

# Minutes

Community Development Committee



**Meeting Date:** June 5, 2023

**Time:** 4:00 PM

**Location:** 390 Robert Steet

## Members Present:

- Chair, Robert Lilligren, D7
- Vice Chair, Susan Vento, D11
- Judy Johnson, District 1
- Reva Chamblis, District 2

- Peter Lindstrom, District 10
- Chai Lee, District 13
- Toni Carter, District 14

- Tenzin Dolkar, District 15
- Wendy Wulff, District 16

## Call to Order

Due to a lack of quorum information items will be presented until a quorum is reached.

## Information

### 1. LCA Policy Development Program (Hannah Gary 651-602-1633)

In the 2022 Annual Livable Communities Act Fund Distribution Plan ([Business Item 2022-50](#)), the Council approved the new Policy Development program with the goal of supporting cities to develop policies that achieve LCA and Thrive objectives. The Policy Development program is an expansion of the previous LCDA-TOD Zoning program, which provided funding to participating cities to develop TOD zoning policies. While TOD zoning is still an eligible policy under the new program, the LCA Policy Development program expands policy eligibility to support affordable housing, economic opportunity, compact and connect development, as well as environmental sustainability.

The Policy Development program was offered in one round of funding in 2022. In 2023, the Annual Livable Communities Act Fund Distribution Plan ([Business Item 2023-48](#)) approved two rounds of funding for the Policy Development program on a concurrent schedule with the LCA Pre-Development program.

The 2022 round yielded two applications, both of which received funding. During the first round of 2023 grants we did not receive any Policy Development applications.

Funding amounts have stayed consistent across the two years the Policy Development program has been offered. Cities may be awarded up to \$50,000 towards policy development over a two-year grant term.

Staff is conducting broad and individual outreach, including in-person visits, individual emails, and newsletters, to promote the program and believe that there will be applications during the second funding opportunity this year. Conversations with city staff have been positive. We will continue to monitor program interest and make changes as needed in this year's funding cycle. Council staff will plan for broader discussion with the Committee about potential changes if needed in the fund distribution plan for the 2024 funding cycle.

The next round of funding applications will open on June 19 and applications will be due on July 21. There is \$1 million of funding still available for applications to this program in 2023.

Ms. Gary and Council Members discussed the program, and answered questions regarding applicants, program marketing efforts, and future workshops.

2. Metropolitan Housing Opportunities Program (MHOP) Unit Transfer and Conversion from Minneapolis Public Housing Authority to the Metropolitan Council Housing and Redevelopment Authority (Terri Smith, 651-602-1187)

The Metropolitan Housing Opportunities Program (MHOP) was established by the Minneapolis Public Housing Authority (MPHA) in 1998 as a result of the Hollman Consent Decree which settled housing discrimination class action litigation. The Consent Decree required the MPHA to demolish 770 Public Housing program units and provided funding for the development of replacement Public Housing units within the City of Minneapolis and metropolitan-area suburban locations. The Metropolitan Council developed 150 of these units, known as the Family Affordable Housing Program.

The MPHA holds the federal funding agreement for 106 units of Public Housing in 16 sites and 11 cities around the region. The MPHA neither owns nor manages the units directly and all are privately owned and operated. The process of managing and operating these scattered Public Housing units is onerous and costly for the property owners. The MPHA is interested in pursuing a voluntary conversion of the Public Housing program units to Section 8 Housing Choice Voucher assistance and transfer of the units to the Council's Housing and Redevelopment Authority (Metro HRA).

The process would include a [Streamlined Voluntary Conversion](#) (SVC) application to the U.S. Department of Housing and Urban Development (HUD) that would result in an award of 106 new housing vouchers to the Metro HRA. The new vouchers would provide continued rent assistance to the current unit occupants who are able to remain in their current unit or move to another unit of their choice. There will be little disruption to the residents as a result of the process.

#### **Why should the Metro HRA collaborate with MPHA on this initiative?**

- The 106 units are primarily located in Metro HRA's voucher service area.
  - Exception: 19 units are located in Plymouth; 8 units are located in Minneapolis
  - The Council would enter into a Joint Powers Agreement to operate all the units for at least one year or until the residents move to another location.
- Streamlined Voluntary Conversion is only available to agencies that have fewer than 250 Public Housing Units. The Metro HRA does not have Public Housing so falls into this category.

