

Minutes

Community Development Committee



Meeting Date: February 5, 2024

Time: 4:00 PM

Location: 390 Robert Steet

Members Present:

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| <input checked="" type="checkbox"/> Chair, Robert Lilligren, D6 | <input type="checkbox"/> Peter Lindstrom, District 10 | <input checked="" type="checkbox"/> Tenzin Dolkar, District 15 |
| <input checked="" type="checkbox"/> Vice Chair, Susan Vento, D12 | <input type="checkbox"/> Chai Lee, District 13 | <input checked="" type="checkbox"/> Wendy Wulff, District 16 |
| <input checked="" type="checkbox"/> Judy Johnson, District 1 | <input checked="" type="checkbox"/> Toni Carter, District 14 | <input checked="" type="checkbox"/> = present, E = excused |
| <input checked="" type="checkbox"/> Reva Chamblis, District 2 | | |

Call to Order

A quorum being present, Committee Chair Lilligren called the regular meeting of the Community Development Committee to order at 4:00 p.m.

Agenda Approved

Committee Members did not have any comments or changes to the agenda.

Approval of Minutes

It was moved by Carter, seconded by Vento to approve the minutes of the January 16, 2024, regular meeting of the Community Development Committee. **Motion carried.**

Consent Business

Consent Business Adopted

1. **2024-35** City of Brooklyn Park 610 Corridor Comprehensive Plan Amendment, Review File 21968-3

It was moved by Vento, seconded by Wulff that the Metropolitan Council adopt the Review Record and take the following actions:

1. Authorize the City of Brooklyn Park to place its comprehensive plan amendment into effect.
2. Revise the City's forecasts for population and households as shown in Table 1 of the Review Record.
3. Advise the City to implement the advisory comments in the Review Record for Transportation and Water Supply.

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. **2024-37** 2024 Project Based Voucher Award Recommendations

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

1. Award 20 Mainstream and 12 Veteran’s Affairs Supportive Housing (VASH) Project Based Vouchers (PBV) to five (5) projects as shown in Table 1 below.
2. Authorize the Metro HRA Director and Manager to execute the necessary documents with the project owners of the awarded projects.

Table 1. Recommended Project Based Voucher Awards

Project	City	Total Units in Project	Mainstream PBV Award
Bottineau Ridge Phase II	Maple Grove	50	5
Gladstone	Maplewood	40	10
PPL BC Family Housing Phase I	Brooklyn Center	60	5
Project	City	Total Units in Project	VASH PBV Award
Carver Oaks Senior Residence	Carver	43	7
Nolte River Place	Anoka	80	5

Motion carried.

Committee Members were supportive of the projects presented and individual Members had toured some projects on the list and been impressed with the facilities and locations.

2. **2024-25SW:** City of North Oaks Red Forest Way South Comprehensive Plan Amendment Overview and Request to Schedule a Public Hearing (amended), Review File 21796-3

It was moved by Wulff, seconded by Carter, that the Metropolitan Council: establish a date to conduct a public hearing to discuss and receive comment on a proposed plan modification for the City of North Oaks Red Forest Way South Comprehensive Plan Amendment. The hearing will take place at the Community Development Committee meeting on Monday, March 4, 2024, at 4:00 p.m.

Motion carried.

Staff noted that this item will be before the Council on February 14, 2024, not on the same day as noted in the business item.

3. **2024-41:** Adoption of 2024 Livable Communities Act Fund Distribution Plan

Johnson asked for clarification on the proposed 2024 change where applicants may request up to \$250,000 to investigate up to five sites over a 2-year period and whether that is still limited to \$50,000 per project. She noted that this would allow communities flexibility. She further asked whether the funds would be held for them until they are ready to use them. Staff responded that this grant would be held for awardees for up to three years if they asked for an extension beyond the regular 2-year award period. Carter asked if this still would require site control and require the applicant to identify the site(s), just not the timing. Staff replied that site control is not required at the time of application to the program, but approval of the site is required before funds are disbursed for the project.

Chamblis asked if repayment would be required of grantees unable to use the funds awarded for eligible activities. Staff replied that funds returned or not drawn down become part of the reserve balance and would be considered for re-award each year.

Carter noted that these changes provide incredible flexibility for the jurisdiction and asked if they can work with multiple developers. Staff confirmed that they can work with multiple



developers.

Chamblis noted there is the potential for equity issues with the LCDA & TOD Development scoring criteria if the proposed changes insert more subjectivity into the process. Her understanding is that the two-step process was an attempt to avoid this problem. She is concerned that with the proposed change to a one-step process that all the weight would be on the more subjective step.

Vento asked how other funders processes work to ensure there is balance and equity. Chamblis noted that the decision process could be split to look at both the objective and the more subjective parts of the process at the same time.

Staff noted that the more specific scoring criteria are the ones proposed to remain in the process and redundancies are being eliminated. The one-step process would be something new and the intent is for the reviewers to have meaningful review earlier in the process.

Chamblis would like to see the advisory committee participate in both parts of the process. If the applicant pool has already been narrowed by the time they see it, then this change is more than just a minor change.

