twin Cities are attempting to determine whether affordable housing really is developed, and where. Our group looked at local groups that may have the capacity to monitor affordable housing creation and how other regions are handling the process.

Based on our research and understanding of legal constraints, we recommend an ongoing monitoring system that looks at the intermediate question: whether cities are following through on the promises they make in their comprehensive plans. We propose broadening the scale of our systematic review of plans and interview schedule to include all cities in the region, and repeating this review in every comprehensive plan cycle. Secondly, in this more comprehensive review, we propose gathering a succinct and directly quotable list of promises/commitments as laid out in the comprehensive plans from each community. In years between comprehensive plan cycles, a brief telephone interview with each planner could determine which policies have been implemented without requiring a significant ongoing financial investment. Making this information publicly available side by side with the existing production numbers in an easily digestible format could serve as a powerful tool for advocates and developers alike.

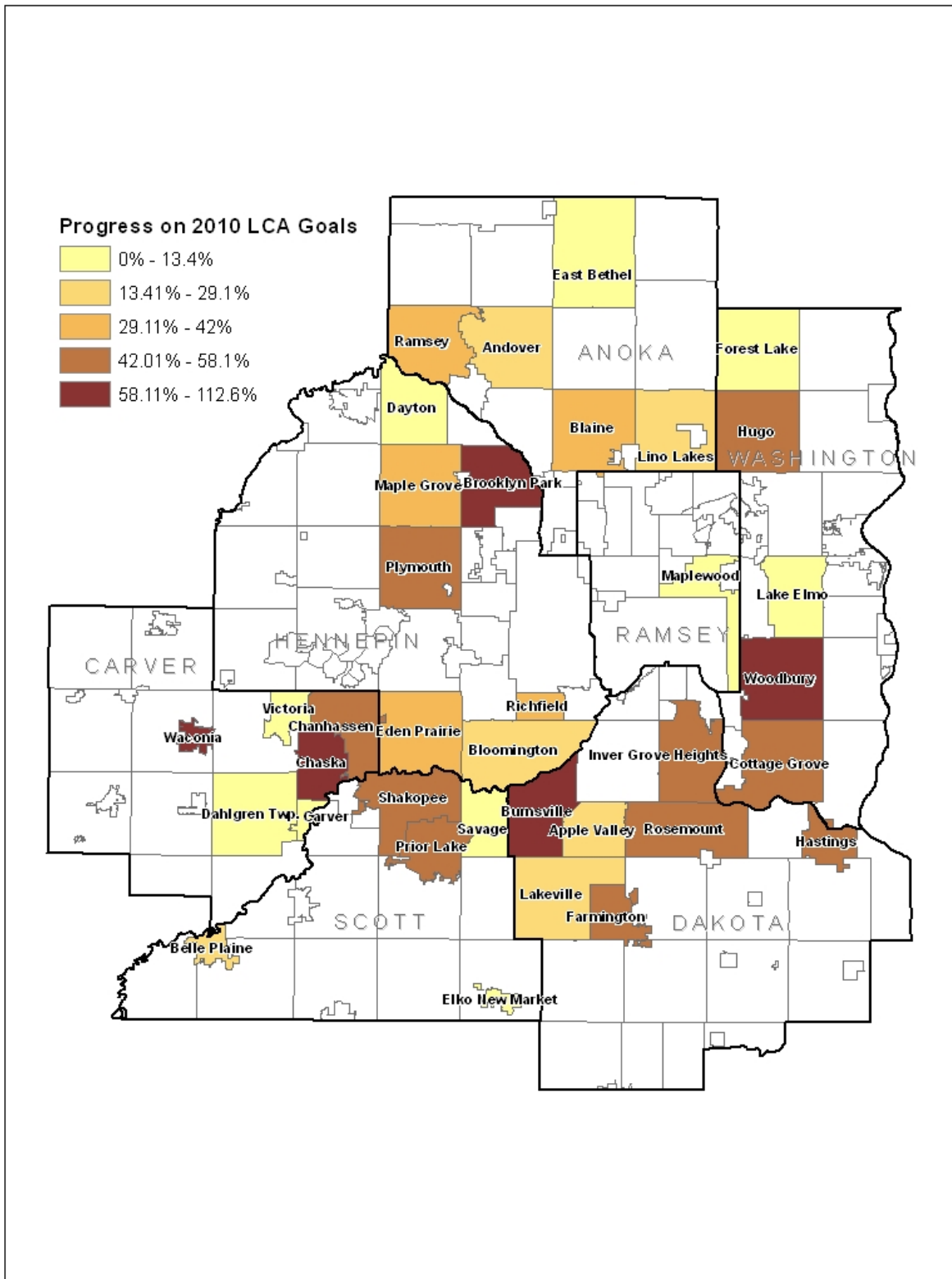
The Twin Cities metropolitan area has a national reputation for being at the forefront of fair share affordable housing allocation. This was earned primarily in the early years of the 1976 Land Use Planning Act (LUPA), during which the Metropolitan Council played the primary role in determining how low- and moderate-income housing needs in the region should be shared among the central cities and suburbs. LUPA demonstrated success in deconcentrating the affordable housing stock for over more than a decade. Even suburbs without a history of promoting affordable housing seemed to accept the Metropolitan Council as holding the expertise and authority to determine their fair share and deferred to the affordable housing needs in their comprehensive plans. At the time, there was an abundance of US Department of Housing and Urban Development (HUD) funding available to help cities meet these needs. The changing political climate in the Twin Cities and the nation coincided with a notable change in the language of comprehensive plans in the late 1980s. LUPA became largely ignored although it has fully retained its legal status.

The Livable Communities Act (LCA) of 1995 was a step backward. After benchmarks were set based on sub-regional existing shares and goals were negotiated down by many cities, the aggregate goals amounted to an overall decrease in the total amount of affordable housing in the Twin Cities region. Despite being low relative to actual need, many of these goals were still not met. As of 2007, 42.5% of the aggregated LCA goals for the cities reviewed in this report have been reached (see Figure 1). It is our understanding that there are no serious repercussions for failing to meet these goals. The new report by the Met Council, “Determining Affordable Housing Need in the Twin Cities,” while arguably still underestimating the actual need, is a significant improvement. According to the Metropolitan Council, they do not intend to negotiate these goals with any community, and if cities choose not to accept their need number, they will be in effect opting out of LCA.

However, there is a significant disparity between the requirement for cities to include these numbers in their comprehensive plans and the likelihood that the affordable housing needs will be met. There has not been punitive power previously exercised by the Met Council or the state legislature to enforce the implementation of the affordable housing needs made in the comprehensive plans. In fact, implementation of the specific promises made in these plans, even those that are not laced with conditions and caveats, is not monitored at all.

In the current economic climate, the Twin Cities region faces significant challenges. Home prices have dropped dramatically. Foreclosure and vacant buildings are a great concern in many suburbs. As homes have become more nominally affordable, median incomes have also begun to fall and are likely to continue to do so. The ability of the metro area to improve the translation of its LUPA goals into the increased and fairly distributed production of affordable housing is critical if the region is to retain its reputation as a national leader in this area. More than that, it could make a valuable contribution toward a more sustainable pattern of development as the economic situation improves over the next decade.

Figure 1: Progress on 2010 LCA Goals



GOALS

The McKnight Foundation asked for recommendations for a monitoring system that incorporated comprehensive plans.

- Goal 1:** Review plans with emphasis on overall plan quality and specific policies and commitments to meeting affordable housing goals
- Goal 2:** In light of other domestic regional planning models, recommend a monitoring system that tracks the effectiveness of plans.

SCOPE

This project includes reviews of thirty five metro area suburbs, including the top thirty by projected population growth and the top thirty of Metropolitan Council's projected affordable housing need numbers. Most cities ranked on both lists. Their aggregate need numbers account for 52% of the total affordable units allocated by the Met Council. An extensive interview was also conducted with planners from each city that was willing to participate. This project did not consider zoning ordinances or make specific effort to look more deeply at past performance. The report also includes a brief overview of common tools used to promote affordable housing and a summary of the regional fair share systems in the nation. There does not seem to be any clear best practice in any of these regional systems for monitoring.

AFFORDABLE HOUSING DEVELOPMENT TOOLS

There are a number of tools and incentives cities can use to develop affordable housing. The following is a list of the best practices for affordable housing development including developer incentives, planning and zoning tools, and financial tools.

DEVELOPER INCENTIVES

DENSITY BONUSES

Density Bonuses are used for projects where the developer agrees to include a certain number of affordable housing units in exchange for increased density in the project. The increased density of market rate units allows the developer to make up for lost costs of producing the affordable units. The cost to local government is typically zero.

IMPACT FEES

Impact fees are a one-time fee charged to developers during development to pay for new infrastructure that will be required to serve the new residents. Cities use the fees to pay for water, sewers, roads, sidewalks, or public amenities. Impact fees are passed on by the developer to the homeowner, thus raising the cost of the housing. As an incentive to developers to build affordable housing, cities can waive these fees.

PLANNING and ZONING TOOLS

INCLUSIONARY ZONING

Inclusionary zoning is a regulatory tool that requires developers to include a certain percentage affordable housing units for developments over a certain size. The cost of providing these extra units is then offset by a density bonus. Price controls are usually set on the units for about 20 to 30 years.

MINIMUM LOT SIZES or SETBACKS

Reducing the lot size or set back of a property or residential development allows the developer to increase density while at the same time decreasing the cost of housing. By using this approach, it is easier for the developer to produce affordable units

INFILL HOUSING DEVELOPMENT

Infill housing development typically occurs in urban areas to redevelop blighted areas or to promote development on vacant land. Developer incentives such as impact fees, adding public amenities, or upgrading the local infrastructure are used to assist the developer to build affordable housing on the site.

EXPEDITED PERMITTING

During development, any delay in the approval process makes the cost of development more expensive and thus the cost of the housing. An expedited permitting process thus reduces the cost of development and is cost-effective for the city. As result, it makes more feasible for developers to produce affordable housing.

FINANCIAL TOOLS

LOW INCOME HOUSING TAX CREDITS

Low-Income Housing Tax Credits (LIHTC) were created by the Tax Reform Act of 1986. Cities can issue LIHTC for acquisition, rehabilitation, or new construction of rental housing for low income households. Multi-family housing developments are usually the recipient of LIHTC and the sale of the tax credits creates equity which then reduces the property's mortgage.

TAX INCREMENT FINANCING

Tax Increment Financing (TIF) is a tool to finance real estate development. TIFs use the extra property taxes that result from development to fund a portion of the development costs. Market values of properties rise as a result of the development and thus facilitate the extra property taxes. TIFs are used as incentives for developers and can help facilitate the development of affordable housing.

MORTGAGE REVENUE BONDS

Mortgage Revenue bonds are used by state and local governments through housing finance agencies to fund below-market-interest-rate mortgages for first time homebuyers. They help to provide homes to individuals or families living at below 115 percent of the median family income.²

² Washington Area Housing Partnership. 2005. "Toolkit for Affordable Housing Development."

COMPREHENSIVE PLANNING

Comprehensive plans serve as long-range master planning tools to guide the growth and development of a community for a set period of time and usually include inventory and analytic sections leading to recommendations for the community's land use, future economic development, housing, recreation, transportation, public facilities, and capital improvements. Comprehensive plans must be consistent with both regional and state goals.

When evaluating plans, one should look at the goals and objectives, needs or problems, followed by the assumptions and methods of reasoning, specific proposals, perhaps implementation devices (ordinances, budgets, etc) and the outcome following plan implementation. Plans should contain specific goals that are linked to local conditions rather than vague umbrella goals that are non-substantive. The language of such plans should be action-oriented language, using words like will or must, rather than might or should. The quality of a plan is based on three components:

- A strong factual basis.
- Clearly articulated goals
- Appropriately directed policies.

In order for plans to be considered good they must be fact based in that they specify the existing local conditions and identify needs related to the community's physical development. Next, the plans goals must represent general aspirations, problem alleviates, and needs that are premised on shared local values. Last, a plan's policies or actions must serve as a general guide to decisions about the location, density, type, and timing of public and private development to assure that plan goals are achieved.

These plans should have a demonstrable and tangible impact on improving the environment and residents' quality of life. The plans goals should be socially, culturally, economically and environmentally sustainable. The plans should ultimately be based on what works. A city's comprehensive plan serves as a vision of how the region and the community can balance resource conservation, economic vitality, and quality of life. Such plans identify growth and infrastructure challenges in an integrated and comprehensive way. It also includes goals and outcome to measure the community's progress toward a more sustainable region.

This report reviews the comprehensive plans and relates information gathered in interviews with planners from thirty five metro cities, accounting for 52% of the total projected need and cities that will be home to 58% of the projected population growth in the next decade. Criteria for selection was placing in the top thirty cities on either forecasted population growth or assigned need number. Most cities placed on both lists.³ Our final list included the following cities:

| | | | |
|--|------------------------|----------------------------|------------------|
| Andover | Chaska | Inver Grove Heights | Richfield |
| Apple Valley | Cottage Grove | Lake Elmo | Rosemount |
| Belle Plaine | Dayton | Lakeville | Savage |
| Blaine | East Bethel | Lino Lakes | Shakopee |
| Bloomington | Eden Prairie | Maple Grove | Victoria |
| Brooklyn Park | Elko/New Market | Maplewood | Waconia |
| Burnsville | Forest Lake | Plymouth | Woodbury |
| Carver & Dahlgren⁴ | Hastings | Prior Lake | |
| Chanhassen | Hugo | Ramsey | |

We developed a review worksheet that included specific questions about the presence of various affordable housing development tools and potential barriers. The full protocol can be seen in Appendix I. Each plan was reviewed twice for consistency. Due to the timing of this project in relationship to the Comprehensive Plan cycle, many cities' plans had not been officially accepted by the Metropolitan Council at the time of their review. This has been noted in individual city summaries that follow where it is relevant to our findings.

Following the reviews, a planner from each city was asked to participate in an extensive interview with more detailed questions about their perspectives on the various available tools.⁵ The interview protocol was developed based on a prior study by Ed Goetz⁶. Municipalities were asked about the recent affordable housing development in their community: whether they initiated, proposed or received proposals and from whom. The interview schedule is also available in Appendix II.

Responses from these two sources were coded to allow for the summary and comparison presented in the Review Summary on pages 58-67.

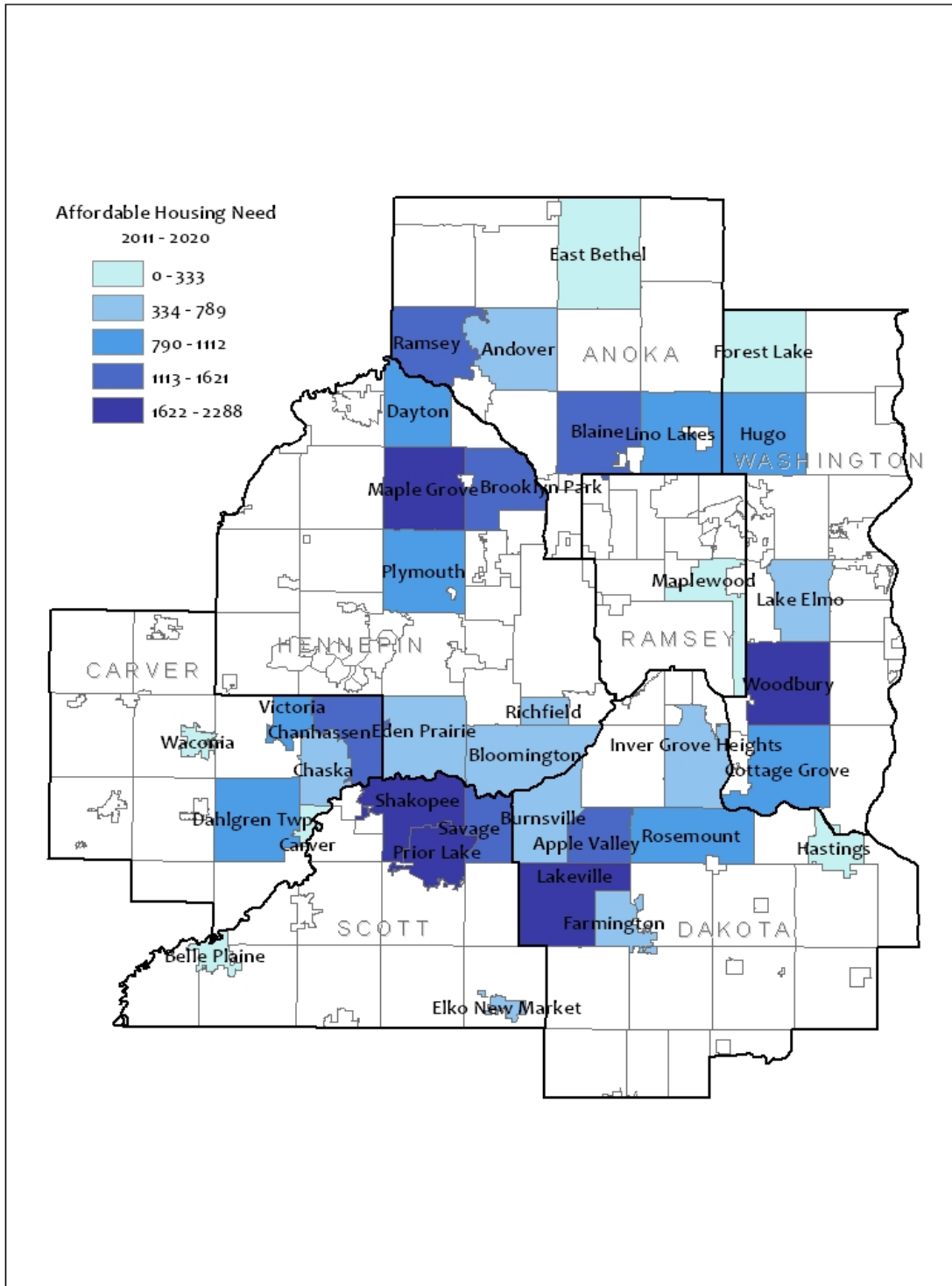
³ Corcoran qualified in the original list, but did not have a completed housing chapter in time for the review. It was replaced by the City of Maplewood, which has the next highest projected affordable housing need number.

⁴ Carver City will be implementing and overseeing affordable housing for both itself and Dahlgren Township due to annexation plans, and the two municipalities were reviewed together.

⁵ Every city participated with the exception of Lakeville, which has the highest need number of the 35 selected cities.

⁶ "Interview Protocol for City Planning/Community Development Staff." [TC Housing Policy.org](http://tchousingpolicy.org). 2006. Housing Preservation Project 23 Feb. 2009. <http://tchousingpolicy.org/act_locally/CURA_Survey_Questions.pdf>

Figure 2: Affordable Housing Need 2011-2020



Located 27 miles north of Minneapolis and with an estimated population of 30,263 in 2007, the City of Andover experienced tremendous population growth from 2000 to 2007 – an increase of nearly 14 percent in seven years, and is projected to grow to 40,500 by 2030. Andover’s Comprehensive Plan Update 2008 acknowledges the Metropolitan Council’s affordable housing need allocation of 635 new affordable units from 2011 to 2020, and describes the Metropolitan Council’s definitions of affordable owner and rental units. The affordable housing section contains two lists of programs and policies: those that have been used by the city, and those that have been used elsewhere that are supported by the city. Programs and policies utilized by Andover include Housing Rehabilitation Revolving Loan Program, High Density Zoning, and Planned Unit Development Review.

Programs supported by Andover used in neighboring cities include:

- Section 8 Rental Assistance administered by the Metropolitan Council;
- Various programs administered by Minnesota Housing Finance Agency; and
- Various programs administered by Anoka County, including the Anoka County Community Action Program.

The plan, however, does not mention any regulatory modifications to facilitate affordable housing production; only through PUD can regulations be modified. Additionally, the plan does not encourage the development of culturally sensitive, senior, special needs, workforce, or life-cycle housing. The goal of decreasing density and encouraging the production of single-family units acts as a barrier to affordable housing development.

City staff skepticism towards the Metropolitan Council’s mandates and procedures has caused the city to not further encourage affordable housing development beyond what is required. In addition, Andover is not eligible for LCA funding, which is the primary Met Council incentive.

Townhouse development over the past ten years is perceived as providing sufficient affordable housing in conjunction with the use of local CDBG funds, Anoka County homeowner assistance programs, referrals to the Anoka County Community Action Program, and the PUD process. Andover’s Housing and Redevelopment Authority is used mainly for distribution of CDBG funds. The city also allows and has approved accessory apartments and guest houses. Tax Increment Financing was used once since 2000 for a redevelopment project on city land, yet TIF is only used for land owned by the city.

Overall, Andover is committed to affordable housing development through increased zoning and regional and county funding mechanisms. Townhouses continue to be the dominant tool for such production, as the Grey Oaks (52 townhouses, 300 condominiums) and Parkside at Andover Station (110 townhouses) developments have been approved in 2008. However, single-family market-rate housing will continue to dominate new development and Andover’s affordable housing need of 635 new affordable units is perceived to be not achievable by city staff.

Located 20 miles north of Minneapolis, Blaine has an estimated population of 55,415 in 2007, and is projected to grow to 78,000 by 2030. Blaine has the largest supply of mobile homes in the state as they account for 15 percent of Blaine’s housing stock. The housing section of the Comprehensive Plan Update 2008 identifies the Metropolitan Council’s regional affordable need allocation of 1,267 units, as well as a detailed explanation of the Metropolitan Council’s formula as applied to Blaine.

The plan states the need to preserve existing affordable units, including manufactured home parks and subsidized apartments or townhome complexes. However, a goal of the housing section is to redevelop manufactured home parks into another land use. New to the plan is a mixed use designation, yet it lacks affordability mandates. Encouragement of senior housing in Blaine is a central goal as the population seeks to age in place. Additionally, the desire of increased density is stated in the plan through the encouragement of reductions in lot sizes. The first implementation recommendation states on page 3-25 that a “sufficient proportion of the remaining vacant land in the city will be guided and zoned at densities that will provide an opportunity for accommodating the community’s share of the region’s low- and moderate-income housing.” High density residential has been rezoned along an interstate highway with the goal of attracting transit oriented development. Over 80 developable acres have been zoned to support at least 10 units per acre.

The planned unit development tool, or “Development Flex,” has been used in Blaine in most developments over the past decade to negotiate higher densities, smaller lots, reduced setbacks, and private streets. Tax increment financing has also been used for several senior housing developments as well. Over the past three years, only one affordable development has been proposed in Blaine, and it is scheduled for completion in late 2009.

Staff point to the lack of tools provided by the state and federal government as a significant barrier to the production of affordable units in Blaine. Subsidizing developments to the 60 percent affordability level will require substantial public investment, and Blaine has not utilized local resources to lower unit costs. Moreover, the lack of rental housing in Blaine has inhibited young residents from staying within the city limits and older residents to age in place. Staff considers Blaine’s need allocation of 1,267 new affordable units extremely high, stating that approximately 27 percent of all new housing units would need to be affordable to reach this goal. Thus, achievement of this goal by 2020 is perceived to be futile.

EAST BETHEL

Eden Spencer

ANOKA

East Bethel is located 35 miles north of Minneapolis. In 2000, the population was 10,941 and the Metropolitan Council forecasts its population to grow to 23,500 by 2030. East Bethel acknowledges this population forecast and notes that the doubling of the city's population in 20 years could have large impacts on land use and housing affordability. The Metropolitan Council determined that the city of East Bethel has an affordable housing need of 181 units from 2011 to 2020. The city's Comprehensive plan addresses the creation of these new affordable units by updating the zoning ordinance to provide medium residential densities at four to six units per acre, mixed uses in the City Center and Planned Business District and densities at four to six units per acre in the R-2, Single Family and Townhome district. They are also creating a Mixed Use designation which allows for a variety of housing types and up to ten units per acre. However, creation of all future higher density is contingent upon the construction of a wastewater treatment facility in the community. The current larger lot zoning is due to the lack of municipal sewer. East Bethel was not a participant in LCA, but reclassification of the area as a rural growth center has increased awareness for affordable housing need. Currently the city has two mobile home parks which provide the majority of affordable housing opportunities in the community.