#### **Next Steps**

The following are the next steps in the process, some of which require Council approval. The target date for conversion completion is January 1, 2024.

1. MPHA does a partial voluntary transfer of 106 units to Metro HRA
2. MPHA and Metro HRA engage with residents and unit owners.
3. MPHA and Metro HRA enter into a Joint Powers Agreement to allow the MPHA to continue operating the units as Public Housing until the Streamlined Voluntary Conversion is complete.
4. The Metro HRA and MPHA submit a Streamlined Voluntary Conversion Plan and Application to HUD.
5. The Metro HRA receives 106 new vouchers from HUD to provide continued rent assistance for the current unit occupants.
6. The Metro HRA enters into JPAs with MPHA and Plymouth HRA which would allow Metro HRA to operate the voucher assistance that are located in those cities.

Ms. Smith answered questions from the Council Members regarding ownership of units, and operating responsibilities after transfers, trust agreements and competition for vouchers.



### Call to Order

A quorum being present, Chair Vento called the regular meeting of the Community Development Committee to order at 4:35 p.m.

### Approval of Minutes

It was moved by Wulff, seconded by Carter, to approve the minutes of the May 15, 2023, regular meeting of the Community Development Committee. **Motion carried.**

### Consent Business

1. **2023-119:** Establish Public Hearing Date – Public Housing Agency Plan (Stephanie Paulson 651-602-1584)

It was moved by Wulff, seconded by Chamblis that the Metropolitan Council establish a date to conduct a public hearing to discuss and receive comment on the 2024 Public Housing Agency (PHA) Plan. The hearing will take place on August 21, 2023, at 4:00pm.

**Motion carried.**

The Community Development Committee recommended approval of the proposed action without questions or discussion as part of its consent agenda.

### Non-Consent Business

1. **2023-120:** Funding Recommendations for 2023 Round One Livable Communities Act Predevelopment Grants (Stephen Klimek 651-602-1541)

It was moved by Chamblis, seconded by Dolkar that the Metropolitan Council:

- Award six Livable Communities Act Pre-Development Grants totaling \$1,000,000 as shown in Table 1 below.
- Authorize the Executive Director of Community Development to execute the grant agreements on behalf of the Council.

Table 1. Recommended Grant Projects and Funding Amounts

Applicant	Recommended Project	Award Amount
Brooklyn Center EDA	New Generations LLC	\$231,000
Maplewood	Rice Street Gardens	\$150,000
Minneapolis	Rodeo Plaza	\$150,000
Minneapolis	The LOMA	\$150,000
St. Louis Park	Affordable Commercial SLP	\$44,000
St. Paul	Hamm's Brewery	\$275,000

**Motion carried.**

Mr. Klimek responded to questions from Council Members regarding target audience, definition of a developmental disability resulting from serving in military, funding and maximizing opportunities.

2. **2023-102:** 2023 Budget Amendment – 2nd Quarter Revised (Heather Giesel 651-602-1715)

It was moved by Carter, seconded by Wulff that the Metropolitan Council authorize the 2023 Unified Budget amendment as indicated.

Note: Business Item 2023-102 JT on the Community Development Committee's May 15, 2023, meeting agenda was presented and approved prior to the conclusion of the 2023 legislative session. The above Proposed Action (Motion to Amend a Previously Approved Action) revises the Business Item to include state fiscal year (SFY) 2024 Operations and Maintenance (O&M)



Appropriations and ensures the Council does not exceed its budget authority for O&M in calendar year 2023. The Metropolitan Council meeting date has also been amended from June 14, 2023, to June 28, 2023.

**Motion carried.**

The Community Development Committee recommended approval of the proposed action without questions or discussion.

**Information**

3. Planning for Regional Growth: Continued Conversation (LisaBeth Barajas 651-602-1895; Angela R. Torres 651-6021506; Joel Huting 651-602-1349)

Staff provided an informational presentation on Regional Planning Context, Policy Development Process and Engagement, Scenarios Planning and Work Plan and Next Steps.

Staff and Council Members discussed the various topics presented.

**Adjournment**

Business completed; the meeting adjourned at 6:10 p.m.

**Certification**

I hereby certify that the foregoing narrative and exhibits constitute a true and accurate record of the Community Development Committee meeting of June 5, 2023.

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**Council Contact:**

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