

Affordable Housing

Packet Synopsis

Establishing a goal of **affordable housing** is only a beginning. Accomplishing and sustaining the needed stock of **affordable housing** is most often the challenge.

In “Commentary,” *Land Use Law & Zoning Digest*, May, 2000, the article The Massachusetts Comprehensive Permit Law: Collaboration Between Affordable Housing Advocates and Environmentalists states “what is needed first is solid local comprehensive [land use] planning.”

This point, the importance of the comprehensive plan to **affordable housing**, is again made in Affordable Housing: Proactive and Reactive Strategies, S. Mark White; American Planning Association, Planning Advisory Service; Chicago, 1992. “*Providing a role for comprehensive planning in the housing delivery system is the most effective solution to countervailing pressures for deregulation or the foreclosing of housing opportunities through inflexible regulations.*”

In “Local Land Use Regulation and the Chain of Exclusion” by Rolf Pental; *APA Journal*; Chicago, Spring 2000; Vol.66 No. 2, the author establishes a statistically significant correlation with housing and affordable housing discrimination and local land use planning and land use controls.

The essential point made in all three scholarly papers is that the **affordable housing** needs of communities, and **life cycle housing** needs as well, should be addressed in their comprehensive land use plan and in the plan’s implementing ordinances. Communities must first establish community consensus that **affordable housing** is a community need that should be addressed and implemented in its comprehensive plan.

The following packet items have been selected on the basis of their applicability for Minnesota communities or because they have a Minnesota connection.

Three items from Affordable Housing: Proactive and Reactive Planning Strategies; S. Mark White, American Planning Association, Planning Advisory Service; Chicago, 1992. have been selected for this packet. These are:

- Excerpts of the Table of Contents and its Chapter 4 Conclusion. The conclusion identifies the six features successful affordable housing programs contain. The Chapters 2 and 3 sub-headings identify some tools and programs to effect affordable housing.
- Table 3. Development Standard Reforms that can be implemented to reduce the costs of affordable housing construction.
- Specific mention of Minnesota as one of the states that authorizes its communities to use Tax Increment Financing (TIF) to fund affordable housing projects.

“Using Zoning Bonuses for Smart Growth and Development”; *Zoning News*, American Planning Association, Chicago, July 2000. Using “zoning bonuses” or incentive zoning to direct growth and development in community-desired directions with increased densities than is normally permitted in the target zoning district which has the effect of lowering per unit land costs. Land costs are almost always cited as a significant impediment to affordable housing projects. The paper identifies the four key issues that must be addressed to implement a solid zoning bonus program.

Affordable Housing; January 30, 2001; Office of the Legislative Auditor, State of Minnesota, St. Paul. This excerpt from the full report to the Legislature makes two important points: It is extremely difficult to build affordable housing without public financial assistance or regulatory relief. In the footnote, it defines “lower income” households for both homeowners and renters. It also identifies the principle factors that limit affordable housing in Minnesota.

Study of Inclusionary Housing Initiatives; Report to the Legislature; Minnesota Housing Finance Agency; St. Paul, February 2002. Inclusionary housing mandates – requiring a development, be it residential only or mixed use, to include affordable housing – is a tool available to Minnesota communities. This excerpt notes some Minnesota experiences in inclusionary housing and its “findings” are very instructive to communities planning affordable housing programs.

“Inclusionary Zoning: Pros and Cons”; *New Century Housing* Vol. 1, No. 2 October 2000. A good brief article on the pros and cons of inclusionary zoning. Although the concept has been generally applied in metro area communities, it can work for smaller communities as well.

Greater Minnesota Housing, A copy of the organization’s web page and contact information. It is involved in supporting the creation of affordable housing in Greater Minnesota.

Resources for Affordable Housing; National Association of Housing and Redevelopment Officials (NAHRO) – Money is always in short supply for affordable housing. This lists three funding avenues. NAHRO is a source for advice and assistance with affordable housing plans and projects.

INTERLIBRARY LOAN MATERIALS

The following on **affordable housing** can be borrowed via MnLINK.

- Affordable Housing: Proactive and Reactive Planning Strategies, 76 pages,
- Community-based Housing for the Elderly, 30 pages.
- Converting Storefronts to Housing, 88 pages.
- Changing Development Standards for Affordable Housing, 30 pages.

- Incentive Zoning: Meeting Urban Design and Affordable Housing Objectives, 64 pages.
- Affordable Single Family Housing, 115 pages.

LEGAL NOTES

Minnesota Statutes, Chapter 466A Community Resources Program can be used to fund affordable housing projects. MS § 466A.06 establishes the percentage dollar limits of community resource monies that can be used for affordable housing. Unfortunately, this statute is only available to cities of the first class.

Minnesota Statutes, Chapter 469 Economic Development conveys the authority for Tax Increment Financing (TIF) to Minnesota communities, city or county. MS § 469.174 Definitions explains the various terms and entities such as subd. 6. Municipalities, subd. 9. Tax Increment Districts, subd. 10. Redevelopment Districts and subd. 11. Housing Districts among others. MS § 469.1761 Income Requirements; Housing Projects establishes the permissible income limits for beneficiaries of both owner occupied housing and rental housing produce with TIF funding. MS § 469.176 Limitations subd. 1b. and Duration Limits Terms. subd. (4) establishes 25 years as the maximum life of a housing TIF district.

Minnesota Statutes, Chapter 462A Housing Finance Agency establishes the Agency and grants its authority and defines its duties and guiding policies. In addressing the housing needs of the elderly, this agency should be contacted.

Minnesota Rules, Chapter 4900 Housing Loans and Grants issued by the Minnesota Housing Finance Agency should be reviewed by any community considering an affordable housing initiative. The agency, via these rules, has established the criteria and processes for its participation in local affordable housing projects – rental or home owner.

The **Local Planning Assistance Center at the Department of Administration** helps local governments with planning efforts, including comprehensive planning, zoning, hazard mitigation planning, GIS applications and development issues.

Upon request, this document will be made available in an alternate format, such as Braille, large print or audiotape. For TTY, contact Minnesota Relay Service at 800-627-3529 and ask for the Department of Administration.

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