The interview with city staff was consistent with what was outlined in the Comprehensive plan. East Bethel is going to implement a new zoning ordinance which will allow for densities up to ten units per acre, but this will only happen once the wastewater treatment facility is built. Construction is slated to begin possibly this summer 2009 or in 2010. Once that is built, the area will be able to support densities proposed. The city also has concerns about the changes in the economy and the housing market as well as the challenges funding new infrastructure. Since the city has not developed or facilitated the development of affordable housing in the past, they are looking to work with the Anoka County Redevelopment Authority as well as explore other public-private partnerships which will aid the development of mixed-use housing. They are also going to prepare a Housing Action Plan to identify how the city will address housing goals.

Lino Lakes is located about 20 miles north of Saint Paul. Interstates 35W and 35E are two of the main arterial routes in the community. In 2000, the population was 16,791 and the Metropolitan Council estimated its population 27,500 by 2020. The Metropolitan Council also allocated 560 new affordable housing units to the city between 2011 and 2020, which represented 35 percent of forecasted household growth. The city's comprehensive plan states that based on the revised market-based forecasts, the city has the capacity to accommodate a minimum of 1,275 affordable units by 2020. However, the city states that it is difficult to achieve the new affordability affordable housing need without the funding tools that have in the past been offered by the Metropolitan Council and other agencies.

In the Comprehensive plan, the housing chapter includes an in depth study of the current and future housing stock in the city. The chapter starts with a set of goals and policies that promote affordable housing, including:

- improve availability of affordable and life-cycle housing
- enhance opportunities for senior housing, and
- maintain existing housing stock ... in all residential neighborhoods

The housing chapter offers details in examining the current housing situation, and forecasting future housing demand. At the end of the chapter, there is a list of actions (seek housing developer to work with the city to construct affordable units, allow for higher density, reduce unwarranted cost impacts on the price of entry-level homes and more) that the city states that it will take to improve the availability of affordable housing and enhance opportunities for senior housing.

The interview with the city planner provides a different look at the city's Comprehensive Plan. The city's general attitude is that there is not sufficient demand for affordable housing in Lino Lakes. Currently, the city does not utilize adjusted fees as a way to increase the supply of low- and moderate-income housing. In addition, Lino Lakes has budgetary concerns given the rapid growth they expect in the coming decade that make pursuing a highly valued housing stock attractive as a policy. This is a contradiction from the comprehensive plan, which indicates, "the city will offer incentive such as density bonuses, expedited permitting processes or reduced fees." The city has not considered utilizing a reduced fee policy as a way to attract affordable housing development. There are other programs or policies such as: PUD with smaller lots sizes, density bonuses, expedited zoning and approval for low- and moderate-income housing mentioned in the comprehensive plan that the city will exercise to facilitate development of affordable housing. However, the information from the interview indicates that the city may or may not actually adopt those policies in the near future.

Located 30 miles northwest of Minneapolis and with an estimated population of 23,145 in 2007, the City of Ramsey grew in population by 25 percent from 2000 to 2007 and is projected to grow to 44,000 by 2030. Ramsey's housing stock is dominated by single-family (81 percent), followed by townhouses (17 percent), and apartment and mobile home units (2 percent).

The housing section of Ramsey's Comprehensive Plan Update 2008 includes a detailed housing affordability index based on approximate affordable market value, which indicates only 277 ownership units in Ramsey are affordable at 60 percent of AMI, and 33 percent of all ownership units are affordable only at 100 percent of AMI or lower. The index additionally states that 115 rental units (52 percent) are affordable at 50 percent of AMI. The housing section states the Metropolitan Council's regional affordable need allocation of 1,140 new affordable units from 2011 to 2020, and that Ramsey "should strive to provide 28 percent of the projected 4,085 medium to high density multifamily housing units as affordable to meet the Metropolitan Council identified goals." The plan also states the need to utilize a wide variety of housing options, including additional rental and/or ownership multifamily or small lot housing through partnerships with non-profit housing groups and community land trusts.

Goals to facilitate affordable housing development in the Housing section include supporting the development of quality rental housing and a variety of affordable ownership housing options and revitalize or rehabilitate aging or underutilized areas of the city. Implementation strategies include developing affordable senior housing, providing choices to age in place, supporting opportunities for young adults to afford living in Ramsey through the development of rental housing, and continuing to develop affordable single-family housing. The plan also provides housing finance resources, such as HRA Levy Funds, TIF, and Anoka County HRA Funds. Other funding sources are also listed, including MHFA and Anoka County Community Action Program.

The Planned Unit Development (PUD) tool is utilized most often to develop affordable housing through increased density, smaller lots, and adjusted lot sizes. Inquiries are allowed for manufactured homes, and the allowance of accessory apartments is currently being considered by the City Council. High density housing has been zoned around the Ramsey Town Center where the North Star Commuter Rail is projected to run. Opportunities exist for more affordable housing near the station, although affordable housing is not required. Barriers to the development of affordable housing in Ramsey include: budgetary constraints due to the housing market downturn, a large percentage of developable land continuing to be zoned for one to two acre lots, and inflexibility of the zoning code. Additionally, staff states that the prospect of meeting the Metropolitan Council's affordable housing need is discouraging as the market ultimately determines the amount of affordable housing in Ramsey.

Carver is a small city in Carver County on the periphery of the metropolitan area. Per 2007 Met Council estimates, it had a population of approximately 2,807 people. The Met Council's report "Determining Affordable Housing Need in the Twin Cities," projects that Carver has a need of 995 affordable units between the years of 2011 and 2020 with an expected population increase to 17,000. Carver will need intensive infrastructure improvements to accommodate this growth.⁷

The principal planner behind the comprehensive plan believes that the Met Council affordable housing projection is likely correct; however, the planner believes that Carver will have great difficulty in meeting this need with new affordable housing units. First, Carver City has the highest property taxes out of any municipality in the seven-county metro. As such, the Council is unlikely to introduce a referendum that will aid affordable housing construction because it would raise the already high property taxes in the city. Secondly, much of the available land has poor soil conditions, general lack of infrastructure, and other concerns. This all raises the costs of building and will make it difficult for developers to provide housing that meets the low-income threshold. Third, the current council is quite progressive and will likely institute green-building standards, which also may affect housing affordability. Non-profit developers generally do not see Carver as a likely location to build because of these high costs. The planner expressed that it would be nearly impossible for new single-family homes to meet the affordability requirement; however, the planner does believe town homes could be affordable.

Carver's current stock of housing is quite affordable and the situation may change over the years as the city grows and the need for workforce housing increases. In addition, the city does not have any express ordinances currently, except for the possibility of green-building standards, that would deter affordable housing construction. Likewise, the city has plenty of open acreage suitable for high-density construction currently and on the horizon.

Carver has not had any difficulty in meeting LCA goals because its share has always been low; the city's current population is under 3,000 people. The council prefers not to spend most of the budget on a single project and instead spend money on multiple projects around the city. Also, many want to preserve open space and create parks instead of creating a transit center in the city.

Carver's comprehensive plan has little discussion on implementing affordable housing production. The plan does mention that the city will consider using TIF funds and collaborate with both Scott County and the Minnesota Housing Finance Agency to promote and develop affordable housing.

⁷ Carver City will be implementing and overseeing affordable housing for both itself and Dahlgren Township due to annexation plans. This summary will refer to Carver City and Dahlgren Township collectively as "Carver."

Chanhassen, a developing third ring suburb 20 miles southwest of Minneapolis, sees the affordable housing allocation (2011-2020) as high and not feasible at all. One of the main barriers that they find to meeting their affordable housing needs is land prices, due to a lack of subsidies available to reduce them. They have an affordable housing allocation of 1,166 units. This need is stated, but no particular goal or policy is discussed as a direct response.

A recent Maxfield Research study estimated market demand for rental and ownership housing across Washington County. This report estimated a significantly lower affordable housing need than the Met Council. They do not state in the comprehensive plan that they outright disagree with this number, but there are very few programs and policies in place that are likely to result in meeting their housing need. They state that they plan to meet the new density goals and owner occupied affordable goals, although not the affordable rental housing. Currently approximately one quarter of rental units are deemed affordable, including a very small number of subsidized units.

The ownership goal will be harder to meet than they suggest. However, the average resale price for a single family home in Chanhassen was nearly \$450,000 in 2006, \$100,000 higher than the surrounding communities. It is the only city in the Maxfield report that had zero single family homes being built valued at less than \$525,000, with the average new home price listed as \$935,000. Buildable lots were valued in 2007 at \$230,000. They say "with an average price on new multifamily homes being \$225,000 and the average resale price of \$194,000, the ability of the City to provide affordable homeownership is less problematic." Unfortunately, this discussion is misleading as there are only 57 "multifamily ownership" units in the whole city.

The plan shows a strong understanding of the factors impacting need for affordable housing, including an diversity in age, incomes, and mobility and includes extensive and high quality data covering both need and existing costs of renting and ownership in the city. However, insufficient tools are provided to begin to address these needs. Lot sizes are likely contributing to the extraordinary cost of ownership in the city and were not adequately addressed. Chanhassen has utilized TIF funding as well as assistance from MFHA and the Met Council in developing affordable housing in the past. They claim that with increased funding they could meet their affordable housing needs, but that city funds are currently focused on maintaining and rehabilitating vacant housing. Chanhassen has not used local incentives like expedited approval, inclusionary zoning, or mortgage revenue bonds. They do not allow manufactured housing. They have used adjusted fees and parking requirements and have considered voluntary density bonuses, but so far no developer has used this option. In the past three years, the city has received two affordable development proposals. One is the in Southwest Village with 32 units of rental affordable housing, and the second one is in Downtown Transit station with 48 potential affordable housing units.

Chaska is a third ring suburb located approximately 40 miles southwest of Minneapolis. Its current population is 23,775 and total employment is estimated at 12,702 jobs. The Metropolitan Council projects that Chaska's population and employment will grow to 35,700 and 16,600 respectively by 2030. Chaska's affordable housing need is 726. While the city agrees with the Metropolitan Council's projection, there are no policies in place to meet the Metropolitan Council's specific projection for affordable housing. The comprehensive plan states that the city needs more affordable housing, but does not designate a specific goal or category, i.e. more multiple family, more single-family, more manufactured housing. Chaska's main policy within the affordable housing sector is to support provision of housing types and services that encourage independent living for elderly people and those who make below 60% of the area median income (AMI). Such housing types and services include apartments, townhomes, condominiums and cooperatives, as well as accessory apartments, shared housing, and personal care homes. In order to produce such units, the city plans to use Planned Development Districts (PDD's), cluster development, and innovative site plans and building types. In addition, the plan encourages the maximum number of townhouses of any one-product line to approximately 75 units. The plan does not include specific goals to preserve and add to their manufactured housing stock. There will actually be a decrease in manufactured homes, which is a decrease in the overall affordable housing stock.

The City of Chaska states that while the goal of 726 is feasible, meeting that goal currently is questionable due to the market. This year, only 30 single-family homes have been built. However, Chaska remains pretty close to meeting its goal due to the housing growth it experienced in early 2000. Chaska has set a city goal to have 1/3 of its housing set aside as affordable. For Chaska, it is easier to do affordable rental as opposed to affordable ownership. This is due to the investments required and the shortage of resources available for ownership. The costs are cheaper in building multifamily housing.

The city currently has several transit-oriented developments and looking to build the Heights of Chaska, a mixed-use, mixed-income development with 3,000 units when the market bounces back. All transit-oriented developments have an affordable housing element attached to it in which at least 1/3 of the units are affordable. The city does not keep a database tracking the supply of low- and moderate-income housing; however, the Carver County CDA keeps track of such housing countywide. The city uses a large series of products to make their projects less expensive including financial incentives and programs that offer regulatory relief, including PUD with smaller lots, density bonuses, adjusted fees, TIF, and supports the use of LIHTC. Chaska also has a housing trust fund and land banking to facilitate set-asides.

Victoria is located about 25 miles southwest of Minneapolis. Its current population is 5,837 and the Metropolitan Council expects it to grow to 28,000 by 2030. Victoria's Comprehensive plan agrees with this number and states they are one of several of cities in Carver County expected to grow rapidly in the next 20 years. The Met Council states an affordable housing need of 975 from 2011 to 2020, which the Comprehensive plan states is reasonable because of the significant growth that is projected for Victoria. However, the Comprehensive plan also states that a Carver County Housing Study projected affordable housing need from 2005 to 2015 to be 60 units and that currently the City does not have any of these types of units. The City conducted a housing inventory for market and affordable units, as well as did a housing needs assessment for both. It is unclear whether they intend to meet the Met Council's stated need of 975 as they mention that number in the housing introduction section and then state Carver County's projection of 60 in their housing needs section. They intend to produce these units through TIFs and a new Land Trust Program which will be run by Carver County. The Land Trust program is set up as an incentive to developers proposing Planned Unit Developments (PUDs) in the City. They are offering density bonuses or specified additional lots in return for deeding lots to the City. The Comprehensive plan also states they will "encourage" the use of TIFs to construct affordable housing in their downtown area; however, they do not have an implementation program set up to encourage this use. Victoria intends to encourage TOD with their future commercial/high density residential node at CSAH 10 and 11, it is unclear as to what "encourage" actually means as there is no implementation program to attain it.

In the interview with Victoria, a city staff person stated that the 975 housing need is high and seems difficult to meet because of land costs. The staff person felt that because of Victoria's amenities, such as lakes, they have limited areas to build so that pushes up land costs. Victoria is also not on track to meet their LCA goals, but they did re-guide areas from lower to higher density to help meet these goals. However, the staff person felt that because of the lack of employment and mass transit, there are not jobs available for low-income individuals and thus there is not a great need for affordable housing. In contrast with the Comprehensive plan, City staff felt that their planned TOD on CSAH would provide opportunities for affordable housing because it would be higher density residential. City staff also stressed that their major plan to produce affordable housing was through the Carver County Land Trust Program, though it is not yet formalized. Even with additional funds, the City staff person said it is hard to attain more affordable housing because production is heavily tied with the cost of land, which is very high. The City has solicited developers such as CommonBond to build affordable housing, however, because of current financing issues, all potential projects are on hold. The overall feeling of the interview is that Met Council has overstated the need for affordable housing and if they are to state this level of need, there needs to be more of an emphasis on employment and mass transit. There is a disconnect between the plan and the number of affordable units that will likely be built.

Waconia is located about 40 miles southwest of Minneapolis. Its population in 2000 was 6,814 and the Metropolitan Council expects it to be 25,000 in 2030, a significant increase. They expect employment to increase at the same rate. The Met Council states Waconia will need 706 new affordable housing units and Waconia agrees with this number. Waconia conducted a housing inventory, a forecast of land needs for housing, and also provided a summary of major housing needs. However, they have not conducted an affordable housing inventory, though they stated information from the Carver County CDA, which projected affordable housing needs from 2005 to 2015 at 130 new units. They also state the numeric objectives of LCA and say they will work with non-profit housing developers to develop or preserve affordable housing opportunities. Waconia is planning for transit-oriented develop along Highway 10 where they intend to have retail and service businesses, offices, townhouses, and apartments – affordable housing is not mentioned in this section, however. The Comprehensive plan states the projected demand for senior and life cycle housing, but the implementation section does not address how this will be produced. The Comprehensive plan does not discuss any density modifications or PUD zones. Only one low-mod housing incentive is identified: to encourage dispersed affordable housing by allowing up to 20% of new lots to have reduced sizes.

In an interview with Waconia, City staff stated that Met Council's projection for affordable housing need of 706 was reasonable and the only problem they will have achieving this housing need is developers willing to come forward in a slow economy. The City is currently on track to meet their LCA goals and have done this through new workforce housing and senior housing. They plan to increase their affordable housing in the future by lowering lot sizes to increase density and are also looking into land trusts with Carver County. Regarding TOD and affordable housing, City staff stated that they would like to think their TOD along Highway 10 will help to produce more affordable housing, but it was still unknown at this point in time. The City has used a number of programs to facilitate the development of affordable housing, however, most are usually with Carver County, this includes rental housing assistance, rent subsidized units in the town, and home improvement grants and loans. Throughout the interview the importance and need for senior housing was stressed, though they had a lot of senior housing, much of it was market rate. Senior housing was not stressed in the Comprehensive plan, but appeared very important to the City during the interview. Though other types of affordable housing were discussed, senior housing seemed to be their focus. The City does not solicit proposals for development but has received proposals from three separate developers over the past three years. One of those proposals was disapproved because of foreclosure of their other properties, the rest were approved, but have not been developed. Overall, Waconia, feels they are a freestanding growth center and as a result have a good inventory of all types of residential needs, but acknowledge they need more life cycle housing. Through reviewing the plan and conducting the interview, it seems they may need to focus less on senior housing.

The City of Apple Valley is fifteen miles south of the Minneapolis/St. Paul center. The Comprehensive Plan that was reviewed is a draft version from October 2008. The city received an extension from the Met Council until May 2009. Apple Valley's housing needs include: 2010 LCA goal of 5,046 units of which, according to Met Council data, they have completed 20.8%. Their need number is 1,307 units. The plan specifies that the city government "cannot and should not have sole responsibility for meeting local housing needs." Thus, the Comprehensive Plan states that they intend to pursue these goals via partnerships with the Dakota County CDA, increased high-density land use designations, and a mix of financing tools. Throughout the Land Use and Housing chapters, the plan mentions a number of broad goals (though not necessarily implementation steps) for providing incentives, tools, and collaborative efforts for creating affordable housing units. Some of those include: increased dense zoning, encouragement of multi-family rental, preservation and replacement of existing units, high density along transit corridors and in mixed use areas, and incentives for density in PUDs. However, implementation steps only mention a number of proactive efforts: land use controls for density, collaborative work with CDA, non-profits, etc., and financing tools such as tax increment financing, HRA levies, and tax abatement.

The planning department of Apple Valley considers the 2020 goals fairly high because of the current market conditions. They suggest that their existing housing stock provides many entry-level housing options. When questioned about affordability levels of existing units, the staff did not note how they relate to Met Council affordability guidelines. The primary challenges for affordable housing development that the staff identified: land costs (due to 85% of city being developed already), gap financing, public perception of affordable housing, and also a city concern that their housing needs were proportionately higher than surrounding communities. This is debatable: their housing need is somewhat higher than Burnsville, which is 98% developed, but much less than Lakeville, which has more undeveloped land. A clear contrast from the language in the Comprehensive plan was the planning staff's identification of "market forces" as the primary force for creating affordable housing in Apple Valley. Their main concern is whether the market within the city supports an increase in the amount of affordable housing. They emphasized that the Dakota County CDA will continue to be a guiding force in new affordable development, but that the past strategy of allowing private market forces to determine housing affordability would continue (thus, effectively meaning minimal additional city effort would be expended for proactive approaches). The city staff identified a number of internal policies and programs that have been used in the past for affordable housing development. In most cases, however, these tools were used due to developer- or CDA-initiated projects rather than intentional city policies to incentivize or require affordable housing development. Furthermore, staff comments about potential city ordinances, permitting processes, or other development requirements generally reflected an overall city policy that could have restrictive effects on low or moderate income housing development; yet in most cases the city suggests the restrictions can be circumvented via PUD or city/developer negotiations.

The City of Burnsville is located in Dakota County, directly south of the Minnesota River. The city is fully developed (98%). The 2030 Comprehensive Plan recognizes housing needs for Burnsville: 2010 LCA goal of 917 units (674 ownership and 174 rental—of which, according to Met Council data, they have completed 92.5%, or 848 units), and their affordable housing need number is 737 units. The city refutes the methods for defining affordability (80% AMI for ownership & 50% AMI for rental versus new goal of 60% AMI for either—this makes affordable ownership units more difficult to achieve, according to the city), and notes that it has not yet agreed to the goals. The city articulates a goal to achieve 70% ownership/30% rental unit split within the city. This goal could hamper efforts to create affordable units if the city is unable to create affordable ownership opportunities.

Comments from local employers helps supplement the need for workforce housing, while a focus on creating incentivized density and affordability within the mixed use and transit-oriented projects is woven throughout the plan (“lifestyle centers” emulating the Heart of the City). The plan identifies existing strip malls and the Minnesota River Quadrant as opportunities for mixed use development. Clearer implementation strategies for infill/redevelopment outlining inclusion of affordable housing could assist the city in meeting their housing needs for the next decade.

Barriers noted by the planner in an interview included: affordability definitions, land supply, limited and costly redevelopment opportunities, financing, and the city-defined ownership/rental ratio goal. Furthermore, permitting processes and fees for redevelopment was identified as a potential limit to affordability. The city also prohibits accessory apartments.

The city has used a variety of regional, state, and federal funding mechanisms. A mix of zoning variations, density bonuses, and adjusted lot sizes has assisted affordable developments in the past 3 years, alongside some TIF, tax abatement, and Low-Income Housing Tax Credits. PUD has provided most of the recent flexible opportunities for affordable housing development on a case-by-case basis (such as Heart of City), and will likely continue to be a primary tool. When questioned about PUD guidelines and requirements for ensuring affordability as a component of case-by-case PUDs, the response was that the intention of PUD is to allow for full flexibility in zoning, and to allow the city to determine what public benefits are included in each project.

The city suggested that the Met Council could play a more forceful role in enforcing goals for cities that are drastically falling short of their housing needs. In addition, the city identified a need for assistance with condemnation or eminent domain as a primary route for creating affordable infill and redevelopment projects.

FARMINGTON

Renee Klitzke

DAKOTA

Farmington is a medium sized outer ring suburb. A large amount of the city's land is still used for agricultural purposes and the character of development has been that of a small, rural town with small, lower priced homes on somewhat small lots surrounding a traditional walkable downtown commercial core. As the communities around it become more built up, Farmington has seen a tremendous increase in development and population since the 2000 census: between 2000 and 2005, the city added more than 5,500 residents, increasing its population by almost 50%. This growth is expected to continue at extremely high rates until 2030.

Cost of living in Farmington is markedly lower than its more developed neighbors. Median owner occupied home values and rent costs are already below the Met Council's affordability requirements. However, the city is taking an active position in favor of continued development of affordable units in light of anticipated increases in young people hoping to buy "starter" homes and seniors looking to rent. They state clear acceptance of the affordable housing need number issued to them and commit to zone land appropriately to make it achievable. They list several programs that might be utilized toward meeting their housing need, primarily administered by Dakota County. They state the following as a strategy: "Establish residential density levels at Livable Community standards and create an additional 492 low-income housing units."

The interview with this city did nothing to suggest that these commitments are insincere. A city planner stated that they have not had a new apartment complex built for over a decade. The planner believes that the city "desperately" needs additional rental opportunities and has sufficient land available to support them. The major obstacle identified is opposition by the immediate neighbors of proposed development sites. There are several areas that are slated for future development that are fairly isolated. The planners suggest that new development that incorporates affordable housing from the beginning is a more politically palatable way to meet that goal.

Although the comprehensive plan demonstrates an extensive knowledge of programs and tools available to promote affordable housing, the city has only added 25 new units in the past 3 years. They have not solicited or proposed new projects. It seems, however, that Farmington is in a good position to meet the Met Council housing need and intends to do so. Despite the slowing of region-wide development, if Farmington can continue to add new units at the same rate relative to the rest of the metro, it should have no problem adding 492 new affordable units.

