

## Minutes of the

### REGULAR MEETING OF THE COMMUNITY DEVELOPMENT COMMITTEE

Monday, November 5, 2018

**Committee Members Present: Barber, Chavez, Commers, Cunningham, Dorfman, Elkins, Munt**

**Committee Members Absent: Kramer, Wulff**

**Committee Members Excused:**

#### CALL TO ORDER

A quorum being present, Committee Vice Chair Munt called the regular meeting of the Council's Community Development Committee to order at 4:05 p.m. on Monday, November 5, 2018.

#### APPROVAL OF AGENDA AND MINUTES

It was moved by Elkins, seconded by Chavez to approve the agenda. Motion carried.

It was moved by Barber, seconded by Elkins to approve the minutes of the Monday, October 15, 2018 regular meeting of the Community Development Committee. Motion carried.

#### BUSINESS

**2018-285** City of Tonka Bay Mixed Use District Density Comprehensive Plan Amendment, Review File No. 20588-2 Senior Planner Michael Larson presented the business item to the Community Development Committee.

It was moved by Barber, seconded by Dorfman, that the Metropolitan Council:

1. Adopt the attached Review Record and allow the City of Tonka Bay to place the Mixed Use District Density Comprehensive Plan Amendment into effect.
2. Revise the City's forecasts for population, households, and employment for 2020, 2030, and 2040 as shown in Table 1 of the Review Record.
3. Advise the City to implement the advisory comments in the Review Record for Wastewater.

**Motion carried.**

Councilmember Dorfman noted that the City of Tonka Bay has an affordable housing need allocation like all communities in the region. She noted that the development project associated with the amendment represents a significant portion of the community's overall growth. She encouraged the City to explore options for affordable housing. The Community Development Committee unanimously recommended approval of the proposed action with no additional questions or discussion.

**2018-286** Preservation of Naturally Occurring Affordable Housing

Director of Regional Planning Libby Starling presented the business item the Committee, accompanied by Rachel Robinson, NOAH Impact Fund manager, Greater Minnesota Housing Fund.

It was moved by Cunningham, seconded by Chavez, that the Metropolitan Council authorize the Regional Administrator to negotiate and the Chair to execute a Joint Exercise of Powers Agreement with the Minnesota Housing Finance Agency (Minnesota Housing) to provide \$1,400,000 in program support in the form of a grant to the Greater Minnesota Housing Fund for the Naturally Occurring Affordable Housing (NOAH) Impact Fund to further the NOAH Impact Fund’s work to preserve naturally occurring affordable housing, using the investment guidelines listed in Attachment 1 to structure the Joint Exercise of Powers Agreement and Council’s investment in the NOAH Impact Fund.

**Motion carried.**

Council Member Dorfman inquired about how the NOAH Impact Fund identifies properties at risk; Ms. Robinson explained their process. Council Member Chávez requested regular progress reports on the Council’s investment. The Community Development Committee unanimously recommended approval of the proposed action with no additional questions or discussion.

**2018-289** 2018 Livable Communities Act Local Housing Incentives Account Funding Recommendations  
Senior Planner Ryan Kelley presented the business item to the Community Development Committee. It was moved by Chavez, seconded by Elkins, that the Metropolitan Council:

1. Award five multifamily rental and two single family ownership Local Housing Incentives Account (LHIA) grants as shown in the following table, totaling \$2.5 million.
2. Authorize its Community Development Division Director to execute the grant agreements on behalf of the Council.

**Multifamily Rental and Single-Family Ownership Proposals (units directly assisted by LHIA)**

Project	City/Applicant	New Affordable Units	Preserved Units	LHIA Funding Recommendation
Galway Place Townhomes	Coon Rapids		36	\$200,000
Cahill Place Apartments	Inver Grove Heights/Dakota County Community Development Agency	40		\$565,000
Emma’s Place	Maplewood/Ramsey County Housing and Redevelopment Authority		13	\$182,467
Maya Commons	Minneapolis	50		\$1,062,133
Mino Bimaadiziwin	Minneapolis	109		\$344,700
<b>Sub-total Rental:</b>		<b>199</b>	<b>49</b>	<b>\$2,354,300</b>



Irving – Near North Infill Development	Minneapolis	3		\$35,700
Homes Within Reach	Hennepin County Communities/City of Minnetonka	2		\$110,000
<b>Sub-total Ownership:</b>		<b>5</b>	<b>0</b>	<b>\$145,700</b>

**Motion carried.**

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

**2018-303 Proposed Second Application Round for Extensions to the 2018 Comprehensive Plan Deadline**

Community Development Director Lisa Barajas presented the business item to the Community Development Committee.

It was moved by Barber, seconded by Elkins, that the Metropolitan Council:

1. Direct staff to open a second application process for requesting extensions, with an application deadline of December 21, 2018.
  - a. Limit eligible communities to those that have planning assistance grants for the 2040 comprehensive planning process.
  - b. Allow eligible communities to request a deadline extension of up to 6 months, or through June 30, 2019.
  - c. Require that eligible communities submit the application materials outlined in this report, consistent with statutory requirements.
2. Authorize the Community Development Director to amend planning grant agreements for eligible communities that submit applications consistent with the requirements.
3. Direct staff to coordinate extensions for Mississippi River Corridor Critical Area (MRCCA) plans with the Minnesota Department of Natural Resources staff, when applicable.
4. Acknowledge an extension of the comprehensive plan completion deadline does not change any due dates for surface water management plans or water supply plans.

Committee Member Barber noted that she had heard from some communities that had recently encountered unexpected difficulties in that completion. The Committee voted unanimously to approve the proposed actions without further discussion or questions.

**Motion carried.**

**INFORMATION**

**1. Twin Cities Rents and Payment Standards Discussion**

Presented by Regional Policy and Research Manager Joel Hutting, Finance and Administration Director Heather Aagesen-Huebner, and Terri Smith, Housing and Redevelopment Authority Director, the purpose of this information item is to provide context and information for the Committee’s discussion and consideration.

The Metropolitan Council must annually review and adopt Payment Standards (rent limits) to be used in the administration of the Housing Choice Voucher and other rent assistance programs. Payment standards must be set at amounts that ensure a sufficient supply of privately owned rental housing is available to program participants.

Payment standards are limited by the Fair Market Rents (FMRs) published annually by the U.S. Department of Housing and Urban Development (HUD). By federal regulation, the Metropolitan Council is provided the flexibility to establish payment standards between 90% and 110% of the published FMRs. The 2019 FMRs for the metro area increased by 5.6% to 6.8%. This has substantial implications for the Council budget and low-income families in the region.

Council staff provided an overview of what is happening in the regional housing market, including information on rental rates, vacancy rates, and the number of affordable units available. Council staff will then provide Payment Standard scenario options for consideration, along with the budgetary impacts of the FMR increases, to support a Council member policy discussion on this topic. This item will be followed by a business item at an upcoming Community Development Committee meeting.

## **ADJOURNMENT**

Business completed, the meeting adjourned at 5:45 p.m.

Michele Wenner  
Recording Secretary