Hastings is located approximately 25 miles southeast of St. Paul along the Mississippi River and Highway 61. The 2000 population was 18,201 and the Metropolitan Council forecasts that the city will grow to 30,000 residents by 2030. The Hastings' Comprehensive plan agrees with this forecast. Between 2011 and 2020, the Metropolitan Council has determined that Hastings' affordable housing need is 241 units. The Comprehensive plan does not state whether the city agrees with this allocation or not; however, the city has done its affordable housing needs assessment and is committed to providing affordable housing in the community. The Housing Chapter of the Comprehensive plan states that affordable family and senior housing are the most critical housing needs in the community. It also describes how the city has a wide variety of housing options, from more compact mixed-use areas downtown to suburban-style larger lot developments on the outskirts. Hastings has also partnered with Dakota County Community Development Agency in the past to develop affordable housing in the city. The Comprehensive plan also provides an assessment of the current housing stock. The Housing Chapter details all of the available loans and grants available for housing development and rehabilitation in the city. In regards to implementation, one of the goals that the Comprehensive plan states is that the city will focus on providing life-cycle housing that addresses all of the housing needs as individuals move through varying stages of their lives. Later, the Plan addresses strategies for life-cycle housing. Overall the main emphasis is that the private market is the main provider of housing, but there are plans to increase density near the downtown as well as evaluating land use and zoning of existing vacant areas to possibly guide high to medium density residential development.

The interview with city staff was consistent with what was outlined in the Comprehensive plan. They emphasized the partnership with Dakota County Community Development Agency in the past production of affordable housing. The city will continue partnering with the CDA in the future. However, changes in the economy and the housing market leave a lot of unknowns in the production of new housing. Staff also felt that the city already has a lot of affordable housing due to the fact that most of their zoning is for smaller lots and the downtown area provides for mixed-use development. Hastings does not provide incentives to constructing affordable housing, but tries not to hinder its development either. They intend to keep doing what they have been doing as they feel that this has sufficiently been providing affordable housing in the community. In fact, the city is on track to meet its current LCA affordable housing need. Since their need number is fairly low, it is not unreasonable to assume that maintaining their current practices will fulfill this housing need number by 2020.

Inver Grove Heights is a medium sized third ring suburb with a large amount of undeveloped land. Although it has the same land area as Brooklyn Park, it is home to only a third of the population. The city is expected to add 6700 new residents between 2011 and 2020 and has been issued an affordable housing need of 714 new units over that decade. Over the past years, the potential to meet LCA affordable housing need was impeded by available developable land. There is a substantial portion of Inver Grove Heights which has rugged terrain that is expensive to develop. This is a concern going forward due to increased costs of building roads and other infrastructure, but a large area is now slated to be sewered in the coming years, which will improve the situation somewhat.

The comprehensive plan, prepared by a consulting firm, is among the most thorough in terms of acknowledging the role that the state and Metropolitan Council play in determining appropriate need levels as well as showing knowledge of best practices in affordable housing development. The primary action steps outlined by the plan are the following:

- Review regulations that might impede affordable housing development
- Conduct an education campaign
- Prepare a detailed housing action plan

This is a good example of a city that seems to be fully aware of the need for development and the tools available but makes no effort in its comprehensive plan to commit to any concrete steps toward increasing the amount of affordable housing in their community. They list as a policy that they will “Explore innovative approaches... such as the idea of ‘inclusionary zoning.’” This is a typical example of wording that does not necessitate any concrete changes. The remainder of their policies emphasizes avoiding concentration and otherwise maintaining what appears to be a status quo that they find satisfactory in their zoning ordinance and development policies.

An interview with a planner reemphasized the concern about concentration. Of two projects that had been proposed in the last three years, one was rejected because it was in an area that already had an affordable development. The planner referred to a task force that the city council had commissioned to study potential tools that could be utilized in promoting affordable housing. It is unclear whether the great amount of research and discussion is likely to result in any significant increases in the amount of affordable housing developed in Inver Grove Heights.

The City of Lakeville is 25 miles southeast Minneapolis/St. Paul. The city is located on the edge of the urban/rural service area, and thus includes a variety of housing and development environments. The 2030 Comprehensive Plan that was reviewed was accessed on the city website in February, 2009. According to a city planner, it was the most recent version submitted to the Metropolitan Council at that time, yet the draft does not include a housing chapter (because there is no housing chapter, these items are partially covered in Goals, Land Use, and Implementation chapters).

Lakeville's housing needs are among the highest in the area, only following Minneapolis and St. Paul. Their 2010 LCA affordable housing need is 5,227 units of which they have completed 29.1%, or 1,522 units. Their affordable housing need number is 2,260 units. The Comprehensive plan states that the city will partner with the Dakota County CDA as the primary means to address need number. The plan includes goals for development of a mix of housing opportunities for a variety of income levels, and to encourage private development to provide affordable options. The city states that its increased designation of high density acres will also help accomplish the affordable housing need (926 undeveloped acres to become Medium/High-Density, p. 92). However, the Future Land Use chart (p. 105) designates a smaller amount of land for Medium-High density. Inconsistencies in the city's future land use policies are coupled with an unclear implementation plan that does not ensure those future higher-density acres result in affordable units.

The city states a number of goals targeted at increasing affordable housing: promotion of workforce housing, some zoning ordinance exemptions for affordable housing, allowing PUD for high density lifecycle housing, encouragement of affordable owner-occupied housing (rental is not identified as a goal), establishment of "administrative and policy mechanisms that will facilitate the development of low and moderate income housing." It is not clear what implementation strategies will be used to ensure these tools are available and encouraged or required for future development in the city, provided the large housing needs the city faces. The implementation portion of the plan only provides two measurable outcomes that may help increase the supply of affordable housing: 1.) Outline of future zoning districts and their minimum and maximum density levels. 2.) Discussion of housing in the context of the cities Capital Improvement Plan in which it is again stated that coordination with the Dakota County CDA will assist in reaching affordable housing goals. The plan states the city will provide "opportunity for density and/or regulatory flexibilities in both its conventional zoning districts and the use of PUD Districts for projects meeting community and regional housing goals."

In another example of inconsistency within the plan, the city states a goal to preserve existing affordable units (p. 34, 92)—specifically mentioning manufactured housing as a component to help meet its housing needs—yet in a later section (p. 109), the city discusses redeveloping an existing manufactured housing park into an office park, without mention of affordable replacement units. The City of Lakeville declined to participate in the interview process.

Rosemount is approximately 15 miles southeast of the Twin Cities Metropolitan Area. With the area of nearly 36 square miles, Rosemount combines industry, agriculture, and agriculture research with a rapid growing residential community. In 2000, the population of the city was 14,619 and the population is expected to grow to 38,400 by 2020. Rosemount's projected affordable units need was 923 and the city should be able to meet this need in corporation with the Community Development Agency (CDA) and the continued development of multiple family housing and small single family homes within planned unit developments (PUDs).

The city staff in the Planning Development and Economic Development office wrote the draft of the Comprehensive Plan for the City of Rosemount in house. The information from the Comprehensive Plan and the interview with the city planner were fairly consistent. However, there are minor differences. For example, the housing chapter of the Comprehensive Plan does not indicate that the city has considered using density bonuses as a way to facilitate affordable housing. However, from the interview with the city planner, the planner stated that they have used density bonuses a few times as a way to promote development of affordable housing and the city will continue use this tool in the future as appropriate. The following policies were not mentioned in the housing chapter of the Comprehensive Plan: zoning variances, expedited approval, adjusted fees and others. However, the planner acknowledged that the city had used these policies as ways to attract affordable housing development to the city. Interviewing city planner, one can learn much more about the city than just look at the city Comprehensive Plan.

The city housing chapter in the Comprehensive Plan provides general information about the current housing stock. In this chapter, the city provides housing and population inventory, age of housing and distribution of senior housing in the city. At the end of the chapter, there are many goals to be implemented in facilitating housing development, however, there are a few that are specifically related to facilitate development of affordable housing.

In general, the city is on track in terms of building affordable housing and will be able to meet the Metropolitan Council's projected affordable housing need for the city between 2010 and 2020. To continue to promote development of affordable housing, the city strives to maintain its current relationship with the Dakota Community Development Agency (CDA), and to keep the current City Council because it supports affordable housing development.

Bloomington is located about 12 miles south of Minneapolis. It has a current population of 85,172 and the Metropolitan Council predicts Bloomington's population to grow to 108,118 by 2030. Bloomington's Planning Division also did populations projections, which came out to be slightly lower than the Met Councils at 92,477 in 2030. Met Council's affordable housing allocation for Bloomington is 961 additional affordable housing units between 2011 and 2020. They state that 500 of these will be senior, 300 for people with special needs, and 161 for low-income families and individuals. These allocations were recommended by the City's HRA. The City conducted a housing inventory for both market rate and affordable housing; they also conducted a housing needs assessment, but did not do an affordable housing need assessment. The Comprehensive plan states they have goals to increase the amount of affordable housing by committing local financial resources, but otherwise their implementation consists of words such as "encourage," "consider," and "as necessary." Thus, there is no specific plan to attain the 961 units. The City plans to increase the density of single-family detached homes, as well as increase their senior units - coop, rental, or affordable housing, their rental housing for persons with special needs, and their homeownership for low-income families and individuals. They plan to do this through up-zoning and up-guiding land as development is proposed or through flexibility given on building height through the planned development process. Bloomington also has a goal to preserve existing affordable housing by using their affordable housing resources for expiring federal rent assistance contracts. The City also has a goal to guide new housing near transit, however, do not specifically discuss TOD and affordable housing as linked together. The Comprehensive plan does state directly that they plan to add new units for seniors and special needs housing, as well as to provide lifecycle housing as necessary.

The interview told a very different story than the Comprehensive plan. Though the plan had specific numbers for units and type of units, City staff said that the affordable housing need of 961 was not feasible because the City needs \$100,000 of subsidy per unit as it is fully built out and redevelopment is one of the only ways to produce more affordable housing. The City is not on track to meet their LCA need numbers. City staff said it is unrealistic to think that incentives such as waiving fees will create more affordable housing without additional subsidies. The City does have opportunities for TOD along the Hiawatha LRT line and feels that this will make it easier to build affordable housing as developers will have smaller parking requirements, which brings down per unit costs. The City uses TIFs, CDBG, the HRA Affordable Housing Fund, and Housing Revenue Bonds to produce affordable housing, however, City staff said that even if more state and federal funds were available they could not meet their affordable housing need numbers because there simply would never be enough money. Overall, the interview gave the impression that Bloomington does not need nor can it accommodate more affordable housing. This was a contrast from the Plan, which made it seem that more affordable housing would be produced as they stated specific goals and types of affordable housing to develop as recommended by the City's HRA.

Brooklyn Park is the fourth largest city in the Twin Cities metropolitan region and is fifteen miles northwest of Minneapolis. It became home to 10,000 new residents in the 1990s and 10,000 more in the 2000s. It has effectively staged growth so that its remaining undeveloped land is concentrated in the northwest corner of the city's 27 acre area. In the late 1960s, a large number of one-bedroom apartments were built in the southwest area of the city. It is still true that nearly 60% of multifamily rental units are one-bedroom. This has created a concentration of poverty and degree of racial segregation in Brooklyn Park that is concerning to city leadership. During the LCA program, Brooklyn Park was able to negotiate goals with the Metropolitan Council that did not require the city to produce any additional affordable housing between 1995 and 2010. In comparison, the new need numbers are perceived as too high and too rigid. Brooklyn Park's comprehensive plan states outright that the city does not intend to attempt to meet their need goal; 1,506 units between 2011 and 2020. Instead they indicate an ongoing replacement policy will remain in effect.

Brooklyn Park's plan is exemplary in terms of depth and breadth of data included. They have extensive data on the existing housing stock, broken down in tables in the plan by age, value, year built, and other attributes.

A conversation with city planners brought up existing programs run by the city that make a small impact on need, including a partnership with Habitat for Humanity where the city donated significant funds toward a townhouse project that is currently underway. Also, the city operates a CDBG funded program that acquires properties directly on a scattered site basis and sells them to income qualified low- or moderate-income residents after they have been rehabilitated. However, these programs are not capable of producing anywhere near the required number of units, even with political will to do so. Larger projects, even those intended to simply follow through on the replacement policy, face tremendous public opposition. A proposal that would have served to replace affordable units from a demolished apartment complex was eventually rejected by the city council after meetings drew hundreds of citizens concerned about the future of their neighborhoods.

Brooklyn Park has a sophisticated planning department and is a large city with an income diverse constituency. In many ways it resembles Minneapolis more than its neighboring suburb, Maple Grove. They have legitimate complaints about the Met Council fair share formula, which seems to penalize cities that have good transit access and significant undeveloped land area. Because both of these conditions add to the share Brooklyn Park is expected to accept relative to surrounding communities, the city believes the affordable housing need number is an unfair burden. It is unclear whether the language of the plan will ultimately change to accept this need number or whether Brooklyn Park will be allowed to continue participating in LCA even if the need number is rejected.

The City of Dayton, located 24 miles northwest of Minneapolis, has long resisted municipal services from the Metropolitan Council and has been nicknamed the “doughnut hole” of the northwest Twin Cities suburbs. Only recently has municipal services entered Dayton, and, as a result, no multifamily housing units exist and only 47 existing homes are considered affordable in Dayton. Dayton is projected to grow from an estimated population of 4,681 in 2007 to a population of 28,700 by 2030. The development of affordable housing is prominent in Dayton’s Comprehensive Plan Update 2008 as multiple implementation recommendations of the Housing section focus on the development of high-quality affordable housing. One goal specifically states the need to improve the availability of affordable housing and senior housing, and several bullet points elaborate on this goal. The Comprehensive Plan additionally seeks to update the zoning code and development guidelines to diminish barriers to affordable housing, including increasing the minimum density of single-family detached residences, reduce lot size and setbacks, implement density bonuses, and reducing development fees. Furthermore, a Housing and Redevelopment Authority that will create new funds to develop affordable housing has been recommended in the Comprehensive Plan and is under consideration by the Council.

The Comprehensive Plan devotes two pages of the Housing section specifically to affordable housing. The sub-section explains the Livable Communities Act and the 2020 LCA need numbers. The projected need of 1,240 new affordable units is stated in this section, yet the plan indicates that this need number will be difficult to achieve without significant funding offered by the Metropolitan Council and other agencies.

To facilitate affordable housing, Dayton has thus far approved accessory apartment renovations and additional mobile home lots in an existing mobile home park. Their PUD encourages smaller lots, but has not produced housing affordable below 80 percent of the Twin Cities’ AMI. One development currently under review by the city utilizes the PUD code, and negotiations are being held between the developer and Dayton over the addition of more affordable multi-family out lots and a wide variety of lot sizes and price points throughout the development.

Eden Prairie is located 18 miles southwest of Minneapolis. Its current population is 61,660 and the Met Council expects it to grow to 63,000 by 2030. However, the city expects to achieve a population of 77,124 by 2030 considering past growth rates. The Met Council states an affordable housing need of 1,843 for the years 2011-2020. While the comprehensive plan does not contest this need, it also states its own need number of establishing 1,575 new ownership units and 350 new rental units. The comprehensive plan states specific goals to increase the amount of affordable housing. Such policies include requiring 30% of all new housing designated as affordable and each new rental housing proposal having at least 20% of its units affordable.

Eden Prairie encourages the preservation of existing affordable housing, in addition to TOD and mixed-use development. The comprehensive plan states specific projects, the Southwest Transit Hub and the Major Center Area, as transit-oriented, mixed-use development with an affordable housing component. The city provides senior housing, workforce housing, and lifecycle housing through Low Income Housing Tax Credit Programs, PUD policies, and Tax Increment Financing (TIF). The city uses the full authority of the City and its HRA to support development and maintenance of low- to moderate-income, elderly and special needs housing development. The comprehensive plan includes a basic implementation process to facilitate meeting its affordable housing need number.

The City of Eden Prairie stated that the affordable housing need set by the Metropolitan Council is fairly high. While there are no physical or political obstacles to meeting this need, the market and the stigma associated with creating affordable housing are problems that the City foresees to meeting their affordable housing need goal. Eden Prairie is not on schedule to meeting the LCA need number by year-end 2010 due to not having land for small lot single-family homes or townhouses. The city has two major TOD opportunities: The Town Center Project and the Golden Triangle, each 100 acres. Both projects include an affordable housing component.

Unfortunately, the city does not keep a database tracking the supply of affordable housing. The city does not have any programs to develop or facilitate the development of affordable housing in the city. The city mostly uses PUD and Cluster Development because it makes a better development plan. Ten years ago the city had many programs in place to facilitate the development of affordable housing, now the city only uses PUD with smaller lots, density bonuses, zoning variances, and TIF.

The amount of land zoned for multi-family housing is the only tool that limits low- to moderate-income housing. The city currently has 85 acres of undeveloped land zoned residential and allows for 10 or more units per acre. The city has not solicited proposals in the past three years from the local HRA or other developers and has not received any unsolicited proposals during that period.

Elko/New Market is located about 27 miles southwest from the Twin Cities along Interstate 35W. The city is in the southern exurban belt of Minneapolis-Saint Paul. In 2007, the Met Council estimated the city's population at 3,788. The Metropolitan Council allocated 456 new affordable housing needs to the city, and the city believed that the projected affordable units are attainable.

Since, the City of Elko and New Market merged in 2007 to form the City of Elko/New Market, the Comprehensive Plan is somewhat different from others. Each element (population, job, household forecasts) in the plan is analyzed for each city and an addition analysis for the new city Elko/New Market. The housing chapter provides standard elements (housing, job, population inventories and forecasts) that should be on the Comprehensive Plan.

The Comprehensive Plan was written by a consultant. There were a number of inconsistencies between the discussion in the plan and the interview with a city planner. In the Comprehensive Plan, the city assumes that it will take part in all proposals that relate to affordable rental housing development and the city will take as many of the following actions as necessary to facilitate housing development in the city. Here are a few actions that the city is considering to aid the development of affordable housing. The city will consider changes in local requirements to make rental housing as affordable as possible; actively seek private, nonprofit and public developers interested in providing affordable rental housing; make use of local powers as needed to assist affordable housing, including tax increment financing and tax exempt bonds, and many other policies and programs.

The information obtained from the interview indicates that the city has not considered taking many of the actions that were stated in the Comprehensive Plan to facilitate affordable housing development, and may or may not considered taking these actions in the future.

There are a few reasons for the way the city responded to affordable housing development. The first reason is that the city is heavily dependent on the housing market in the area. There is not a market for affordable housing in the city at this point; the current strong market in the city is single-family residential housing market, hence, the city is not motivated to facilitate affordable housing development. The second reason is that Elko/New Market is a small and developing city, it needs all possible revenue sources (hence, the city does not provide financial incentive to affordable housing proposals) to provide local services.

Maple Grove is a developing third ring suburb twenty miles northwest of Minneapolis. In its comprehensive plan, the city accepts the Met Council allocation of 1,764 new affordable housing units for 2011- 2020. The biggest challenge to affordable housing development, according to city staff, is funding. Staff states that the market will not support any new units at affordable rates without subsidy, and that insufficient subsidy is available to facilitate meeting their need number. Developers in Maple Grove have cited confusing and contradictory requirements of grant sources as a deterrent from using what funding is available, particularly when multiple grants are necessary to make the project financially feasible.

According to Maple Grove staff, the new Met Council formula produced allocations that are more logical and feasible than the previous negotiated LCA benchmarks. They are not on track to meet those benchmarks by 2010 (they had accomplished 35.2% of their LCA goals as of 2007). The city considers their LCA goals less fair. However, this is likely due less to the methodology involved in determining the allocation and rather reflects that their new need number is less than half of the LCA benchmark. In fact, even if Maple Grove were to meet its full 2020 need number, it still would fail to achieve its LCA goal. Furthermore, it will be easier to meet the goals for affordable housing for 2020 because of the non-distinction between rental and ownership units.

Maple Grove has reduced building fee permits and uses the Community Development Block Grant program to fund affordable housing. Beyond this, the comprehensive plan identifies several regional bus or rail transit projects which would be good candidates for transit-oriented and high density development, particularly the Gravel Mining Area. Generally, the comprehensive plan more readily identifies density as a goal than affordability outright. There is mention of affordability as a positive component of mixed use development, although in the comprehensive plan, no specific implementation strategy is mentioned. The only practice acknowledged by the city as a barrier to low and moderate-income housing development was the prohibition of accessory apartments units.

The city seems to be optimistic and willing to meet the 2011-2020 need numbers allocated to them. Many regional and state funding options and programs are outlined in the report. There is also discussion of the use of PUDs as a tool that can assist in affordable development. While the plan demonstrates a fairly sophisticated understanding of tools available, it does not make any firm commitments to using any of them in concrete projects or suggest changes to local practices and regulations. The city successfully developed over 2,000 affordable units during the first decade of LCA. Barring continued decline in overall housing production, it is feasible that even without significant changes, Maple Grove may be able to meet their need number.

Plymouth is a second ring suburb 15 miles northwest of Minneapolis. In 2006, its population was estimated at 70,676. The city agrees with Metropolitan Council projections that Plymouth's population will increase 11% and jobs will increase to 26% by 2030. The Met Council states an affordable housing need of 1,045. The comprehensive plan cites high land prices, cost of building materials, transportation infrastructure in undeveloped areas of the city, and limited availability of land for commercial purposes as barriers to meeting their affordable housing need. The City references its LCA affordability benchmark of 43% as an alternative goal. Undeveloped land is sufficient to provide the opportunity for the construction of 1,074 affordable units. The city has also done its own housing inventory, which identified 1,108 affordable rental units and 5,453 affordable owner-occupied units.

The city does not state any specific affordable housing goals beyond their need allocation. The comprehensive plan mentions that the city will encourage transit-oriented and mixed-use development with affordable housing component. The city also provides senior housing, special needs housing, workforce housing, and life cycle housing.

Plymouth's implementation strategy is very non-specific. In the interview, staff stated that they are committed to affordable housing, but the need number of 1,045 is very high and difficult to meet due to land topography issues and lack of adequate funding. Plymouth's undeveloped land is located in an area that is very expensive to develop. The City currently has 94 acres of undeveloped land that is zoned residential and allows for 12-20 units per acre and has long-term opportunities for TOD.

The city has used several funding sources to develop and facilitate the development of affordable housing, including HUD Programs, CDBG, Sec. 202, LIHTC, Housing Revenue Bonds, G.O. Backed Funds, and HRA. The city uses the following policies and programs to incentivize affordable housing development: PUD with smaller lots, adjusted lot sizes for low- and moderate-low income, zoning variances for a Habitat Project, LIHTC, TIF, and Mortgage Revenue Bonds. The City states that it does not have significant regulatory barriers affordable housing development. The city has solicited two proposals in the past three years for a Senior Housing development and Habitat for Humanity project.

The City of Richfield is located 8 miles south of Minneapolis. Its current population is 34,439 and the Metropolitan Council expects this to grow to 43,000 by 2030. The City of Richfield feels it is unlikely they will meet this projection but state in theory their land use plan accommodates the growth. The Met Council states an affordable housing need between 2011 and 2020 of 969 new units, rental or ownership; Richfield's Comprehensive Plan agrees with this number. The City has not conducted a housing inventory; however, they did show an analysis of housing need. They have also not done their own affordable housing inventory, though their plan presents a table provided by the Met Council, which states the percent of affordable housing units in Richfield. Richfield's Comprehensive plan did not provide a summary of affordable housing needs. Richfield does intend to increase the amount of their affordable housing assistance programs through alternative funding and partnering with organizations that produce affordable housing. Though they do not state specific number by which they intend to increase their affordable housing, they plan to use money from the Met Council and MHFA to produce affordable housing and through grant applications are responding to developer's interests in building affordable housing. Overall, however, Richfield is not trying to increase the density of their housing. They are much more focused on rehab and maintenance of their current housing stock than creating more housing because they feel their population is actually beginning to decrease. They do have some areas planned for mixed use, high density residential and have areas zoned for this use, so this may be a possibility in the future. They are also attempting to figure out how to better provide for the seniors in their community. Richfield is looking for programs to help provide senior housing because they would like to keep them in the community, but move them out of their single-family homes to provide affordable homes to young families.

Though Richfield's comprehensive plan states they agree with the Met Council's number of 969 new affordable housing units, in an interview with City staff they said that this number was unrealistic and it really depends on the housing market. Staff did say they have the framework in place for it to happen, but it is unlikely that they will mainly because they feel they are a fully developed community. City staff said the LCA need numbers closely matched the 969 new units and they were on track to meet their need number until the housing market slowed down in 2005. Transit-oriented development was not mentioned in the Comprehensive plan; however, City staff stated Metro Transit very well serves Richfield and 90% of their new development gets city funding with the requirement that the developer includes transit-oriented features. Richfield uses six separate programs to facilitate the development and rehab of affordable housing: CDBG deferred loans, Energy Advantage, First Time Advantage, New Home Program and Section 8. However, they feel that a lack of funding makes it difficult to produce affordable housing because they focus mainly on redevelopment, which is very expensive and thus more state and federal funds would be helpful. The main tool Richfield uses to produce affordable housing is TIFs, though they have also used LIHTC, adjusted lot sizes, and cluster zoning.

Maplewood is conveniently located just ten minutes from downtown Saint Paul. Maplewood stretches along most of the northern and eastern borders of Saint Paul. The population was 34,947 at the 2000 census. The city has a total area of 18 square miles. U.S. Highway 61, Minnesota Highway 36, and interstate Highways 35E, 94 and 694 are five of the main routes in the city. The city believes that it should be able to meet the 388 allocated affordable units from the Metropolitan Council.

Maplewood wrote their comprehensive plan completely in house and there is a high degree of consistency between the plan and information related in an interview with staff. However, there are minor differences and here are a few highlights from the Comprehensive Plan and the interview. In the Comprehensive Plan, the city states its many goals relate to promote affordable housing such as provide senior housing, offer special needs housing, create workforce housing and life-cycle housing, and more importantly, preserve existing affordable housing. On the implementation section, the city indicates that the city will explore all possible options to facilitate development of affordable housing. The options that are related to finance such as using Tax-Exempt and Tax-Increment Financing, Minnesota Mortgage Program, Low Income Housing Tax Credit Program and among many other programs.

The Comprehensive Plan states that the city will explore all avenues to facilitate affordable housing. However, the city might not be incentivized to do so; this is because from the information obtained from the interview, the city planner acknowledged that in the past five years, there were many proposals (including affordable housing developments) which came before the city for approval and many of these projects were developed or are currently being developed. The key is that many if not all of the developments did not request any financial assistance from the city. These developments went through the standard process of approval and paid all the appropriate fees relate to developments.

In general, the city has not had difficulties in attracting affordable housing development, and is not motivated to offer additional incentive to developers to build affordable housing. This is because Maplewood is seen as a desirable place for many people to live due to its close proximity to the Twin Cities, among other reasons. People live in this City and they want to remain in the City, so demand for affordable housing is understood to be high.

The City of Belle Plaine is in Scott County, in the southern Metro area. The City had a 2005 population of approximately 6,000 residents. In 2020, the Council predicts that Belle Plaine will have a population of approximately 8,900. Within that period, the Council also foresees that Belle Plaine will need 202 more affordable housing units to meet new forecast demand.

City staff for the City of Belle Plaine discussed the comprehensive plan. The staff noted that he/she believed the Met Council's projection of 202 more affordable housing units is too high; however, the staff noted that the city should not have any difficulty in meeting this need number partly because the city has already produced approximately 80 affordable housing units through a housing project. The main issue the staff had with the Met Council's projection is that the current housing stock in Belle Plaine easily meets the Scott County affordability threshold. The staff believes that the city needs instead higher-end housing to raise the tax base and improve services.

Currently and in the foreseeable future, the city has no constraints on building affordable housing within its borders. The staff did note that some subdivisions include restrictive covenants, for example limits on renting, however, the city does not enforce these restrictions. The city also has no plans for a TOD in the future, because there is no need. That does not mean, however, that the city is against using a TOD to help further affordable housing.

Because the majority of the city's housing stock meets affordability requirements, the city has not had to use affirmative policies to promote new affordable housing construction in the past. Although, these policies ensure that families meeting affordability requirements will mainly have access to older housing stock and not new housing construction. The city has only used PUD once or twice, TIF once or twice, and manufactured housing once or twice. The staff believes that using these policies were effective.

The housing and implementation sections of the Belle Plaine comprehensive plan have language that affirmatively strives to provide affordable housing in its borders. For example, the Comprehensive plan states that the city will continue to allow planned unit developments to provide a mixture of housing types and to promote multi-family development in suitable areas. In addition, the city states it will maintain regulations and zoning to allow for construction of a variety of housing types and price ranges.

Prior Lake is located 25 miles south and west of Minneapolis. In 2000, the city's population was 15,917 and the Metropolitan Council forecasts that it will grow to 40,000 residents by 2030. Prior Lake's comprehensive plan acknowledges and agrees with this number. According to the Metropolitan Council, Prior Lake's affordable housing need for 2011 to 2020 is 2,138 units which the city acknowledges. Their comprehensive plan states that the city has designated 728 acres of land for medium and high density residential to help meet their need number.

According to city staff, the affordable housing need seems high and difficult to meet; one of the main barriers to achieve these goals are the land prices and the cost of development in these areas due to unique specific features like wetlands, topography, and lakes. According to the city the fact that the Metropolitan Council no longer makes distinctions between affordable rental and affordable for-sale housing will not make any difference and will likely be about the same as before.

They currently do not have opportunities for transit-oriented development, although they do not discard the possibility of having it in the future. The city uses incentives such as zoning ordinance modifications and density bonuses to facilitate the development of affordable housing. They also have a Mixed Use Planned Unit Development zoning which has greater flexibility in design and density to accommodate the construction of different ranges of housing. Other city policies that allow for the creation of affordable housing include allowing accessory apartments, manufactured homes, the use of TIF, and financial incentives for the use of new construction technologies.

One of the policies that discourages adding to the supply of low- and moderate-income housing is the minimum lot size. Regulations for the areas close to wetlands have also limited the development of low- and moderate-income housing somewhat.

The city has 192 acres of undeveloped land designated for high density residential. However, the city has not solicited proposals from either the local HRA or other developers to build new low- and moderate-income housing. Moreover the city has not received proposals from developers or acted as a proposer of low and moderate-income housing. Prior Lake is in the process of updating their zoning ordinances and lot minimum requirements.

Savage is a third ring suburb, 16 miles south of Minneapolis. In 2007, the city's population was 27,633 and expected to grow to 39,188 in 2030. The City Council anticipates that this growth will take place in South Savage. Savage accepts Met Council's affordable housing need number for 2011-2020, which is 1,493 new units. The city's existing housing inventory is already relatively affordable, with 49% of ownership-occupied units and 54.1% of rental units meeting affordability guidelines.

The City of Savage has specific policies in place to increase both the amount of ownership and rental affordable housing. The comprehensive plan does not explicitly state that it will increase the density of single-family detached housing, but actively consider any changes that may be needed in local requirements to make rental housing as affordable as possible, which may include higher densities. The plan states that it will maintain the current housing stock and encourage a housing balance, but does not state specific goals. There are two projects slated for mixed use, which the city will also include a mixed-income housing element.

The city has broken down affordability goals into specific smaller goals that aim to meet needs of diverse age groups, levels of mobility and family type. The city will plan and stage development that accommodates the forecasts for local growth at appropriate densities (3-5 units per acre) and Savage has approximately 140 acres of undeveloped land zoned residential that allows for up to 16 units per acre.

In contrast with the plan, City staff stated that the 1,493 housing need is too high, due to current economic conditions, cost of land and somewhat to political and public resistance. The City Council feels they have a good mix of housing stock that meets the existing need and believes the Met Council formula should give existing affordability more weight when allocating fair shares. Savage is on schedule to meet their LCA need numbers. Savage's opportunity for TOD is fairly limited, but it is currently evaluating a park and ride lot. The transit system has yet to expand to Savage.

Savage mainly partners with Scott County's HRA to develop affordable housing, but has also purchased land, done land transfers and partnered with Habitat for Humanity. It is the only city in Scott County to have Habitat Homes. The city also uses PUD with smaller lots, adjusted fees, LIHTC, manufactured housing, and TIF, to varying degrees of success. Policies and programs that were not used include density bonuses; adjusted lot sizes, zoning variances, accessory apartments, inclusionary zoning, local tax abatement, and mortgage revenue bonds. The city has local requirements for building materials, which make development more expensive.

Shakopee is located approximately 20 miles southwest of Minneapolis. In 2000, its population was 20,568 and the Metropolitan Council expects that it will grow to 52,000 residents by 2030. Shakopee's plan agrees with this number, but states that it may change if the city annexes additional lands. The city's plan also acknowledges the Metropolitan Council's affordable housing need number of 2,105 units between 2011 and 2020. However, the plan states that "it is important to note that this is an identified "need", and not a production target." Similarly, the plan states that the city of Shakopee does not produce housing, but rather guides land to accommodate such housing.

Scott County has a Community Development Agency (CDA) which actively develops affordable housing projects, often in partnership with Shakopee and other Scott County cities. Shakopee is the largest contributor of tax dollars to the Scott County CDA. Between 1996 and 2006 Shakopee was the most successful city in Scott County in the production of affordable housing units at 2,455. The city has worked closely with the CDA in the production of affordable housing and plans to continue this practice in the future.

The city has used smaller lot size requirements as one method of producing affordable housing. It has also used the PUD mechanism to encourage developers to develop innovative and more affordable housing alternatives.

According to city staff, obstacles to developing affordable housing in Shakopee are current market conditions and the unique position of the Shakopee Mdewakanton Sioux Community (SMSC) in land acquisitions. Staff feels that it is highly unlikely the Metropolitan Council's identified need for 2020 can be met, as it would mean the issuance of an average of about 191 new, affordable housing unit permits each year, when the total permits issued last year was only slightly half that number.

As Shakopee Mdewakanton Sioux Community (SMSC) land acquisitions in the City continue, it is challenging to know where to locate future residential development, including new affordable housing. The Native American community owns one-third of the developable land in Shakopee and most of it is located in the eastern portion of the city where it is easier to implement municipal services. Much of the available land not owned by the SMSC is remote and not well served by existing municipal sewer or water. The lands owned by the SMSC do not have to follow development goals or provisions outlined in the comprehensive plan.

The cost of street construction and the utility requirements play a big role in limiting the growth. They are encouraging use of transit and mixed unit development with affordable housing present.

COTTAGE GROVE

Renee Klitzke

WASHINGTON

Cottage Grove is a third ring suburb fifteen miles southeast of St Paul that has been experiencing rapid growth in the past two decades. Forty percent of its housing stock was built in this period. Relative to neighboring communities, it has a higher share of single family homes at 80%. Only 7% of units are multifamily. Both in the interview and in their comprehensive plan, they state that a large number of properties in the city are priced moderately; nearly a quarter are below \$200,000.

Cottage Grove is one of the few cities that does not mention the new LUPA need numbers in its comprehensive plan. The Washington County HRA, in conjunction with Maxfield research, produced a report that estimated demand from 2011-2030 for certain housing options. According to their methodology, Cottage Grove has a share of 184 affordable units over two decades, far fewer than the Met Council's figure, 985 in only one decade. The disparity between these two numbers is not discussed in the very brief and non-specific housing chapter. The city does not make any specific promise to provide any affordable housing at all. It acknowledges that a higher number of rental units will be necessary to meet the needs of the increasing population of seniors, but again does not identify what steps must be taken to ensure they are provided for or commit to any particular policies to encourage private development to meet these needs.

The housing component of this plan is glaringly insufficient. The City has extensive maps and information in its other chapters, with well designed tables and specific action plans. In contrast, the housing chapter consists of three pages of text and a chart from the Maxfield study. It makes no statement indicating that the city assumes any responsibility for providing for affordable housing. The section about anticipated increases in rental units, which is as close as the city gets to discussing affordability, is full of passive language. "The city is projected to experience modest growth;" "nearly 90 percent of all housing in Cottage Grove is expected to be owner occupied."

The planner interview echoed these sentiments. The Met Council need number seems too high and not feasible. Even the Maxfield number is met with skepticism. The planner stated that doing *any* units at an affordable rate seems like a stretch due to the costs of land. LCA need numbers have not been a priority for Cottage Grove and they have not tracked their progress toward meeting them. Even if federal funding became available, the planner believes that too many strings come attached to those dollars for meeting the Met Council need number to be realistic.

In the past three years, the city has only had one affordable project go up. They solicited the proposal themselves for a senior housing building done by Presbyterian Homes. They have not had any developers initiate new affordable development in that period of time. It may be that Cottage Grove has not made sense as a location for affordable development so far because of its distance from the city center and minimal transit, but unless major changes are made in the attitudes of planning leadership and the requirements of the new need numbers are clarified in the plan review for this city, there is no chance that the Met Council need numbers will be met in Cottage Grove.

The City of Forest Lake is located in Washington County, northeast of St. Paul. The city's Comprehensive Plan has been deemed complete by the Metropolitan Council. Forest Lake's housing needs include: 2010 LCA need number of 2,039 units (1,757 ownership and 282 rental—of which, according to Met Council data, they have completed 10.8%, or 221 units), and their Met Council need number is 312 units. The city acknowledges a responsibility to share in the region's affordable housing need.

The Comprehensive plan includes a wide variety of goals and implementation strategies to create new city policies, programs, and guidelines for incentivizing and encouraging a mix of affordable housing developments. These goals include: an inclusionary zoning regulation, a city affordable housing trust fund, incentives for higher-end density and provide density bonuses, work with local land trusts and the Washington County HRA, variances in zoning and permitting processes, to encourage affordability as a component in mixed use and transit-oriented development (especially in a new downtown zone that promotes infill and redevelopment), use of accessory apartments and manufactured housing, and to provide for up to 3,524 medium/high-density units via the 2030 Land Use plan. Funding vehicles that the city identifies include housing revenue bonds, TIF, tax credits, use of city-owned property, and purchase of tax forfeit properties for conversion to affordable housing. Additionally, the city has identified a strategy to implement a public relations campaign to “foster City pride and develop an environment that values affordable housing.”

The discrepancy between Forest Lake's 2010 need number and what the city has achieved this decade is due primarily to the 2001 township annexation; the city and township did not have the same planning capacity, and incompatible zoning ordinances/regulatory controls contributed to an inability to adequately plan and implement affordable housing developments. Despite this large discrepancy for the 2010 need number; the city planner identified a goal to surpass 2020 goals.

The main barriers that staff noted included lack of financing/funding for low-income housing, affordable housing and community supports that are present in 1st-ring suburbs that are absent in the community (such as transit, public infrastructure, etc.), and overarching federal/state policies and decisions that affect the cities ability to require affordable housing via zoning approaches. At the present time, the Forest Lake proposals to create a proactive IZ regulation and an associated AHTF are in limbo because of a Minnesota Attorney General opinion.

The planner noted that the city has identified certain regulatory barriers in the plan, many of which have been used on a case-by-case basis in the past; the cities intention is to analyze each and consider formalizing some of these approaches so they are not always development-specific. According to the planner, the cities ability to influence the final outcome is often minimal, due to market conditions, and that outright political will and staff effort targeted at affordable housing development is the most useful tool.

The City of Hugo is located in north Ramsey County. As of 2005, it had a population of 9,400 people. The Met Council forecasts the city to have a population of 19,100 residents in 2020 with an affordable housing need of 877 units. A city planner noted that he/she believes the affordable housing need number is about right and believes that they are very feasible to meet.

The city recently has many new townhomes constructed within its borders that meet the low-income cost threshold and zoned a lot of land medium and high density. Overall, discussions with the city planner suggested the Hugo is on track to meet its affordable housing need number and is very open to creating affordable opportunities within its borders. For example, new town homes may cost as low as \$130,000, which easily meets the affordability requirement. In addition, the city does not have any ordinances that would hinder affordable housing development. The planner noted that some subdivisions have restrictive covenants, but they are only cosmetic in nature. For example, not all town homes may be the same color. None of the guidelines would affect housing affordability. As such, the city does not plan on using any measures to affirmatively create affordable housing because it believes market forces will easily meet its projected need.

The city prefers new affordable housing to be owner-occupied and not renter-occupied. Some new developments are renter-occupied, but that is only because the developer was unable to sell the units. This may be a case of NIMBYism, with the public view that renters are less desirable types.

Hugo has great opportunity for TOD. The city zoned most of its land to the east of highway 61 as medium, high, and mixed-use zoning. There also may be a light rail extension along that corridor. The city has updated its land use map to allow for mixed-use developments with a TOD aspect for potential rail stops. The city is expanding greatly because of the MUSA extension and understands that it must zone for medium and high density rather than low density. Currently, there are over 300 acres of available land that can sustain 10-plus units per acre. As of now, at least half of the city has potential for excessive development.

Hugo's comprehensive plan contains phrases that do not affirmatively bind the city in taking measures to address affordable housing. For example, the city says that it will study and make recommendations on changes to different areas that may be impediments to developing and maintaining affordable housing. The city also says that it will study the impact of city assessments and fees on housing affordability; however, it does not mention that it will take affirmative action to address those issues if the study finds that assessments and fees have a negative impact on housing affordability. Even though Hugo's comprehensive plan does not contain strong wording, it does appear that the city is supportive of workforce and other affordable housing that would meet the needs of a spectrum of income levels.

Lake Elmo is located 15 miles east of St. Paul. The population of the city in 2000 was 6,863 and the Metropolitan Council forecasts that it will grow to 24,000 residents by 2030. This is a significant amount of growth in 30 years and will have a great impact on the community. The Lake Elmo Comprehensive plan identifies and accepts this population forecast. The Lake Elmo Comprehensive plan is slightly different from other municipality comprehensive plans as it is for 2005 – 2030. This is based on criteria outlined in the January 27, 2005 Memorandum of Understanding (MOU) entered into by the Metropolitan Council and the city of Lake Elmo. This MOU requires that the city commit to specific sewer and population targets for each decade until 2030. According to the MOU, the city must meet or exceed an average residential density of 3 units per acre in urban (sewered) areas. Currently, the majority of Lake Elmo residential is on large lots with individual septic systems. There is a Preserved Open Space zoning designation which allows for higher density in exchange for more open space within the development; however, this is not necessarily intended to create affordable housing and most of the homes are extremely expensive.

The Metropolitan Council has determined Lake Elmo's affordable housing need to be 528 units from 2011 to 2020. The city's Comprehensive plan does not acknowledge this need assessment. Their Comprehensive plan does provide a housing inventory, identifies its affordable housing as the Cimarron Manufactured Housing Park and states that there will most likely be a need for affordable senior housing in the future. The goal of the Lake Elmo housing plan is to maintain the current character of the community. There are no plans to increase density higher than what is required by the MOU with the Metropolitan Council. And even that increased density will not occur until the city is connected to the regional sewer system which will not begin until later 2009 or 2010. The first area to be connected, the Cimarron Manufactured Housing Park, is already higher density and the second area that may be connected is the Old Village area where there might be the possibility of some mixed-use or senior housing.

Our interview with city staff was consistent with what was written in the Comprehensive plan. The city has specific goals that it needs to meet and is held accountable to the Metropolitan Council. Because of this, they started their Comprehensive plan process before the affordable housing needs assessment was completed. Yet, they do not need to change that part of their plan based on criteria in the MOU. The city is starting to grapple with the fact that the characteristics of their community could change significantly if all the criteria outlined in the MOU are implemented. Because of that, they have made zoning ordinances to protect the character of the municipality. While some of these zoning ordinances allow for higher density, it is most likely not significant enough to produce new affordable housing units. The city also has no plans to incentivize affordable housing.

The city of Woodbury is located approximately 13 miles east of St. Paul. In 2000, its population was 46,463 and the Metropolitan Council predicts its population to grow to 84,000 residents by 2030. The Woodbury Comprehensive plan acknowledges this number but states that due to market changes and economic slowdown, growth may not be quite as high and this has implications in guiding future development. The Met Council states an affordable housing need of 2,057 units from 2011 to 2020. While the Comprehensive plan recognizes this number it does state that the projections were developed prior to the current housing and economic slowdown and these factors make it challenging to consider this a realistic number; however, Woodbury is committed to the development of more affordable housing within the community and would like to negotiate with the Metropolitan Council to determine an attainable need number. One of the city's housing goals is to provide housing opportunities that target households with incomes at or below 80% of the area median income for ownership and 50% for rental.

Woodbury uses a number of different strategies to create affordable housing with density bonuses being the most common. Through the planned unit development (PUD) process the city has encouraged developers to set aside portions of their property for higher densities and affordable housing. Typically this has allowed a net density of 5.5 units per acre, slightly lower than the Met Council's net density goals; however, this is a net density and Woodbury prefers a mix of higher density clusters, lower density areas and open space in its PUD areas which results in a slightly lower net density. Other strategies that have worked for Woodbury in developing affordable housing have been active partnerships with Habitat for Humanity and the Washington County HRA, identification and acquisition of sites for affordable housing, tax exempt bonds, TIF and waiving of permitting fees. The city also recently created its own Housing and Redevelopment Authority with the ability to levy funds. Woodbury has also guided future urban village, mixed-use development in the southwest area of the city which will allow for higher densities and affordable housing

City staff stated that the need of 2,075 affordable housing units from 2011 to 2020 is high considering changing population estimates. Similarly, the new need is higher than their former negotiated LCA need numbers but there are fewer years to meet the target and the city has much less developable land. Woodbury is committed to affordable housing being part of future development in their community. They recently increased the density bonus from 1-unit per acre to 2-units per acre and beginning in fiscal year 2010 the city will be a HUD direct grantee giving them their own CDBG and HOME allocations. The majority of Woodbury's residential zoning is designated as urban residential housing. This allows for flexibility in mixing densities and balancing it with open space. They do not have a specific single-family zoning. The city has also waived certain permit fees on a case by case basis. The city recognizes the need for affordable senior and life-cycle housing moving forward. While there will be challenges in developing future affordable housing, the details of the plan were consistent with the statements of the planners.

STRONGEST PLANS

FOREST LAKE: Impressive Intentions

Forest Lake's 2030 Comprehensive plan begins by acknowledging the city's responsibility to share in the region's affordable housing need and next outlines specific population and economic/job forecast data. One of the more important aspects of this seemingly common outline is that the city makes a direct link to its economic forecast as rationale for an increased need for low-income housing. The city recognizes that existing and future forecasted job growth includes a considerable amount of lower pay retail/service jobs, and suggests that the city's intention is "to allow all people who work in Forest Lake to also be able to afford to live in Forest Lake" (p. 4-13). As simple a statement as this is, it helps create a clear publically-stated rationale to point to if there is public opposition to affordable developments.

The Comprehensive Plan includes a wide variety of goals and implementation strategies to create new city policies, programs, and guidelines for requiring, incentivizing, and encouraging a mix of affordable housing developments. Many of these items stem directly from city experience in how certain regulations affect developers' ability to create affordable opportunities. These include policies to incentivize higher-end density and provide density bonuses, to work with local land trusts and the Washington County HRA, to provide variances in zoning and permitting processes, to encourage affordability as a component in mixed use and transit-oriented development (especially in a new downtown zone that promotes infill and redevelopment), use of accessory apartments and manufactured housing, and to provide for up to 3,524 medium/high-density units via the 2030 land use plan. Funding vehicles that the city identifies include housing revenue bonds, TIF, tax credits, use of city-owned property, and purchase of tax forfeit properties for conversion to affordable housing. Additionally, the city has identified a strategy to implement a public relations campaign to "foster City pride and develop an environment that values affordable housing."

Most notable are three proposed regulatory and funding goals that are, according to the interview, in the beginning steps of implementation. Below is direct language quoted from the plan:

- Affordable Housing Trust Fund (AHTF): An Affordable housing Trust Fund to receive grants, buyouts from affordable housing requirements (such as the IZ regulation), sales of affordable units subject restrictive covenants and other funds and utilize and leverage these funds to attract and increase affordable housing.
- Inclusionary Zoning (IZ) regulation: Create an Inclusionary Housing regulation through the Zoning Ordinance that includes the following requirements: Developments of ten or more dwelling units shall be required to provide that 20% of new rental units be affordable by a

family earning 30-60% of the area median income or 20% of new owner-occupied units be affordable by a family earning 60% of the area median income as calculated and updated from time to time by HUD for the Metropolitan Statistical Area.

- One-for-one replacement policy: A one-for-one replacement policy that addresses the loss of existing affordable housing units.

Furthermore, a number of new developments that are in various stages of the planning process are slated to include a mix of higher density units and affordable housing opportunities. A new downtown zone provides for mixed uses and higher density residential units, presenting a direct opportunity for affordable housing within a denser downtown mixed-use center. In addition, the new Headwaters development project is near a transit center as well as new public infrastructure and service areas (library, license center, etc.). The comprehensive plan details how Forest Lake is currently implementing policies to encourage affordable housing in these important growth sectors, where mixed use and transit will likely be an important factor in the future.

The planner noted during the discussion of policies, tools, ordinances, and permitting processes that may either incentivize or restrict affordable housing, that the city had identified a variety of potential changes to further allow and incentivize affordable housing, as laid out in the Comprehensive Plan. Many of those tools have been used on a case-by-case basis in the past and the city's intention is to analyze each and consider formalizing some of these approaches so they are not always development-specific. The language outlining a broad range of affordable housing goals in the comprehensive plan is an attempt to reflect this.

The discrepancy between Forest Lake's 2010 affordable housing need number and what the city has achieved this decade is due primarily to the 2001 township annexation; the city and township did not have the same planning capacity, and incompatible zoning ordinances/regulatory controls contributed to an inability to adequately plan and implement affordable housing developments. Despite this large discrepancy for the 2010 need number, the city planner identified a city goal to meet and surpass the 2020 goals in an effort to make up for coming up short on 2010 goals.

The planner suggested that political will, staff effort, and public support for affordable housing goals have been extremely influential non-policy factors allowing Forest Lake to complete affordable projects, propose aggressive policies, and seek out proactive affordable housing strategies via their comprehensive plan. According to the planner, the city's ability to influence the final outcome is often minimal, due to market conditions, and that outright political will and staff effort targeted at affordable housing development is the most useful tool.

DAYTON: A Blank Slate

Until 2008, Dayton has long resisted urban services (municipal water and sewer) from the Metropolitan Council. With only 2,011 residential units (1,768 single family homes and 243 manufactured homes) as of 2008, Dayton easily has the smallest housing supply of the northwest suburbs of the Twin Cities. In addition, Dayton does not currently contain any multi-family residential units, and only 47 existing homes are considered affordable in Dayton.

With a projected population growth from 4,681 in 2007 to 28,700 by 2030, Dayton is ripe for affordable housing development. The Comprehensive Plan Update 2008 has identified the increase in affordable housing units as a major goal in its land use development in the next twenty years. One goal specifically states the need to improve the availability of affordable housing and senior housing, and several bullet points elaborate on this goal. Dayton's existing land use contains 0.3 acres of multi-family residential, and the plan calls for 197.48 acres of medium density residential and 142.96 acres of high density residential, totaling 2.1 percent of the total land.

Changing proper regulatory measures are outlined to ensure affordable housing development as well. The plan seeks to update the zoning code and development guidelines to diminish barriers to affordable housing, including increasing the minimum density of single-family detached residences, reduce lot size and setbacks, implement density bonuses, and reducing development fees. Furthermore, a Housing and Redevelopment Authority that will create new funds to develop affordable housing has been recommended in the Comprehensive Plan and is under consideration by the Council.

Two pages of the Housing section are devoted specifically to affordable housing. The sub-section explains the Livable Communities Act and the 2020 LCA need numbers. The projected need of 1,240 new affordable units is stated in this section, yet the plan indicates that this need number will be difficult to achieve without significant funding offered by the Metropolitan Council and other agencies.

To facilitate affordable housing, Dayton has thus far approved accessory apartment renovations and additional mobile home lots in an existing mobile home park. Their PUD encourages smaller lots, but has not produced housing affordable below 80 percent of the Twin Cities' AMI. One development currently under review by the city utilizes the PUD code, and negotiations are being held between the developer and Dayton over the addition of more affordable multi-family out lots and a wide variety of lot sizes and price points throughout the development.

WOODBURY: Flexible Policies and a Dedication to Fair Share

The city of Woodbury's comprehensive plan states that the character of neighborhoods plays an important role in shaping the character and identity of the community. Over 60% of the city's 2030 land use plan is dedicated to residential uses. The plan also states that the City of Woodbury is committed to meeting its fair share of the region's need for low-and moderate-income housing which it defines using the Metropolitan affordability criteria. The Woodbury plan also criticizes the Metropolitan Council's assumption that dedicating land to higher densities will create opportunity for affordable housing stating that "simply making land available does not lead to affordable housing; a more active approach is needed to actually produce and maintain affordable housing" (p. 5-3).

The city has nine housing goals including several that promote affordable housing:

- Allow for a supply of housing styles, sizes and prices that lets people of all ages to live in Woodbury today, and adapt to future changes in demographics and meet local labor force needs.
- As between other communities and the region, provide a fair share of the region's need for quality affordable housing.
- Integrate affordable workforce housing into the larger community.
- Expand housing opportunities for our children as they graduate and enter the workforce.
- Support and create housing opportunities for those that are retired and on fixed incomes.
- Provide housing opportunities that target households with incomes at or below 80% of the area median income for ownership and 50% of the area median income for rental housing.

To implement these goals the city outlines eight different policies in its comprehensive plan. These policies are specific and use primarily action rather than weasel words to describe what the city will do to meet its housing need numbers. Policies that will help create affordable housing include:

- The city will use the comprehensive plan and other powers and programs to achieve the housing goals and to address housing needs.
- The city will use the HRA and its Housing Action Plan to identify housing needs, to create strategies to address the needs and to guide actions.
- The city will continue current strategies and explore new approaches to provide affordable housing.
- The city will work collaboratively with property owners, builders, Washington County HRA, lenders and other stakeholders to meet local housing needs.

The city had already surpassed its 2010 LCA need number by 2007 and has consistently scored fairly well on its Housing Performance Scores. The City worked with the Washington County HRA to create more affordable housing in the community and fulfill its LCA goals. In 2007, Woodbury created its own HRA which has the ability to levy property taxes to fund its programs. The average annual levy is \$350,000 and revenues will be used as a housing dedication fund to acquire sites for affordable housing or offset the cost of public improvements for affordable housing projects.

Woodbury's primary methods of creating affordable housing have been through flexible land use planning and density bonuses. The city does not have a specific single family land use designation and even the low-density residential areas can have clustered areas of higher density in order to balance out open space. Density bonuses have been an extremely effective way of creating affordable housing within the city of Woodbury and they have increased the density bonus in areas planned for low-density residential development from 1 to 2 units per acre resulting in a net density of up to 5.5 units per acre and higher density areas could receive bonuses allowing up to 18 units per acre.

Other ways that Woodbury has created affordable housing has been through its unique partnership with Habitat for Humanity, Washington County HRA and the Two Rivers Community Land Trust. The city has also used tax exempt bonds, reduced administrative fees, waived fees, TIF, CDBG, HOME, and its HRA levy to create affordable housing an plans to continue using these methods in the future.

WEAKEST PLANS

LAKEVILLE: High housing goals, no housing chapter

Lakeville’s housing needs are the largest among cities outlined in this report (third highest in the area, only following Minneapolis and St. Paul). Their 2010 LCA need number is 5,227 units (4,834 ownership and 393 rental—of which, according to Met Council data, they have completed 29.1%, or 1,522 units), and their Met Council need number is 2,260 units. Despite this drastic need, Lakeville’s comprehensive plan draft does not include a designated housing chapter and Lakeville was the only city that declined to participate in the interview process.

The city states in the Comprehensive Plan that it will continue participation with the Dakota County CDA as the primary means for addressing these goals. It is not clear how this will result in more affordable units than the past decade, as this was the city’s existing strategy (and, according to the plan, this has produced only 448 affordable units—p. 92). Further outlining existing affordable units (based on a city-sponsored market study), the city states that the existing supply is adequate to meet demand, despite the Metropolitan Council’s estimates.

The plan goes on to include goals for development of a mix of housing opportunities for a variety of income levels, and to encourage private development to provide affordable options. The city states that its increased designation of high density acres will also help accomplish the goal (926 undeveloped acres to become Medium/High-Density, p. 92)—However, the Future Land Use chart (p. 105) designates a smaller amount of land for Medium-High density than indentified earlier. The limited amount of new vacant/undeveloped land guided for Medium-High density suggests that if the city intends to achieve its affordable housing need , a large percentage of the units developed on these designated acres will have to be affordable, creating a concentration of low-income units—which the plan has identified as a goal to discourage. Inconsistencies in the city’s future land use policies, coupled with an unclear implementation plan that does not ensure those future higher-density acres will necessarily result in affordable units are problematic.

Furthermore, the city has identified a goal to “maintain residential development consistent with Lakeville’s established growth control mechanisms that set a residential development target of not more than 450 to 550 detached single family dwelling units per year.” Considering that existing growth control mechanisms have only provided opportunity for 1,522 affordable units (based on more inclusive income targeting), these mechanisms may not assist in affordable developments.

The city makes a number of unclear statements targeted at increasing affordable housing: promotion of workforce housing, some zoning ordinance exemptions for affordable housing, allowing PUD for high density lifecycle housing, encouragement of affordable owner-occupied housing (rental is not identified as a goal), establishment of “administrative and policy mechanisms that will facilitate the development of low and moderate income housing.” It is not clear what implementation strategies will be used to ensure these tools are available and encouraged or required for future development in the city, provided the large need numbers the city faces.

The implementation portion of the plan only provides two measurable outcomes that may help increase the supply of affordable housing: 1.) Outline of future zoning districts and their minimum and maximum density levels. 2.) Discussion of housing in the context of the cities Capital Improvement Plan in which it is again stated that coordination with the Dakota County CDA will assist in reaching its affordable housing need number. The plan states the city will provide “opportunity for density and/or regulatory flexibilities in both its conventional zoning districts and the use of PUD Districts for projects meeting community and regional housing goals.”

Finally, in another example of internal inconsistency within the plan, the city states a goal to preserve existing affordable units (p. 34, 92)—specifically mentioning manufactured housing as a component to help meet its housing needs—yet in a later section (p. 109), the city identifies a need to redevelop an existing manufactured housing park into an office park, with no mention of affordable replacement units.

The inconsistencies apparent throughout the plan, coupled with broad and unclear housing goals without implementation strategies present a Comprehensive Plan that does not adequately address the affordable housing planning requirements. The plan presents a variety of questions and clarifications needed to ascertain exactly how the city intends to achieve the considerable goals outlined for the city.

BROOKLYN PARK: Rejecting the Need Number

Brooklyn Park has a comprehensive plan that is exemplary in a number of respects. It is highly data intensive, and describes its existing housing stock in great detail with several pages of tables. Brooklyn Park is a community which has the planning capacity and sophistication to have a thorough and successful approach to meeting their affordable housing need number. There is nothing in the quality of the plan to criticize. However, they do not accept responsibility to meet their need number, 1,506 units. The plan acknowledges the necessity of affordable housing in a general sense and discusses the city’s history of compliance with LCA. However, the city responds unfavorably to the new need number.

“The goal of 1,506 new units for the City of Brooklyn Park will create an obstacle in Brooklyn Park to both local community development efforts, and the local strategy to create an economically diverse and sustainable city.” (Page 4-19 of the 2030 Comprehensive Plan.)

Instead the city refers to its replacement policy, which is already in effect, as its only affordable housing goal. The city has been successful at meeting half of its LCA goal of 1000 new affordable ownership units as of 2007 using the standard of affordability from that program: 80% of area median income (AMI) for a family of four. The new target of 60% of AMI without a distinction between types is also rejected explicitly in the plan and was reinforced in the interview. The city produced zero units of affordable rental housing during LCA and believes it is unfeasible to produce ownership units at the reduced income target.

There is probably no available incentive important enough to Brooklyn Park to warrant a sincere attempt to meet these goals. This response makes sense in light of their negotiated LCA goal, which did not ask for any additional affordable rental housing in the community. In contrast, a requirement for the production of 150 new units every year for the next decade seems heavy handed and unfair. They see themselves as more like the central cities than most of their surrounding suburban neighbors and feel overburdened with their existing amount of affordable housing. While they have both transit and a substantial amount of remaining developable land, both of which increase their need in the Met Council formula, cities that are built out and yet do not have affordable housing have very small requirements. Brooklyn Park finds this unfair and on that basis outright rejects the Met Council need number. It is unclear whether they will be allowed to participate in LCA going forward if this remains the case, or whether access to LCA funds would be sufficient incentive to make an effort to meet their need number. If the need number, as they state in the plan, is really antithetical to their overall goals as a city, it seems unlikely that they will be swayed.

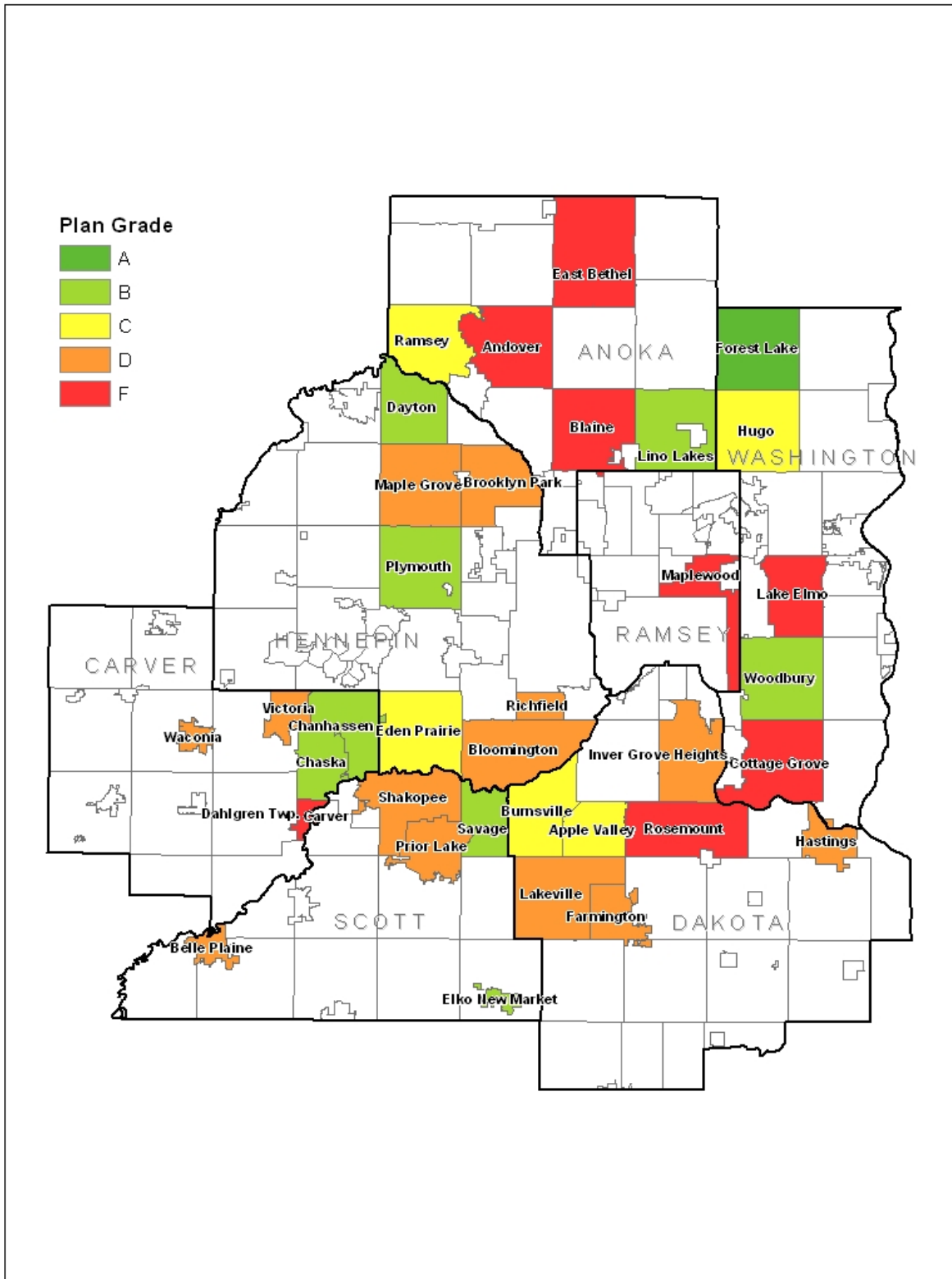
COTTAGE GROVE: Ignoring the Need Number

Cottage Grove has extensive information on Parks, Transportation and Water Resources in their plan. These chapters show technical skill and capacity that make the housing and land use chapters even more clearly lacking. The Housing Chapter of this plan consists of three pages of text, without a single policy or promise directly relating to affordable housing. The need number issued by the Met Council is not mentioned at all in the originally submitted version, which was rejected for incompleteness. It is unclear whether specific affordable housing-related concerns were included in the revision requirements. Staff does not seem to believe that the city is in need of any type of less expensive housing beyond options for seniors. This belief is reflected in the plan as well. Staff notes the number of older ramblers in the community as the main way that low- and moderate-income families can live in Cottage Grove. At the time of the interview, the staff member was not able to quote either the new need number or the LCA goals and indicated that the city does not keep track internally of progress toward meeting them.

If Cottage Grove's Housing and Land Use Chapters are accepted in the version that was reviewed, it is almost out of the question that any new affordable development, outside of that designated for seniors, will occur in the community.

| Table 1. City Overview | Population Estimate 2007 | Population Growth to 2020 | Affordable Housing Need (2006) | % LCA Goal Met (through 2007) | Authorship | Submission Status | Approval Status | Plan Grade |
|-----------------------------------|---|--|---|--|-------------------|------------------------------|----------------------------|-----------------------|
| Andover | 30,598 | 9,902 | 660 | 24.3% | Staff | Y | N | F |
| Apple Valley | 49,456 | 21,744 | 1324 | 20.8% | Combination | N | N | C |
| Belle Plaine | 6,744 | 9,556 | 202 | 28.5% | Combination | Y | Y | D |
| Blaine | 56,575 | 21,425 | 1267 | 41.4% | Combination | Y | N | F |
| Bloomington | 85,504 | 7,496 | 627 | 32.9% | Staff | Y | N | D |
| Brooklyn Park | 72,724 | 12,276 | 1590 | 84.8% | Staff | Y | N | D |
| Burnsville | 61,393 | 3,607 | 737 | 92.5% | Staff | Y | N | C |
| Carver & Dahlgren | 4,290 | 16,870 | 995 | 10.4% | Consultant | Y | Y | F |
| Chanhassen | 22,395 | 15,605 | 1301 | 55.6% | Combination | Y | Y | B |
| Chaska | 23,775 | 11,925 | 789 | 74.1% | Combination | N | N | B |
| Cottage Grove | 33,788 | 19,212 | 1112 | 58.1% | Combination | Y | N | F |
| Dayton | 4,966 | 23,734 | 942 | n/a | Combination | Y | N | B |
| East Bethel | 12,124 | 11,376 | 0 | 0.9% | Combination | Y | Y | F |
| Eden Prairie | 62,090 | 910 | 685 | 42.0% | Consultant | Y | N | C |
| Elko / New Market | 3,788 | 17,012 | 456 | 5.1% | Consultant | Y | N | B |
| Farmington | 18,589 | 13,411 | 492 | 54.1% | Staff | Y | Y | D |
| Forest Lake | 17,494 | 16,706 | 312 | 11.6% | Combination | Y | N | A |
| Hastings | 22,436 | 7,564 | 241 | 55.4% | Combination | N | N | D |
| Hugo | 12,022 | 27,978 | 877 | 60.2% | Combination | Y | N | C |
| Inver Grove Heights | 33,608 | 10,892 | 714 | 54.2% | Consultant | N | N | D |
| Lake Elmo | 8,182 | 15,818 | 528 | 0.3% | Combination | N | N | F |
| Lakeville | 53,829 | 34,971 | 2288 | 29.1% | Consultant | Y | N | D |
| Lino Lakes | 19,851 | 11,449 | 1051 | 25.4% | Consultant | N | N | B |
| Maple Grove | 59,458 | 24,542 | 1844 | 35.2% | Staff | Y | N | D |
| Maplewood | 36,663 | 4,237 | 333 | n/a | Staff | N | N | F |
| Plymouth | 71,147 | 7,353 | 1045 | 56.8% | Combination | Y | Y | B |
| Prior Lake | 22,111 | 17,889 | 2138 | 54.4% | Combination | Y | Y | D |
| Ramsey | 22,408 | 21,592 | 1402 | 33.7% | Combination | N | N | C |
| Richfield | 33,107 | 13,993 | 765 | 38.3% | Combination | Y | N | D |
| Rosemount | 20,917 | 17,483 | 853 | 48.5% | Staff | N | N | F |
| Savage | 25,293 | 17,407 | 1621 | 14.2% | Consultant | Y | N | B |
| Shakopee | 32,567 | 19,433 | 2105 | 51.5% | Staff | Y | N | D |
| Victoria | 6,330 | 21,670 | 975 | 6.3% | Combination | N | N | D |
| Waconia | 9,701 | 15,299 | 160 | 78.8% | Combination | Y | N | D |
| Woodbury | 57,279 | 26,721 | 2202 | 107.50% | Combination | N | N | B |

Figure 3: Plan Grade



METHODOLOGY

Two primary sources were used to analyze the production of affordable housing in the past and future: the comprehensive plan and interviews with city planners. Though 36 cities were identified to be reviewed for their affordable housing production and plan, the cities of Carver and Dahlgren were combined due to consolidation of their plans. Thus, 35 comprehensive plans were reviewed. Although the deadline for submitting updated comprehensive plans to the Metropolitan Council was December 31, 2008, only 24 of the 35 cities reviewed have submitted their comprehensive plan, and merely 7 have been approved by the Metropolitan Council as of April 17, 2009.

Plan authorship varied among reviewed cities, with 7 plans solely authored by consultants, 9 plans solely authored by city staff, and 19 plans were a collaboration of consultants and city staff. Over the past 3 years, 9 total affordable housing proposals have been solicited by the 34 cities reviewed, 6 affordable housing developments have been developed by the cities reviewed, 53 proposals have been received by the cities, 37 proposals have been accepted by the cities, and 5 affordable housing proposals have been disapproved by the cities (Table 1).

| Table 2. Affordable Housing Developments: Total | |
|---|-----------|
| City Solicited Proposals | 9 |
| City Developed | 6 |
| Proposals Received | 53 |
| Proposals Approved | 37 |
| Proposals Disapproved | 5 |
| n=35 | |

Table 1 shows each city’s plan grade. In order to determine the plan grade, the number of goals (9 possible points) and implementation strategies (17 possible points) mentioned in the plan were summed. If the plan included any of the following, 1 point was added to the total score for each inclusion, yielding a possible of 4 additional points: whether a plan included the Metropolitan Council’s projections, if the plan agreed with the projections, an affordable housing inventory, and an affordable housing needs assessment. Out of a possible 30 points, only Forest Lake’s plan earned a perfect score of 30, and Lake Elmo scored the least, with merely 2 points (Table 3). The 35 plans reviewed scored an average of 11.2 (37 percent).

Interviews with city planners were intended to ascertain the level of feasibility to the production of affordable housing as city planners have the power to champion affordable housing development within their respective cities. Due to Lakeville declining to be interviewed, 34 total cities were interviewed. With regards to what the city will do to promote affordable housing development in

the future, there was a fair amount of subjectivity across the persons interviewed. Some planners answered by not ruling out any tool for the future, while others predicted the use of certain tools based on the current city council’s voting records. Finally, some planners answered based on the level of discussion surrounding certain tools within the planning office and city council.

RESULTS

ADEQUACY OF THE PLAN

Of the 35 cities reviewed, 31 cities (89 percent) list their respective affordable housing need number per the Metropolitan Council’s 2006 affordable housing need allocation formula or the December 2008 update, while 23 cities (66 percent) agree with the Metropolitan Council’s projection in the plan. 22 cities (63 percent) include an affordable housing inventory, and 17 cities (49 percent) include an affordable housing needs assessment.

| | AH Projections stated | AH Projections agree | AH Inventory | AH Needs Assessment | Goal Total | Implementation Total | Plan Total | Plan Grade |
|------------------------------|-----------------------|----------------------|--------------|---------------------|------------|----------------------|------------|------------|
| Forest Lake | Yes | Yes | Yes | Yes | 9 | 17 | 30 | A |
| Savage | Yes | Yes | Yes | Yes | 5 | 10 | 19 | B |
| Lino Lakes | Yes | No | Yes | Yes | 5 | 11 | 19 | B |
| Plymouth | Yes | Yes | Yes | Yes | 6 | 8 | 18 | B |
| Cottage Grove | No | No | No | Yes | 1 | 2 | 4 | F |
| Rosemount | Yes | No | Yes | No | 2 | 0 | 4 | F |
| Carver & Dahlgren | Yes | Yes | No | No | 0 | 1 | 3 | F |
| Lake Elmo | No | No | Yes | No | 1 | 0 | 2 | F |

GOALS

Of the 9 possible “best practices” in affordable housing production goals, only Forest Lake includes all 9 goals, and Andover and Carver & Dahlgren have no goals in their plan. The median number of goals per city reviewed is 3 (33 percent), and the cities reviewed average 3.26 goals per plan (36 percent).

The most mentioned goal is a housing preservation or replacement policy, included in 19 plans (54 percent), followed by rental housing goals (48 percent), and increased single family density (43 percent) (Table 4). The least mentioned goal is providing culturally sensitive housing, included in only 1 plan (3 percent), with a steep increase in the number of cities that include transit-oriented-development with an affordable housing component (23 percent) and accessory units (26 percent). The median number of cities per goal is 15 (43 percent), and on average, a goal is included in 14.5 plans (41 percent).

| Table 4. Plan Goals and Implementation Tools | | | |
|--|-------------|------------------------------------|-------------|
| Goals | # of Cities | Implementation Tools | # of Cities |
| Culturally Sensitive | 1 | Expedited Approval | 2 |
| TOD Goals Including Affordability | 8 | Set Aside Land | 4 |
| Accessory Units | 9 | Reduce Minimum Building Width | 5 |
| Mixed Use Goals inc. Affordability | 13 | Zoning Variances | 6 |
| Manufactured Housing | 13 | Reduce Minimum Lot Size | 8 |
| Ownership Goals | 15 | Adjusted Lot Sizes | 8 |
| Increased Single Family Density | 15 | Tax Abatement | 8 |
| Rental Housing Goals | 16 | Mortgage Revenue Bonds | 8 |
| Replacement/Preservation Policy | 19 | Adjusted Fees | 9 |
| | n=35 | Increases to Density Category Caps | 10 |
| | | Low Income Housing Tax Credits | 11 |
| | | Density Bonuses | 12 |
| | | PUDs incentivize affordability | 14 |
| | | Promote infill/Meeting maximums | 15 |
| | | PUDs incentivize high density | 17 |
| | | Density Minimums | 20 |
| | | Tax Increment Financing | 22 |
| | | | n=35 |

IMPLEMENTATION STRATEGIES

Of the 17 possible affordable housing implementation strategies, only Forest Lake includes all 17 implementation strategies, and Lake Elmo, Rosemount, and East Bethel do not include any implementation strategies in their plan. The median number of implementation strategies is 5 (29 percent), and the cities reviewed average 5.26 implementation strategies per plan (31 percent).

The most mentioned implementation strategy is tax increment financing, which is included in 22 plans (63 percent), followed by density minimums (57 percent), PUDs that incentivize high density (49 percent), and the promotion of infill development and meeting maximum density (43 percent) (Table 4). The least mentioned implementation strategy is expedited approval for developments with affordable housing, which is included in only 2 plans (6 percent), and set aside land is only

mentioned in 4 plans (11 percent). The median number of cities per implementation strategy is 9 (26 percent), and an implementation strategy is included in 10.53 plans (30 percent).

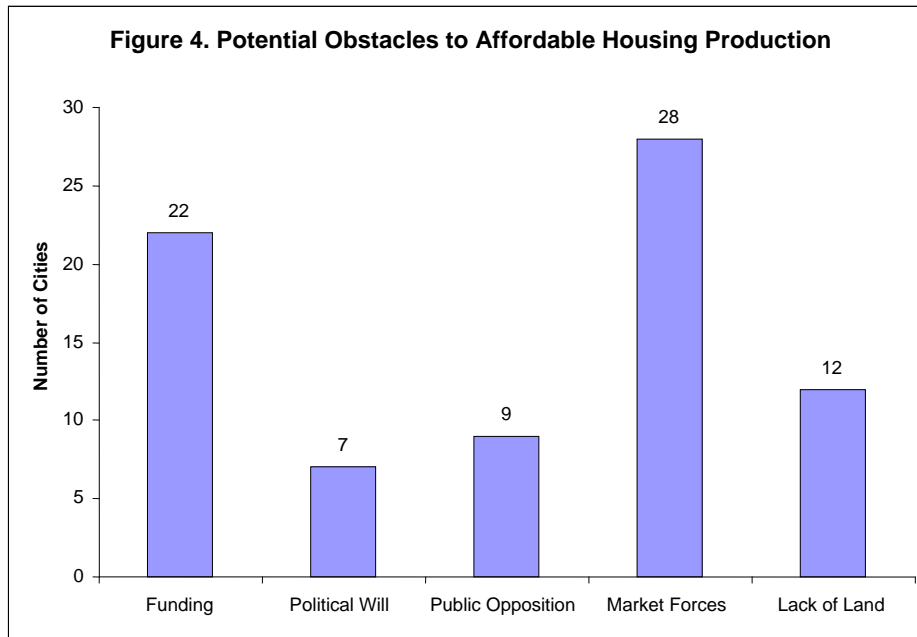
PLANNER INTERVIEW

An overwhelming majority (22 of 34, 65 percent) of planners stated that the Metropolitan Council's need number is high for their city, and merely 12 planners (35 percent) stated that the need goals are about right. No planners believe their need goals are too low. Only 13 planners (38 percent) believe the need goals are feasible in their city by 2020, with 21 planners (62 percent) believing the need goals are unfeasible. If more funds were available, 21 planners (62 percent) perceived that the need goals could be achieved in their respective communities. Merely 5 cities (15 percent) maintain a database that tracks the supply of low and moderate income housing in their respective cities.

PERCEPTIONS OF OBSTACLES

When asked to comment on potential obstacles to the production of affordable housing, the obstacle most mentioned first by planners to affordable housing development was market forces, with 13 planners (38 percent) pointing to the declining housing market. Funding was the second obstacle most mentioned first (8 planners).

Given asked to comment on five potential obstacles to the production of affordable housing (funding, political will, public opposition, market forces, and lack of land), the most common obstacle mentioned overall was market forces, with 28 planners (82 percent), followed by funding (22 planners) (Figure 1). The least mentioned obstacle was political will, with only 7 mentions (21 percent). On average, planners agreed that there are 2.35 potential obstacles to affordable housing development per city.



POLICY ANALYSIS

Planners were asked to comment on 14 programs and policies that were used facilitate affordable housing development in the past 10 years and if they would be considered in the future (PUD with smaller lots, density bonuses, adjusted lot sizes, expedited approval, adjusted fees, zoning variances, accessory units, inclusionary zoning, low income housing tax credits, local tax abatement for low-mod housing, manufactured housing, tax increment financing, and mortgage revenue bonds). Over the past 10 years, cities have used an average of 5.18 programs and policies to facilitate affordable housing production (37 percent). Burnsville, using 12 programs and policies in the past 10 years (85 percent), has used the most programs and policies out of the 34 cities reviewed, followed by Waconia, Woodbury, and Rosemount, each using 10 programs and policies (71 percent). East Bethel only used 1 program or policy (7 percent) to facilitate affordable housing over the past 10 years, slightly below Lake Elmo, Carver & Dahlgren, Elko/New Market, and Lino Lakes, each using 2 programs or policies (14 percent).

An overwhelming majority of cities have used the PUD designation with smaller lots over the past 10 years, with 28 out of 34 (82 percent) claiming affordable housing was produced within PUD land use designations (Table 5). Tax increment financing (25 cities) was the second most used program or policy, in which a steep drop off in use followed to the allowance of accessory units (18 cities). The least used program or policy was inclusionary zoning, with only Victoria claiming that inclusionary zoning was used to produce affordable housing (3 percent). Expedited approval processes and local tax abatement for low- and moderate income housing was used in merely 3 cities (9 percent) over the past 10 years. On average, a program or policy has been used by 12 cities (35 percent) over the last 10 years.

| Table 5. Tools: Past and Future | | | |
|--|--------------------|--|--------------------------|
| Used past 10 years? | # of Cities | WILL USE IN FUTURE | Score (0, 0.5, 1) |
| Inclusionary Zoning | 1 | Expedited Approval | 6.5 |
| Expedited Approval | 3 | Inclusionary Zoning | 6.5 |
| Local Tax Abatement for Low-Mod | 3 | Mortgage Revenue Bonds | 11.5 |
| Incentives for new const. tech. | 5 | Local Tax Abatement for Low-Mod | 12.5 |
| Mortgage Revenue Bonds | 5 | Zoning Variances | 13 |
| Adjusted Fees | 10 | Incentives for new const. technologies | 14 |
| Adjusted Lot Sizes | 13 | Adjusted Fees | 15 |
| Low Income Housing Tax Credits | 14 | Manufactured Housing | 15 |
| Density Bonuses | 15 | Accessory Units | 16.5 |
| Zoning Variances | 15 | Low Income Housing Tax Credits | 18.5 |
| Manufactured Housing | 17 | Adjusted Lot Sizes | 20 |
| Accessory Units | 18 | Density Bonuses | 21 |
| TIF | 25 | TIF | 25 |
| PUD with Smaller Lots | 28 | PUD with Smaller Lots | 27 |
| | n=34 | | n=34 |

In addition to the 14 listed programs or policies, Plymouth has used Community Development Block Grant funding and Section 202 housing funds, Burnsville specifically identified projects that utilized Community Development Block Grant funding and Met Council LCA grants (Livable Communities Demonstration Account), Brooklyn Park partnered with Habitat for Humanity, and Woodbury has used tax exempt bonds to facilitate affordable housing over the last 10 years.

When asked if the city will use such programs and policies in the future, a value of 1 was given to answers of “yes,” 0.5 was given to answers of “maybe,” and 0 was given to answers of “no.” On average, the 34 cities reviewed received a score of 6.43. Victoria received a score of 14, the only city willing to use all identified programs and policies in the future, ahead of Rosemount (12.5) and Forest Lake and Apple Valley (11.5 each). Richfield, with a score of 1, received the lowest score, slightly below Lake Elmo and Hugo (1.5 each).

PUDs with smaller lots was the program or policy that was most mentioned by planners to be used in the future, with 27 points out of 34 possible points (Table 5). Tax increment financing (25 points) and density bonuses (21 points) were also among programs or policies that were widely considered for the future. Expedited approval processes for developments with affordable housing and inclusionary zoning were the least likely to be used in the future by the reviewed cities, with each receiving 6.5 points.

BARRIERS TO LOW-MOD HOUSING

Planners were asked to respond to 8 potential barriers to affordable housing were provided (lot size requirements, amount of multifamily zoned land, building materials, subdivision regulations, permitting processes and fees, limits on manufactured housing, building codes, and limits on accessory units), and a value of 1 was given to answers of “does not limit,” 0.5 was given to answers of “somewhat limits,” and 0 was given to answers of “very much limits.” Maplewood, Woodbury, Plymouth, and Waconia each received scores of 8, in which none of the given potential barriers were barriers to affordable housing development in their city. Andover received a score of 0.5, stating that all are barriers except for the amount of multifamily land zoned (“somewhat limiting” affordable housing development). Cities reviewed at an average of 6.54, which means that planners did not identify these barriers as significantly limiting the production of affordable housing.

Out of the 8 potential barriers to affordable housing development, the amount of multifamily zoned land was the most insignificant barrier, while lot size requirements was the most significant barrier among cities reviewed (Table 6).

| Potential Barriers | Very Much Limits | | Somewhat Limits | | Does Not Limit | | Mean |
|-----------------------------------|------------------|---------|-----------------|---------|----------------|---------|--------|
| | Limits | Percent | Limits | Percent | Limit | Percent | |
| Lot size Requirements | 4 | 11.76% | 8 | 23.53% | 22 | 64.71% | 0.7647 |
| Permitting processes & Fees | 1 | 2.94% | 12 | 35.29% | 21 | 61.76% | 0.7941 |
| Limits on Manufactured Housing | 4 | 11.76% | 6 | 17.65% | 24 | 70.59% | 0.7941 |
| Limits on Accessory Units | 3 | 8.82% | 7 | 20.59% | 24 | 70.59% | 0.8088 |
| Building Materials | 1 | 2.94% | 10 | 29.41% | 23 | 67.65% | 0.8235 |
| Building Codes | 2 | 5.88% | 7 | 20.59% | 25 | 73.53% | 0.8382 |
| Subdivision Regulations | 1 | 2.94% | 8 | 23.53% | 25 | 73.53% | 0.8529 |
| Amount of multi family zoned land | 1 | 2.94% | 7 | 20.59% | 26 | 76.47% | 0.8676 |

PLAN/INTERVIEW CORRELATIONS

The plan score, which combined goals and policies to be used in the future, was correlated with the combined number of programs and policies that have been used to facilitate affordable housing development in the past, yielding a correlation coefficient of 0.358. However, the plan score correlated with the combined value of programs and policies that will be considered in the future yields a correlation coefficient of 0.048. Although there is moderate correlation between the number of programs or policies used in the past and the number of programs or policies in the plan, there is no correlation between the number of programs or policies considered in the future and the number of programs or policies in the plan. Thus, the policies and programs planners believe will

be used in the future are not congruent with the policies and programs outlined in the comprehensive plan.

ANALYSIS CONCLUSIONS

Overall, comprehensive plans reviewed do not include many of the “best practices” to the development of affordable housing. Because Forest Lake’s plan includes every goal and implementation “best practices,” it is a model for other cities as to what should be included in the comprehensive plan to plan for affordable housing development. In addition, there was a steep drop off in the quality of the plan after Forest Lake’s plan. Although many cities include replacement/preservation policies and rental housing goals in their comprehensive plans, many plans lack goals related to culturally sensitive housing, transit oriented developments that include affordability requirements, and the allowance of accessory units. With regards to implementation tools, tax increment financing is included in most plans, along with density minimum and PUDs that incentivize high densities. Very few plans include expedited approval processes or set aside land programs.

Most planners believe that market forces and lack of funding are potential obstacles to the production of affordable housing, while political will and public opposition to affordable housing development are not potential obstacles in many cities. Great variation exists among cities on the past and future use of programs and policies to facilitate affordable housing development. Burnsville has used 12 programs or policies to facilitate affordable housing development, while East Bethel has used only 1 program or policy in the same time period. The planner from Victoria believes all programs or policies may be used in the future, while Richfield believes only 1 program or policy may be used in the future. The PUD land use designation that includes smaller lots and TIF have been used by most cities to facilitate affordable housing developments, and most cities also believe they will continue in the future. However, inclusionary zoning programs and expedited approval processes for affordable housing developments have been and will continue to be underutilized in the cities reviewed. The least inhibitive barrier to affordable housing development in the cities reviewed is the amount of multifamily land zoned, while lot size requirements and permitting processes and fees limit affordable housing development greatly. Finally, there is weak positive correlation between the plan and what has been used before, yet there is no correlation between the plan and what might be used in the future.

The first step toward developing a monitoring system that works to analyze effectiveness of affordable housing development plans is to consider a series of questions relating to how monitoring can influence affordable housing outcomes:

What is feasible?

Limitations in the availability of funding and data need to be considered. Particularly if this system is meant to be administered on an ongoing basis, it is necessary to identify what factors are the most important to track and what resources are available to do this already.

What information is already being gathered?

Since 2003 the Metropolitan Council has conducted an annual survey of Twin Cities municipalities to assess what they are doing to create affordable housing within their communities. This survey results in a housing performance score based on a 100 point scale. This score is intended to help guide the council in giving priority for regional infrastructure investments or expenditures of public dollars to communities that have implemented plans to provide their share of the region's low-and moderate-income and life-cycle housing opportunities. However, the amount of weight given to the housing performance score in the evaluation of funding applications is at the discretion of the Metropolitan Council.

Points are awarded based on:

- The use of resources, authority, programs and initiatives for affordable workforce and life-cycle housing including rental assistance, TIF, housing revenue bonds, land acquisition, first time homebuyer programs, rehabilitation programs and gap financing assistance.
- The affordability and diversification of the types of housing including percent owner-occupied, total units affordable to households at 80% of area median income, total number of manufactured housing, and special needs housing amongst others.
- Local initiatives to facilitate affordable workforce housing development or preservation including fiscal tools such as TIF or tax abatement, changes to regulatory barriers such as the use of a density bonus system, preservation of existing housing and the density of residential development.

The housing performance scores are available on the Metropolitan Council's website and actual survey responses from each individual municipality can be requested. They also use the survey responses for their legislative reports and a new report titled MetroStats: Tools and Incentives to Promote Affordable Housing. This annual report makes it very easy to see which communities are using what tools. However, for both the housing performance scores and the MetroStats report the municipalities respond to the surveys but there is no comparison of what the city says they are doing and what was outlined in their comprehensive plan.

The data compiled by the Metropolitan Council in regards to housing performance scores and tools and incentives to promote affordable housing is public information which could be easily used by a monitoring agency and other stakeholders which are discussed later in this report.

What is the purpose of a monitoring system?

Presumably, the ultimate goal of parties researching affordable housing is to see an increase in overall production and equitable distribution of units. If we take the Metropolitan Council's formula at face value as an estimation of distribution, it makes sense to import the data that the council has already collected in their state mandated annual Housing Performance Scores survey and make it accessible to the public. What role does an additional monitoring system need to play? How can it be used as a tool by cities, communities, advocates and developers to the end of producing more affordable housing?

There are four broad mechanisms that such monitoring information might be used to meet these broader goals:

Shaming

Negative press and public embarrassment directed from stakeholders such as the Met Council, the state legislature, neighboring communities, local advocates, and/or low-income families, as well as publicity in the region at large through mainstream media could serve to put political pressure on cities. A focus on those who are neglecting to follow through on promises made in their plan with demands to take responsibility for their regional fair share, particularly if cities in their immediate proximity are doing much more, might serve as a useful organizing tool for local, regional, and state advocates.

Legal Pressure and Lawsuits

In recent cases, precedents have been set in the region that may open the door to more forceful actions against cities that refuse to comply and put undue barriers to affordable housing in their communities that might constitute exclusionary zoning. Since Minnesota state law has required cities to plan for affordable housing production since the 1970s, it is apparent that a continual lack of progress towards affordable housing goals set out by processes in state law could constitute a breach of such statutes. In some drastic cases, legal responses may be the only method to confront exclusionary cities on their lack of progress, as it is likely the communities are deficient in public will and political support.

Metropolitan Council Incentives and Punitive Measures

The precedent of the Met Council is to treat the housing components of Comprehensive Plans very differently than chapters relating to "regional systems," a characterization that does not apply to affordable housing. According to Guy Peterson, the Director of Community Development for the Met Council, ignoring or rejecting the new need numbers will disqualify cities from participating in LCA—eliminating important funding streams that serve as a powerful incentive for accommodating the need number (in as little as a statement in the comprehensive plan). The limited incentive tied to the existing need numbers through LCA is further at risk of weakening to a point at which it no longer acts in any measure towards assisting local cities with affordable housing planning and development. Such weakening is apparent even now at the time of publishing of this report with the Minnesota Legislature's recent vote to "transfer some of the Livable Communities Act (LCA) funds originally intended for housing to help fill the hole in the Metro Transit budget."⁸

⁸ "Capitol Update." Minnesota Housing Partnership 4. 21 (2009)

Meanwhile, the extent of the power of the Met Council to penalize cities that fail to follow through, on even the basic promised zoning adjustments, is a subject of intense debate. On many levels, cities view such responses as unfair reactions to “un/underfunded mandates.” This tool, despite having immense potential, is not likely to be made more powerful under the current administration and council by having access to information about the implementation of these plans.

Education and Framing

Regardless of the potential to compel cities to make affordable housing possible in their communities by requiring it as a prerequisite for participation in LCA, to avoid lawsuits or bad publicity, the best possible solution is convincing them that it is in their own best interest to play their role in an equitable region. Although a more complete discussion of this idea is beyond the scope of this report, it is important to note that any monitoring system that is posed as adversarial to cities’ self interest may increase resistance of communities to whom independence from external pressures is important on its own merits. Furthermore, as city council membership changes on a persistent basis, the need to educate staff, city leadership, and most importantly, the public, about the broader consequences for exclusionary housing policies is essential to encouraging any form of regional approach, whether it is cooperative, punitive, and/or incentive-based.

SUMMARY

Ultimately, the purpose of monitoring is to provide a framework for analyzing how successful the region’s fair-share approach is in terms of *actually producing needed housing for the future*. How different stakeholders choose to use the information should be considered in the context of how the Twin Cities metropolitan region planning framework operates, as there are currently considerable limitations to ensuring affordable housing outcomes match stated need numbers. This section will outline: various regional practices that are beneficial as well as challenging, a local understanding of the community context that monitoring helps inform, and suggestions for how the Twin Cities region can be better prepared to monitor and respond to affordable housing needs.

To round out our analysis of city and regional affordable housing monitoring and fair-share development, we conducted interviews with staff from several groups that are involved in regional, county, or city-focused affordable housing monitoring. Detailed reviews are further below.

Major findings from this analysis shed some light on the both the needs and the challenges to adequately approaching a regional affordable housing solution that results in a true fair-share outcome. Most of the regions studied did monitor existing and growing stock of affordable housing, but on differing levels based on ability to achieve consistent results among numerous local governments and local programs (as well as overall geographic reach). Inconsistencies among regions, cities, and government bodies in their methods for analyzing and measuring affordable housing, coupled with some local governments' inability or unwillingness to report affordable housing development created problems with monitoring systems. As a result, several regions noted a continued unequal geographic share of existing and newly developed affordable housing units.

At both city and regional-body level, access to funding and technical assistance/resources present a challenge—for financing of affordable housing development as well as local staff capacity to adequately plan and develop housing proposals. Meanwhile, Portland's "Metro" regional government collects taxes; presenting a model that strives to sustain its planning, forecasting, monitoring and affordable housing development assistance to the region. New Jersey's law providing funding for a statewide affordable housing trust fund likely assists local municipalities meet their designated need numbers.

Overall, punitive measures were only identified in two regions—Chicago and New Jersey. The Mount Laurel Decisions in New Jersey paved a unique path for the ability of the government to note a constitutional city obligation to plan for affordable housing. While voluntary, the program presents unique incentives (reprieve from exclusionary housing lawsuits), as well as certain punitive damages (including resource restraints) to keep cities accountable. Other regions noted such punitive measures to force cities to meet specified goals would cause the programs to fail on arrival. Instead, a series of incentive-based approaches were considered more palatable and feasible for region-wide councils. Efforts to tie housing funding incentives for affordable housing developments, as well as more comprehensive methods to incorporate transit and other public infrastructure priority to affordable housing goal completion was considered more reasonable in other regions. Meanwhile, collaborative approaches (while challenging due to inconsistent measurements and policies) were identified as a key tool in working with local communities to monitor and assist in development. Cooperation between public and private partners, funding outlets, and local cities was noted as essential in preparing an environment suitable for fair-share affordable housing development.

In conclusion, similar challenges were apparent between models studied elsewhere and limitations apparent in our analysis. Cities often did not agree with forecasted need numbers, and overarching regional authority (and capacity) to adequately implement effective fair-share programs was cited as a challenge. Monitoring often did not result in adequate implementation due to the voluntary nature of programs and lack of resources. Successful programs (as well as goals identified for future expansion of some of the regional projects) identified ability of monitoring to be tied to incentives (financing, public infrastructure funding, etc.) and strong legal basis for need numbers as essential.

PORTLAND

An interview was conducted with faculty from the Nobad A. Toulan School of Urban Studies & Planning at Portland State University. In addition, information was provided by faculty from the Planning and Development Department at Portland's regional entity, Metro.

Portland's regional monitoring through Metro is funded by taxes; it is a government agency, one of the few regional government bodies with taxing power. They have been working with a nonprofit coalition of community development organizations (CDC's) to assist in housing development. The method by which they monitor housing is through The Regional Affordable Housing Inventory, a collaboration of Metro, a range of city and county community development offices, housing authorities from the area, HUD and the USDA.

Knowledge of existing affordable housing in the region has always been a challenge. As the 1998 Metro Affordable Housing Technical Advisory Committee (HTAC) was developing land use and other affordable housing strategies, it also developed affordable housing production goals for local governments and ended up working with Metro staff to use patches of limited data from various sources for that purpose. Although the focus of the 2005 Regional Housing Choice Task Force (HCTF) was to refine previous Metro housing work by developing implementation strategies, the task force noted that an accurate assessment of the region's progress was an important piece of the regional affordable housing strategy, and acknowledged that such assessment has been difficult to conduct because of lack of data.

Metro used the recommendations of the HCTF to amend the Urban Growth Management Functional Plan, Title 7 (Housing Choice) in January 2007, and directed local governments to:

- Assist Metro in preparing biennial affordable housing inventory;
- Use the result of the inventory to report progress on affordable housing; and
- Adopt voluntary affordable housing production goals as a guide to measure progress

Through this model, they collect the number of units based on the affordability level and keep track of the relation between the supply and the demand of affordable housing in the region. They also are collecting information about what policies (regulatory, taxes, and land use) that cities use regularly to create affordable housing.

They have been monitoring housing since 2000, and they have had limited success because of the expansive area they are covering. The region is comprised of 3 counties with 90 cities, and it was noted that many of these cities are not keeping up with their housing needs. Furthermore, affordable housing is not distributed evenly across the Portland metropolitan area. The city of Portland provides more affordable housing than any other city in the region—about 52% of the units are located within Portland.

As a government agency, they have their own database comprised of information from county records as well as building permits and all the regulatory housing data. They process their own data analysis. Local governments report their progress periodically to Metro for three year segments, after which the policies and strategies are evaluated. It is expected that the database will be updated biennially (every two years) as stated in the Metro Functional Plan.

Metro has also made additional progress implementing the recommendations of the task force by producing a Regional Housing Need Report using data generated by Metro's econometric forecasting model. The report includes information on the geographical distribution of household growth by demographic groups, types of housing, proportion of household income going into housing, most cost-burdened demographic groups, and where those households would likely live in the future. The housing need information will be one of several technical documents to support growth management decisions that will be made by Metro.

Additional work is expected to implement other recommendations of the Task Force such as assessing existing regulatory process to determine how to implement expedited review process for housing projects, and providing model approval and development conditions to support the development of affordable housing in regional and town centers and corridors

Possible Uses of the Regional Database

- Data can be used by local governments and Metro to report status and progress on affordable housing built and/or preserved, including those built and/or preserved in special locations, such as 2040 Centers.
- Local governments can use the database to monitor units with long-term affordability restrictions that will be expiring so as to create partnerships that can raise the funds necessary to extend the affordability, or buy the expiring property before the expiration date.
- Database could be used by private and public entities as part of the supply data for estimating housing and affordable housing need in the region, any sub-region, and local government area.
- Improve knowledge of what and where to build and not built more of specific housing types based on regional and sub-regional analysis of supply and demand.
- Improve knowledge of the relationship between housing and other issues, such as transportation system, infrastructure, school population and funding, etc

SEATTLE (PUGET SOUND REGION)

An interview was conducted with a Puget Sound Regional Council (PSRC) planner to ascertain what methods of regional fair-share affordable housing take place in the Seattle region, and how they compare to approaches within the Minneapolis/St. Paul region.

The PSRC operates as a council of governments on a voluntary membership basis. The Council does not have any taxing authority and all regional planning approaches are completed on a

cooperative basis with the 4 counties (King, Kitsap, Pierce, Snohomish) and 82 cities/towns within the geographic scope of the PSRC.

The PSRC is the federally designated Metropolitan Planning Organization for the Seattle area; as such, it is responsible for long-range transportation planning. The Council is also designated to complete land use planning for the area under the Washington State Growth Management Act. As component of these two responsibilities, the Council reviews local comprehensive plans, but at this point, they do not have a specific focus on monitoring and implementing affordable housing planning and forecasting.

At present, the PSRC does not have a region-wide fair-share program. Two of the four counties within the region have independently created fair share programs that allocate responsibility, on a voluntary basis, to local cities. While the programs have had some success, they also have substantial barriers for monitoring as many cities consider it an unfunded mandate to track and plan for affordable housing development. The two counties with existing programs are King and Snohomish. Generally, these two county programs assess current & future needs, allocate responsibility to cities. (80% AMI is generally the affordability goal). In general no punitive measures for not meeting targets are in place and there are minimal incentive-based projects. PSRC staff also identified existing (or lack of) county frameworks, the diverse mix of county and city programs (and existing track record of current programs), and overall public/political will as major barriers to creating a uniform regional approach. Additionally, PSRC has acknowledged another challenge: local city staff capacity for both comprehensive planning and the intricacies involved in affordable housing development.

In the future, PSRC plans to establish a voluntary program that would provide technical assistance to assist city capacity for planning and implementation, funding, incentives (tied to public infrastructure funding), and development of overall affordable housing planning and implementation strategies for member governments. They are in the beginning stages of establishing a regional monitoring program to help track measurable housing goals and objectives at a regional, county, and local level. Components of this analysis include housing demand/supply, housing production and retention, and housing market trends—followed by a regional guideline for housing targets (fair shares) and monitoring of achievement towards goals.⁹

CHICAGO

The Affordable Housing and Appeals Act in the state of Illinois implements a specific type of regional affordable housing development and monitoring system. The law requires all municipalities in the state that have less than 10 percent of their residential units considered as affordable housing

⁹ PSRC planner. Phone interview. 29 April 2009.
and

“Puget Sound Regional Council: VISION 2020 + 20 Update,” Pudget Sound Regional Council. Issue Paper on Housing. 25 Aug 2005.

to create plans and ensure 10 percent of their total housing is accessible to low-income households. The purpose of the law is to increase the amount of affordable housing particularly in job-rich areas. The law also provides an appeals process which developers can use if they feel the local planning entity decision to deny their building permit is arbitrary and prevents the production of affordable housing. The Regulatory Barriers Clearinghouse states “Starting in 2006, if a developer’s application to building affordable housing is denied, or approved with such conditions that building the affordable housing is infeasible, developers can, within 45 days, submit to the State Housing Appeals Board a description of why they think their application was unfairly denied.” “The appeal can be denied if the local government has already adopted and implemented an affordable housing plan and has met its goal.” The purpose of the appeals process is to prevent exclusionary zoning and other bureaucratic issues that prevent the production of affordable housing. It also gives developers of affordable housing an easier permitting process system to work through and if it works correctly provide for a quicker approval process.

The state financing entity, the Illinois Housing Development Authority, is charged with monitoring compliance with the act. IHDA is responsible for receiving all affordable housing plans that local governments are required to submit. When they receive these plans, they inform the local government of the review process. They then review the plan to see if it meets the affordable housing requirements. IHDA then informs the local government whether their plan is complete or if they have additional questions. They also provide technical assistance sessions to help local governments meet their requirements. Local governments are required by law to comply and their housing plans must include the following information as stated by IHDA:

- “a statement of the total number of affordable housing units that are necessary to exempt the local government from the operation of this Act, as defined in Sections 15 and 20;
- an identification of lands within the jurisdiction that are most appropriate for the construction of affordable housing and of existing structures most appropriate for conversion to, or rehabilitation for, affordable housing, including a consideration of lands and structures of developers who have expressed a commitment to provide affordable housing and lands and structures that are publicly or semi-publicly owned;
- incentives that local governments may provide to attract affordable housing to their jurisdiction; and a goal of: a minimum of 15% of all new development or redevelopment within the local government that would be defined as affordable housing in this Act; or a minimum of a 3 percentage point increase in the overall percentage of affordable”

If a local government does not comply and the IHDA informs them of their incompliance they may then enter an appeals process with the State Housing Appeals Board, authorized starting in January 1, 2009, which has rulemaking authority under the law.¹⁰

¹⁰Dibble, Kelly. “Procedures for Implementation of Public Act 93-595/Public Act 93-678.”

Illinois Housing and Redevelopment Authority. 11 Aug. 2004.

<<http://www.ihda.org/admin//Upload/Files//62f1b031-eb6e-4282-8390-3df108fc2271.pdf>>

Regulatory Barriers Clearinghouse. “Affordable Housing Planning and Appeal Act (Illinois).”

State of Illinois. 2004. U.S. Department of Housing and Urban Development. 20 April 2009.

<<http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=093-0595>>

Smith, Janet. Personal Interview. 22 April 2009.

NEW JERSEY

New Jersey's affordable housing approach stems from a series of state Supreme Court cases referred to as the "Mount Laurel decisions." These decisions created a constitutional obligation for every city in the state to establish a realistic opportunity for the provision of affordable housing.

As a result, the Council on Affordable Housing (COAH) was created by the Fair Housing Act of 1985 as the State Legislature's response. COAH does not produce, fund or compel municipalities to expend local funds to build affordable housing. COAH's regulations identify a specific affordable unit need for communities. The process is voluntary—cities can petition COAH for certification of their housing plan which must establish "a realistic opportunity for the provision of housing affordable to low and moderate income households directly related to certificates of occupancy issued for residential and non-residential market rate development."

Cities that have certified plans can be protected from lawsuits during a ten year period while COAH assists to mediate and revise affordable housing requirements in these plans. Methods by which cities have addressed the need in plans include: application of credits (*e.g.* filtering, spontaneous rehabilitation, extra credit for rental units), the use of regional contribution agreements (transferring part of the obligation to a willing municipality, usually an urban center, in the same region along with payment in an amount agreed by the municipalities) and zoning for affordable housing (usually involving increased density and mandatory set-asides).

COAH can also impose resource restraints regarding the implementation of housing plans. Furthermore, because of the framework that COAH presents, participation in the program can protect cities from exclusionary housing lawsuits. The state of New Jersey also has a "Statewide Non-residential Development Fee" imposing a 2.5% on all non-residential new construction and additions. The proceeds can be directed to a statewide trust fund for affordable housing, or to local funds that have been approved by COAH.

As of 2009, over 300 municipalities participate, and COAH has granted credit for approximately 70,000 affordable units.¹¹

¹¹ Council on Affordable Housing. 2009. New Jersey Department of Community Affairs. 2 May 2009. <<http://www.state.nj.us/dca/affiliates/coah/index.html>>

MONITORING AGENCIES & STAKEHOLDERS

While considering the question of how to effectively develop a monitoring system to analyze effectiveness and future compliance of plans, it was important to ask “who can be an objective voice for this analysis?” A detailed look at a variety of affordable housing stakeholders provides a clearer picture of what stake particular groups have in the analysis as well as a glimpse into how an effective monitoring solution could be used by existing stakeholders. While some of the below organizations represent a particular constituency, stakeholder, or political view, they all can contribute in some way to creating a more equitable regional affordable housing approach. The below list is an attempt at analyzing a broad range of stakeholders, although, it is by no means comprehensive.

INSTITUTIONAL and GOVERNMENT

Association of Metropolitan Municipalities (Metro Cities)

Metro Cities is a collaborative lobbying and service organization comprised of cities in the Twin Cities metro area. Current membership includes 86 cities, which are home to more than 90 percent of the metropolitan area population. Members are direct stakeholders in the Met Council affordable housing planning process. Metro Cities has a housing committee and has taken numerous stances on federal, state, and regional affordable housing policies, including those relating to Met Council need numbers. *Metro Cities role in advocating on behalf of and serving the specific cities affected by Met Council affordable housing needs makes it a beneficial networking and technical assistance partner in assisting cities with meeting their share of the regional affordable housing need.*¹²

Metropolitan Council

The Metropolitan Council is the regional governmental agency of the Twin Cities 7-county metro region. The Council is provided powers from the state legislature to assist with a number of duties affecting the region including: community development/planning, transportation systems, urban service/growth area, environmental systems (water/sewage). One of the regional services it is tasked with is ensuring adequate affordable housing in the region. As noted in this report, the Council’s authority to compel cities to meet affordable housing need numbers is a subject of contention. *The Council’s legal authority (controversy aside) as well as role as a regional provider technical assistance and public infrastructure resources makes it a beneficial institutional partner in assisting cities with meeting their share of the regional affordable housing need.*¹³

¹² Metro Cities. 2009. Metro Cities. 3 May 2009. <www.metrocitiesmn.org>

¹³ Metropolitan Council. 2009. Metropolitan Council. 3 May 2009. <www.metrocouncil.org>

Minnesota Housing Finance Agency (MHFA)

The Minnesota Housing Finance Agency (or Minnesota Housing) is an agency of the State of Minnesota providing assistance and resources to eliminate homelessness, increase/preserve affordable housing, and increase home ownership. The agency administers numerous programs that assist with the preservation and development of affordable rental and ownership housing. *MHFA's ties to federal and state financing for affordable housing development make it a beneficial funding partner in assisting cities with meeting their share of the regional affordable housing need.*¹⁴

RESOURCE and DEVELOPMENT AGENCIES

Family Housing Fund

The Family Housing Fund is a nonprofit with a mission to provide affordable homes through partnerships with the public and private sector. The Fund focuses its efforts on producing and preserving affordable housing, homeownership, and supportive housing for low-and-moderate-income families. Since 1980, Fund investments of \$125 million have helped finance 26,400 units of affordable housing. *The Family Housing Fund's role as a public/private collaborator and financing partner make it a beneficial funding partner in helping cities to meeting their share of the region's affordable housing need.*¹⁵

Metropolitan Consortium of Community Developers (MCCD)

The Metropolitan Consortium of Community Developers is comprised of 43 nonprofit organizations engaged in housing and economic development activities across the 7 county metropolitan area. Among small-business loans and economic development work, MCCD members have worked for over 30 years with a majority of affordable housing units in the metropolitan area via technical assistance, developing financial and land transactions, and managing affordable housing developments. *MCCD's close ties to existing developments and deep experience with the intricacies of affordable housing development across the region make it a beneficial development partner in assisting cities with meeting their share of the regional affordable housing need.*¹⁶

ADVOCACY, SERVICE and LEGAL ORGANIZATIONS

Housing Preservation Project (HPP)

Founded in 1999 and based in Minnesota, HPP is a nonprofit public interest advocacy and legal organization with a mission to preserve and expand affordable housing for low income individuals and families. Its strategies include providing technical assistance to housing stakeholders, pursuing litigation to ensure affordable and fair housing laws and planning requirements are upheld, providing education to the public about affordable housing issues, and seeking public policy changes

¹⁴ Minnesota Housing Finance Agency.2009. Minnesota Housing. 5 May 2009. <www.mnhousing.gov

¹⁵ Family Housing Fund. 2009. Family Housing Fund.5 May 2009. <www.fhfund.org>

¹⁶ Metropolitan Consortium of Community Developers. 2009. MCCD. 5 May 2009 <www.mccdmn.org

benefiting affordable housing. *HPP's legal expertise and affordable housing preservation experience make it a beneficial technical assistance partner in helping cities to meeting their share of the region's affordable housing need.*¹⁷

Minnesota Housing Partnership

Minnesota Housing Partnership assists Minnesota communities in creating and preserving affordable housing. Its primary goal is to support local groups in their attempts to create and sustain affordable housing. MHP began in 1987 as a coalition of community groups and nonprofit developers and today supports affordable housing through capacity building, advocacy, and loans and grants. *MHP's contacts with local communities, developers, and stakeholder nonprofits, in addition to its state and federal affordable housing lobbying efforts, make it a beneficial advocacy and coalition-building partner in assisting cities with meeting their share of the regional affordable housing need.*¹⁸

Mid-Minnesota Legal Assistance (MMLA)

MMLA is a legal service provider for low-income people in the Twin Cities. Besides identifying housing as an integral legal issue that MMLA assists clients with, the MMLA has several projects dedicated to housing and policy issues that might affect low-income housing, including the Housing Discrimination Law Project and the Legal Services Advocacy Project. *MMLA's legal expertise, legislative advocacy, and direct work on the barriers that low-income people face in housing make it a beneficial legal and advocacy partner in assisting cities with meeting their share of the regional affordable housing need.*¹⁹

ORGANIZING-BASED ADVOCACY GROUPS

All Parks Alliance for Change (APAC)

APAC is a grassroots organizing group that works with tenants of manufactured (mobile) home parks. The organizing works via community organizing, legal advocacy, housing preservation and legislative advocacy with residents to strengthen the role of manufactured housing as a source of affordable housing. *APAC's grassroots base and advocacy efforts make it a beneficial local organizing partner.*²⁰

Alliance for Metropolitan Stability (AMS)

AMS is a coalition-based organization bringing together grassroots organizing groups in the metro area to advocate for “racial, economic and environmental justice in growth and development patterns in the Twin Cities region.” They focus on promoting policies towards equity in land use, as well as past efforts in challenging local affordable housing plans and policies. *AMS's coalition building efforts and broader regional development focus make it a beneficial local organizing partner for cities.*²¹

¹⁷ Housing Preservation Project. 2009. Housing Preservation Project. 4 May 2009. <www.hppinc.org>

¹⁸ Minnesota Housing Partnership. 2009. Minnesota Housing Partnership. 5 May 2009. <www.mhponline.org>

¹⁹ Mid-Minnesota Legal Assistance. 2009. Mid-Minnesota Legal Assistance. 5 May 2009. <www.midmnlegal.org>

²⁰ All Parks Alliance for Change. 2009. APAC. 5 May 2009. <www.allparksallianceforchange.org>

²¹ Alliance for Metropolitan Stability. 2009. Alliance for Metropolitan Stability. 5 May 2009.

<www.metrostability.org>

Community Stabilization Project (CSP)

CSP is a grassroots organizing group that employs a multicultural approach to organizing and advocacy with low-income renters and people of color. In addition to organizing renters to preserve and protect their affordable homes, CSP works to assist people at risk of homelessness and to advocate for policies that increase the supply of affordable housing in the Twin Cities. *CSP's grassroots base and multicultural approach make it a beneficial local organizing partner in assisting cities with meeting their share of the regional affordable housing need.*²²

HOME Line

HOME Line is a statewide tenant advocacy organization that provides legal, education, and organizing services for renters. The organization provides direct legal advice to renters via a statewide hotline and organizes renters in affordable housing to ensure the housing remains decent, safe, and affordable. HOME Line also works on state and federal housing policy as it relate to tenants. *HOME Line's legal experience and grassroots organizing reach make it a beneficial local organizing partner in assisting cities with meeting their share of the regional affordable housing need.*²³

Jewish Community Action (JCA)

JCA's affordable housing work includes efforts to build inter-racial and inter-faith partnerships in order to promote the preservation and production of affordable housing. It has continued to monitor new development projects, such as the South Lyndale development, and has played an active role in establishing the City of Minneapolis Affordable Housing Trust Fund. It is currently working to support an affordable housing project in Tangletown that would include 40 affordable housing units. JCA, in coalition with other faith-based groups, worked to ensure that Hennepin County will create an affordable housing trust fund and that \$50 million of new money will be made available for affordable housing in Minnesota. *JCA's grassroots base and community building efforts make it a beneficial local organizing partner in assisting cities with meeting their share of the region's affordable housing need.*²⁴

ISALAH

ISALAH is a coalition of faith-based groups and congregations across the metro area. ISALAH is a multi-issue organizing project that works with local leaders to determine local advocacy interests and needs. One of the focuses of their local organizing is affordable housing; encouraging cities to strengthen affordable housing policies. Their organizing presents a metro-wide base of support for working with various cities on affordable housing issues. *ISALAH's grassroots base and community*

²² Community Stabilization Project. 2009. Community Stabilization Project. 5 May 2009.

<www.communitystabilization.org>

²³ HOME Line. 2009. Home Line. 5 May 2009. <www.homelinemn.org>

²⁴ Jewish Community Action. 2009. Jewish Community Action. 5 May 2009. <www.jewishcommunityaction.org>

*building efforts make it a beneficial local organizing partner in assisting cities with meeting their share of the regional affordable housing need.*²⁵

Metropolitan Interfaith Council on Affordable Housing (MICAH)

MICAH is a coalition of faith-based groups and congregations organizing around an effort to create justice in housing. MICAH organizes congregations and leaders to engage public officials around affordable housing issues. They have successfully organized around increased affordable housing funding and long-term investments, strengthening of local land use and regulatory tools for housing development, and helped preserve and develop housing for 4,371 families in Minnesota. *MICAH's grassroots base and community building efforts make it a beneficial local organizing partner in assisting cities with meeting their share of the regional affordable housing need.*²⁶

UNIVERSITY INSTITUTES

Institute on Race and Poverty

The *Institute on Race and Poverty* is a division of the University of Minnesota. It strives to ensure that people have access to opportunity and focuses on diminishing the gap between different classes. The director, Myron Orfield, is a strong advocate for affordable housing and was the driving force behind the Livable Communities Act as a legislator. The *Institute* employs graduate students who would be well suited to create annual reports and check up on communities. *IRP's academic expertise and access-to-opportunity focus make it a beneficial research partner in assisting cities with meeting their share of the regional affordable housing need.*²⁷

Center on Urban and Regional Affairs (CURA)

Similar to the *Institute on Race and Poverty*, *CURA* is a division of the University of Minnesota to increase involvement of the University in addressing the “urban crisis” of the late 60s and beyond. The institution provides applied research and technical assistance from students and faculty directed to the following constituents: nonprofit organizations, ethnic and racial minority groups, businesses, rural towns, inner-city neighborhoods, suburban communities, local governments, and state agencies. The department employs many graduate students and supports projects through grants. It has the resources, both funding and student staff, to oversee community plan check-ins. *CURA's academic focus and community-partner role make it a beneficial research partner in assisting cities with meeting their share of the regional affordable housing need.*²⁸

²⁵ [ISAIAH](http://www.gamaliel.org/isaiah). 2009. ISAIAH. 5 May 2009. <www.gamaliel.org/isaiah>

²⁶ [MICAH](http://www.micah.org). 2009. MICAH 5 May 2009. <www.micah.org>

²⁷ [Institute on Race and Poverty](http://www.irpumn.org). 2009. University of Minnesota. 5 May 2009. <www.irpumn.org>

²⁸ [Center for Urban and Regional Affairs](http://www.cura.umn.edu). 2009. University of Minnesota. 5 May 2009.

<www.cura.umn.edu>

RECOMMENDATIONS

The ideal research question for an ongoing academic study of the affordable housing distribution in the Twin Cities region would be something like the following:

How equitably distributed are low income households throughout the metropolitan region, taking into consideration transit availability, distribution of low income jobs, and demand?

For the purposes of this project, the Met Council's need numbers serve as a proxy for the equitable distribution. There are some serious concerns about the validity of this assumption that are, unfortunately, beyond the scope of this report. The resulting question, then, is simply:

Are cities meeting the affordable housing need numbers determined by the Met Council?

This is the question that the Housing Preservation Project, in conjunction with CURA, is answering and making publicly available on TCHousingPolicy.org. Unfortunately, even during the Livable Communities Act goal period, which had very low goals, many cities did not reach their benchmarks. This project proposes that the monitoring question take one step backwards to examine the actual implementation of comprehensive plans on the ground. While the Met Council reviews plans for completeness, it would be useful for many stakeholders to have easy access to information about what cities have promised to do toward their affordable housing goals and on which commitments they have followed through. With a strategy such as this, it would provide both cities and stakeholders clear and measurable guidelines designating commitments and accomplishments. This tool would be a step in helping provide an immediate local policy & regulation context around the some of the answers already studied by the Met Council and TCHousingPolicy.org. Thus, the final question is:

What did cities commit to do in their comprehensive plans in order to achieve their affordable housing goals? Have these commitments been kept?

The first part of this question would be asked in every comprehensive plan cycle, either of all communities, or as we have done in this report, a selection of the most significant expected contributors to the overall need. In these reviews, a list of specific commitments should be pulled, word for word from plans, to create a table for each city. This could include vague items such as "Create a task force to study barriers in the zoning code," or specific things like, "The City will implement density bonuses in the Transit Oriented Development area allotting 4 extra units per acre for developments that make 10% of units affordable." We have created two example tables from cities in this study. The listed items in the "Commitment" column are taken from actual plans. The subsequent columns are hypothetical answers that might be received in future surveys.

FOREST LAKE Affordable Housing Allocation: 312

| Source | Commitment | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------|--|-----------|----------|-----------|-----------|----------|-----------|------------|-----------|------------|-----------|
| 4-17 | Create an Inclusionary Housing regulation | NO | NO | NO | NO | NO | NO | NO | NO | NO | YES |
| 4-19 | Create Forest Lake Affordable Housing Trust Fund | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| 4-17 | Replacement Policy for Lost Units | NO | NO | NO | YES | YES | YES | NO | NO | NO | NO |
| 4-17 | Reduce minimum size of PUD developments | NO | NO | YES | YES | YES | YES | YES | YES | YES | YES |
| 4-18 | One car garage and reduce garage size minimums | NO | YES | YES | YES | NO | NO | NO | NO | NO | NO |
| 4-18 | Eliminate multi-family building sites requirement | NO | NO | NO | NO | NO | YES | NO | NO | NO | NO |
| 4-18 | Increase maximum density requirements | NO | NO | NO | YES | YES | YES | NO | NO | NO | NO |
| 4-18 | Allow flexibility in zoning requirements | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| 4-19 | Housing Revenue Bonds | NO | NO | NO | NO | NO | NO | NO | NO | YES | YES |
| 4-19 | Land Trusts | NO | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| 4-19 | Tax Credits | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| 4-19 | Tax Forfeit Properties Converted to Affordable Housing | NO | NO | NO | NO | NO | NO | NO | NO | NO | YES |
| 4-19 | Limit Subsidies to Projects with Affordable Housing | NO | NO | NO | NO | NO | NO | NO | NO | NO | NO |
| 4-19 | Public Relations Campaign | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| Units Built | | 30 | 0 | 12 | 17 | 4 | 68 | 112 | 43 | 0 | 17 |
| Total: | | | | | | | | | | 303 | |

The difference between the extensive list of goals included in Forest Lake’s plan and the lack of goals and implementation strategies would be very visible in this format.

| COTTAGE GROVE Affordable Housing Allocation: 985 | | | | | | | | | | | |
|---|--|----------|-----------|-----------|----------|----------|-----------|----------|----------|----------|------------|
| Source | Commitment | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 2-2 | Cooperate with Washington HRA | NO | NO | NO | YES | YES | YES | YES | NO | NO | NO |
| 3-2 | Providing Options for Seniors | NO | NO | NO | NO | NO | YES | YES | YES | YES | YES |
| 3-2 | Encourage life-cycle housing including senior rental and assisted living | NO | NO | NO | NO | NO | YES | YES | YES | YES | YES |
| Units Built | | 0 | 12 | 30 | 0 | 0 | 68 | 0 | 0 | 0 | 17 |
| Total: | | | | | | | | | | | 127 |

Ideally, in the web version, this table would have a rollover function where the mouse hovering over an item in the commitment column in the table would bring up a box covering the word-for-word promise quoted from the comprehensive plan.

| COTTAGE GROVE Affordable Housing Allocation: 985 | | | | | | | | | | | |
|---|---|------|------|------|------|------|-----------|----------|----------|----------|------------|
| Source | Commitment | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 2-2 | Cooperate with Washington HRA | NO | NO | NO | YES | YES | YES | YES | NO | NO | NO |
| 3-2 | <div style="border: 1px solid black; padding: 5px;"> <p>Policy: "Encourage life-cycle housing opportunities in Cottage Grove that allow residents to remain in the community throughout their lives. This includes... Construction of various types of senior housing, including senior ownership units, senior rental units, and assisted living units."</p> </div> | | | | | | YES | YES | YES | YES | YES |
| 3-2 | | | | | | | YES | YES | YES | YES | YES |
| Units Built | | | | | | | 68 | 0 | 0 | 0 | 17 |
| Total: | | | | | | | | | | | 127 |

The question about whether commitments have been kept is indicated in the above tables by a simple “yes” or “no” for each year. These answers could be obtained in a simple, inexpensive, annual telephone survey of city planners. Subsequent columns in the table would indicate with a yes or no answer whether the commitment has been kept in the previous year. The effect of seeing the answer “no” repeated year after year could be powerful for advocacy groups. The reminder to planners on an annual basis of what the city specifically promised to do might be useful as well.

LIMITATIONS

There are certain legal constraints for groups to challenge cities not meeting their affordable housing need numbers. First, the Livable Communities Act does not create a private right of action according to a Minnesota Court of Appeals decision. For citizens to bring a claim against a governmental unit, they need a private right of action. The private right of action may be constitutional or statutory. Further, the court found that the legislative history in enacting the LCA did not create an implied private right of action. In other words, the legislators who enacted the LCA did not want to grant citizens the right to challenge the law.

Cities have no obligation to comply with their affordable housing commitments. Local comprehensive plans need to be in compliance with the region’s four system plans: airports; transportation; waste and sewer; and parks and open space. However, there is no system plan regarding housing.

There are a few options to compel cities to meet their affordable housing regional share. First, a group can bring another legal challenge. Due to precedent, the legal challenge arguing that there is a private right of action will lose in the district and appellate courts; however, the group can hope that the Minnesota Supreme Court would grant a writ of certiorari. A group may also bring a 14th Amendment constitutional claim, arguing that housing is an implied right under the Minnesota Constitution. If the Minnesota Supreme Court agrees, the Met Council would be required to force cities to create affordable housing in whatever manner the court finds fit. Another option is to argue that Title 8 of the Federal Housing Act stipulates that the Met Council has an affirmative duty to promote affordable housing; however, this claim is unlike to prevail. Finally, the Met Council could add housing as a system plan. The Met Council would then have the authority to invalidate a plan if the affordable housing component did not meet the regional need.

The Met Council does have statutory authority to withhold funds from the current four systems if it believes a city is not meeting its affordable housing need. The Council used this strategy in the past; however, some cities fought back and the Council has since shied away from that punitive policy.

In the context of existing monitoring, the Met Council’s structure does not function as a direct check on local community implementation of stated goals and policies as reflected in comprehensive plans. Although LUPA provides the Met Council with the authority to review comprehensive plans, it is not clear if the Council had analyzed the effectiveness of plan language in actual affordable housing outcomes. Furthermore, LCA language allows the Met Council to negotiate housing needs and requires the Council to monitor affordable housing production numbers—a process they

complete alongside housing performance scoring to partially identify incentive funding priorities. In this analysis, cities can increase their scores by using certain affordable housing regulatory and zoning tools—however, it is not clear that the scoring connects at all with the affordable housing comprehensive planning goals. It is possible that by providing a direct link between comprehensive planning language (specific goals and implementation steps) and actual outcomes, cities would have more immediate benchmarks to be held accountable to, which may factor into a broader public strategy to circumvent the above mentioned limitations.

In these cases, requirements exist for determining and negotiating affordable housing needs and developing implementation strategies to accommodate such housing via comprehensive plans. Also, analysis of actual affordable unit development, as well as a survey of affordable housing development tools in use by cities is completed.

However, surveying local communities about their use of a number of affordable housing development tools such as resources, zoning authority, programs and other initiatives may fail to provide adequate explanations about why cities fail to reach need numbers. Consider a city that informally refutes need numbers, identifies few, if any, affordable housing tools in use, and generally does not seem to be accomplishing progress towards its share of the regional need. Because that city is required to identify implementation strategies in their comprehensive plan, regular monitoring of the cities progress (or lack of) towards accomplishing those specific policies would present an immediately accessible benchmark from year to year of how cities are responding.

By creating a framework that only measures stated goals and final unit outcomes (with a survey of tools used), there is a missing link that, if adequately monitored, could provide a clearer picture of actual city implementation of plans. Current benchmarks available:

- Complete affordable housing elements of comprehensive plan?
- Meet specified need numbers? (Actual unit progression toward goal)
- Survey of local policies & initiatives used.

Additional benchmarks accomplished with monitoring comprehensive plan implementation:

- Accomplish/progress toward each stated affordable housing goal in plan?
- Accomplish/progress toward each implementation strategy in plan?

MONITORING AGENCIES & STAKEHOLDERS

A primary goal for a successful monitoring system is to ensure that immediate stakeholders in the fair-share process—cities/communities, state officials, and institutional players—perceive the implementing organization and results as objective.

Given the objective research-based mission of both University-based programs, it is very likely that analysis completed by them would *be* objective as well as *be perceived* as objective by the majority of stakeholders. Combine this with the ample and effective research capabilities provided by staff,

interns, students, and faculty and the overall social-justice based mission of the programs and it presents a very capable target for instituting an expanded monitoring system.

However, as a result of our analysis of city plans as well as review of metro housing stakeholders, we also see a strong potential for a collaborative approach to extend the usefulness of our proposed objective monitoring system. Recognizing the limitations to comprehensive plan monitoring we have outlined in this report (overarching legal authority/legislative power that is controversial and a public/political-will framework that can impose exclusionary tactics on plans), we note a remaining need to reach beyond extending the existing monitoring apparatus to accomplish affordable housing results; rather, a fully comprehensive and collaborative advocacy and organizing effort could be funded and moderated that works to bring in many of the above stakeholders at the same table.

Many of the above organizations may current draw support through outside grants, similar to support from the McKnight Foundation, to assist independently with overall efforts to encourage affordable housing development across the region. We feel that coupled with an objective source for plan/monitoring analysis, many of the groups listed and very likely others in the metro area who have similar shared common purposes to increase fair-share affordable housing development, could work more effectively to organize, advocate, and help implement better city policy (and outcomes).

A redefined “Regional Housing Task Force” would be comprised of stakeholders who are able to contribute the following essential tools/services that assist in various ways (many of which were identified in our interviews with cities) to achieve a fair-share housing outcome in the region:

- State and regional legal authority to require city planning for affordable housing needs and potentially other obligations.
- More comprehensive regional monitoring for not only compliance with need numbers, but regional and local *outcomes* as they pertain to affordable housing and strong, vibrant communities.
- Direct technical assistance for cities in assisting with affordable housing planning and development.
- Federal, state, regional, local—as well as public and private—financing tools to assist cities with affordable housing planning capacity and actual development investment
- Local organizing capacity to assist with education and strengthening of overall public and political will towards affordable housing development on a city-by-city basis.
- An overall cooperative, coalition-based effort to bring together a myriad of stakeholders that are necessary for successful housing outcomes: concerned local citizens, low-income people in need of affordable housing, city staff, city officials, businesses, community and faith leaders, affordable housing developers, housing development experts, community-focused research institutions, public-interest lawyers, nonprofits engaged in service provision and advocacy, regional and state government, public and private funding outlets, and others.

CONCLUSION

The McKnight Foundation charged our group to review affordable housing components in local comprehensive plans and develop recommendations of a monitoring system to ensure that cities are following through with their goals and implementation strategies. After reviewing 35 draft and final comprehensive plans, and interviewing 34 planners, we found a wide disparity between the reviewed cities. Some cities agreed with the Met Council's projected affordable housing need, whereas others did not accept the number or even include the need number in their plan.

Forest Lake by far had the best affordable housing component in its comprehensive plan; it scored extremely well in both its goals and implementation strategies. Other cities did not fare as well. Based on interviews, Burnsville has used the most programs and policies in the past, whereas Victoria is willing to implement the most programs and policies in the future. Looking at both a city's plans and answers to interview questions, we found a moderation correlation between the goals and implementation strategies of a city's plan and what planners said the city has done in the past. However, we found no correlation between the goals and implementation strategies of a city's plan and what a city is willing to do in the future.

Our review shows that more needs to be done to ensure that city's follow through with providing their fair share of affordable housing as determined by the Met Council. Our group understands the legal constraints and how much weight local, regional, and state political will have on creating affordable housing and enforcing cities to meet their projected need; however, we believe it feasible to create an effective monitoring system through a collaborative approach by local agencies and stakeholders.

We propose broadening the scale of our systematic review of plans and interview schedule to include all cities in the region, and repeating this review in every comprehensive plan cycle. Secondly, in this more comprehensive review, we propose gathering a succinct and directly quotable list of promises/commitments as laid out in the comprehensive plans from each community. In years between comprehensive plan cycles, a brief telephone interview with each planner could determine which policies have been implemented without requiring a significant ongoing financial investment. Making this information publicly available side by side with the existing production numbers in an easily digestible format could serve as a powerful tool for advocates and developers alike. With an effective monitoring system, our region can strive to provide housing for all.

METHODS

Comprehensive Plan Review Worksheet

Appendix I

| AFFORDABLE HOUSING COMPREHENSIVE PLAN REVIEW | | | | | | |
|--|-----|----|-----|---------------|--------|----------|
| City: | | | | | | |
| PLAN INFORMATION | | | | | | |
| Plan Date Submission Date Reviewer Names Approval Status Approval Date | Yes | No | N/A | Weasel Words? | Source | Comments |
| DATA | | | | | | |
| <p>Population Projection</p> <p>Do they State the Met Council projection? Agree with it? State their own projection? Is it based on reasonable assumptions?</p> <p>Job Projection</p> <p>Do they State the Met Council projection? Agree with it? State their own projection? Is it based on reasonable assumptions?</p> <p>Affordable Housing Projection</p> <p>Do they State the Met Council projection? Agree with it? State their own projection? Is it based on reasonable assumptions?</p> <p>Has the city done a housing inventory? Has the city done a housing needs assessment? Has the city done an affordable housing inventory? Has the city done an affordable housing needs assessment?</p> | | | | | | |
| GOALS | | | | | | |
| <p>Do they state specific goals to:</p> <p>Increase amount of affordable housing</p> <p style="padding-left: 40px;">Ownership</p> <p style="padding-left: 40px;">Rental</p> <p style="padding-left: 40px;">at 60% AMI (family of 4)</p> <p style="padding-left: 40px;">> 60% AMI (specify)</p> <p>Increase the density of single-family detached? Increase density of other unit types? Preserve existing affordable units? (Replacement)</p> | | | | | | |

| | | | | | | |
|---|--|--|--|--|--|--|
| <p>Encourage transit oriented development? w/Affordable Component</p> <p>Encourage mixed use development? w/Affordable Component</p> <p>Allow for Manufactured Housing? Accessory Units?</p> <p>Provide culturally sensitive housing?</p> <p>Provide senior housing? (Aging in place)</p> <p>Provide special needs housing?</p> <p>Provide workforce housing?</p> <p>Provide life-cycle housing?</p> <p>Might the city's goals increase barriers to AHD? (List)</p> | | | | | | |
| IMPLEMENTATION | | | | | | |
| <p>Density Modifications</p> <p>State minimums</p> <p>Increase maximums</p> <p>Promote meeting current maximums / Infill</p> <p>Reduce minimum lot requirements</p> <p>Reduce minimum house width requirements</p> <p>Density Bonuses</p> <p>Accessory Apartments</p> <p>Manufactured Housing</p> <p>Inclusionary Zoning</p> <p>Do PUD zones appear to:</p> <p style="padding-left: 20px;">incentivize increased density?</p> <p style="padding-left: 20px;">incentivize an affordable housing component?</p> <p>Are these Low-Mod Housing Incentives present?</p> <p style="padding-left: 20px;">Zoning Variances</p> <p style="padding-left: 20px;">Expedited Approval</p> <p style="padding-left: 20px;">Adjusted Fees</p> <p style="padding-left: 20px;">Adjusted lot sizes</p> <p style="padding-left: 20px;">Set Aside land</p> <p style="padding-left: 20px;">Tax Abatement</p> <p>Are Low Income Housing Tax Credits discussed? Utilized?</p> <p>Are there incentives for new construction?</p> <p>Are Mortgage Revenue Bonds discussed? Utilized?</p> <p>Are TIF funds discussed? Utilized?</p> | | | | | | |
| LUPA and LCA | | | | | | |
| | | | | | | |
| Comments | | | | | | |
| | | | | | | |

Name and Title of Interviewee: _____
City: _____
How long in the city: _____
Name of Interviewer: _____
Date: _____

METHODS

Interview Protocol for City Planning Staff

Appendix II

“I am part of a research team from the Humphrey Institute at the University of Minnesota that is investigating the housing component of the 2008 Comp Plan update. We are conducting a series of interviews with city staff from communities across the region to gain a fuller understanding of how local governments plan to meet the needs for low- and moderate-income households. I would like to interview you as part of this project. Please review the consent form, and if you agree to participate, sign it.”

Part One: The need for affordable housing

1. Have you seen the Met Council’s report on “Determining Affordable Housing Need in the Twin Cities,” your community has a need of _____ for the years 2011-2020. What is your reaction to these goals? Do they seem high or low or about right for your community? Do they seem feasible for you to meet?
2. What are the problems you foresee, or the obstacles to meeting these goals? (*List as many as possible.*)
3. How do these goals compare to the LCA goals you had negotiated with the Met Council?
4. Is your city on schedule to make your LCA goals by year end 2010? Will your city do anything differently to meet the goals for 2011-2020?
5. The Met Council goals no longer make distinctions between affordable rental and affordable for-sale housing. What difference, if any, do you think it will make? Due to this non-distinction, have you changed your Comp plan accordingly? Without separate rental/owner goals, will there likely be more rental or more for-sale affordable housing, or will it be about the same as before?
6. Do you have any opportunities for transit-oriented development? (*If yes*): 6a. What difference will that make, if any, in your ability to produce more affordable housing?
7. Do you keep a data base tracking the **supply** of low- and moderate-income housing? (*If yes*): 10a. When did you start to keep this data base?

Part Two: Local policies and practices

8. What programs have you used to develop or to facilitate the development of affordable housing in your city?
9. If there were more state and federal funds available for affordable housing production, could you meet your affordable housing goals?

Which of the following policies and programs **HAVE BEEN USED** by the City to help increase the supply of low- and moderate-income units in the past 10 yrs?

| <u>Have used?</u> | | <u>IF "YES,"</u> | <u>How often?</u> | | | <u>How effective were they in creating affordable housing?</u> | | | <u>Will use in future to aid A.H. development?</u> | | <u>IF NO: Why not?</u> |
|-------------------|-----|---|-------------------|-------------|-------|--|-----------|----------------|--|-----|------------------------|
| No | Yes | | Once or twice | A few times | Often | Not Effective | Effective | Very Effective | No | Yes | |
| ___ | ___ | PUD with smaller lots | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | Density bonuses | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | Adjusted lot sizes | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | Expedited zoning & approval | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | Adjusted fees | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | Other zoning variances | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | Allow accessory apts | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | Inclusionary Zoning | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | LIHTC | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | Local tax abatement | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | Incentives for new constr. technologies to reduce cost? | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | Manufactured homes | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | TIF | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | Mortgage Rev. Bonds | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |
| ___ | ___ | Others: | 1 | 2 | 3 | 1 | 2 | 3 | ___ | ___ | _____ |

11. In your opinion, is there anything in your zoning ordinances, permitting processes or other requirements that **discourages or prevents adding to the supply** of low- and moderate-income housing?

12. How much do the following local practices work to limit the development of low- and moderate-income housing in your community?

| | Very much | Somewhat | Not at all | Comments |
|---|-----------|----------|------------|----------|
| a. Lot size requirements | | | | |
| b. The amount of land zoned for multi-family housing | | | | |
| c. Local requirements for building materials | | | | |
| d. Subdivision regulations requiring high quality materials or wide street paving | | | | |
| e. Permitting processes & fees | | | | |
| f. Local limits on use of manufactured housing (e.g., mobile homes) | | | | |
| g. Building codes that require updated code enforcement with any rehabilitation | | | | |
| h. Prohibition of accessory apartment units | | | | |
| i. Others? | | | | |

13. How much undeveloped land do you have that is zoned residential and allows 10 or more units per acre?
(Probe for how many units would be allowed on those acres.)

14. Has the **city solicited proposals in the past 3 years** from either the local HRA or other developers *(either private or nonprofit)* for building new low- and moderate-income housing?

14a. *(If yes)* Please describe a) what you asked for, b) what kind of response you got, and c) who you asked. *(Record for up to two projects.)*

15. Has the city itself ever acted as a **proposer or developer in the past 3 years** of low and moderate-income housing?

15a. *(If yes)* Please tell us the type of housing built, number of units, and date of development. *(Record for up to two projects.)*

16. How **many proposals from developers in the past 3 years** have come before the city for building low- and moderate-income housing? If any - Can we get the names of these developers?

17. Can you tell us about those that were **approved** – number of units, type of units, market for units? *(For up to two projects.)*

17a. During the approval process, were changes made that reduced the number of units?

18. Were any proposals **disapproved**? What were the reasons for disapproval?

19. We've looked at your Comprehensive Plan Update 2030, and we have a few clarification questions:

ADD SPECIFIC COMPREHENSIVE PLAN CLARIFICATION QUESTIONS HERE

20. Finally, are there any questions that I should have asked, but didn't?