Johnson asked for clarification on the goal of the proposed change. Staff noted the main goals were to reduce time of review, provide a better targeted goal for reviewers, and to reduce the burden on the applicants. Johnson noted that she would be willing to try the proposed process for a year and get feedback on how successful it was achieving all the goals.

Wulff shared her analysis showing an increasing imbalance in where the money goes across the region over time. Hennepin County is being awarded disproportionately more money compared to its proportion of population. Wulff noted that the overall number of communities participating has also decreased. She said she believes that this is due to the unreliability of being awarded funding and the onerousness of the application. She noted that housing parity in the suburbs has been decreasing because of subsidized housing and that if the goal is to spread development throughout the region, then we are moving in the wrong direction. Workshops did not identify what was going wrong in the process and why communities are no longer applying in as great numbers.

Carter noted there is in-process work in this area based on a lot of efforts currently underway by the Met Council. She'd appreciate a broader discussion than has been proposed in this presentation. She would like to discuss the goals more broadly and how they drive the scoring criteria. The conversation should include geographic information and outcomes. She requested the committee Chair prepare a statement that would allow the program to continue and provide the committee with the ability to explore arising issues more deeply.

Staff noted that with the volume of policy work this year related to the update of the Regional Development Guide, that all this information should be included for program development for 2025. Carter requested care in how the program is dissected to ensure the information needed is available. Chair Lillegren noted the dissatisfaction that has been felt in these discussions and commits to doing better in the future.

Vento thanked Wulff for raising the issue. She noted that it's hard to sustain businesses in communities and affirmed her commitment to MCUB goals. She noted that certain situations may require a hard look to ensure that local businesses are not being eroded in any way. Staff noted that there are no MCUB or purchasing policy requirements in any of the grant scoring processes.

Johnson noted she's been discussing erosion of the number of cities participating in LCA programs. The pandemic had a role in this decrease, but she remains concerned that criteria in the plan makes it difficult for emerging or smaller communities that don't have a lot of resources to participate. She would like to better understand the barriers and why they are not participating. Johnson noted that a complete program overhaul is coming in 2025 and that it's important to have a strong plan and schedule in time to connect with these



communities, explore, and test assumptions. Not all communities start at the same place, which needs to be factored in when considering how to increase participation by cities. Johnson noted that she feels the disparity is widening geographically.

Chair Lillegren noted that a plan to do this work is needed and that this committee is the place to develop recommendations for 2025. A subcommittee may be needed to look at the details. Staff suggested coming back to the committee with a work plan for how this could be accomplished. Johnson suggested expanding to include other Council Members and a half-day workshop to ensure a common level of understanding between all participants. She would like to see trends and data to help shape decisions.

Chamblis noted a lot of issues require larger discussion than what occurs with the housing work group or the Community Development Committee. An efficient process is needed to decide where to focus and how to access the information needed to make decisions. Currently decisions are needed on what's happening in 2024 and what's happening in 2025. There has not been a lot of discussion around why moving from a two-step to a one-step process is important. She is not ready to approve the changes for 2024 at this time.

Wulff has started coordinating at the county level. Counties have begun pooling their money and she'd like to have county-specific meetings to coordinate this and other opportunities. Wulff noted that Met Council money is a drop in the bucket compared to consistent, reliable revenue from sales taxes, so the Council has a choice between active partnership or making ourselves irrelevant. She further noted that not acting this year could double the amount of money available in future years after improvements to the program are in place.

Carter noted that there is consternation in both the short-term and in the longer-term. Without knowing how the changes to the program will happen, there is uncertainty that they will actually happen. Regarding the suggestion that the program be paused for this year, she noted that there is a lot of need and communication with our partners would be required to determine what the impact of that pause would be. She believes the impact would be high and doesn't want to decide before understanding it. Carter wants to be sure account status and progress over time are considered across communities and that the committee is staying true to LCDA purpose. Reflecting on progress towards goals in terms of percentages and increases over time, the issue over the two-step process needs to be addressed in the short term and she is also looking forward to hearing from staff about the long-term plan. She feels they need to plan to move forward in the short term or to do the serious research needed with communities. She is in favor of incorporating staff's process with additional information about the two-step to one-step process.

Dolkar asked whether a pause would require pausing all grants or if TBRA and Affordable Homeownership could move forward, while pausing LCDA & TOD. Staff noted that the ability to decide how to move forward lies with the committee.

Lillegren noted that developers are aware of the flow of the programs and plan for it, so a CDC decision to pause would be an impediment to investment in the region.

Dolkar noted that it seems that the programs with the greatest challenges could be separated out and believes that communities will understand the pause. Staff would like guidance on whether funding is going to the wrong things or there just isn't enough money to adequately fund the good things considering the competitive nature of these grants.

Chamblis noted that the amount of money is not the focus. She doesn't feel comfortable pausing programs and that Option 2 (keeping all LCDA/TAD process the same, but implement proposed updates to: TBRA-Site Investigation and Affordable Homeownership) allows moving forward and making progress on what's been proposed while continuing to do the research and discussions in 2024 needed for changes in 2025.

Vento suggested proceeding with the spring round of programs as recommended and then pushing hard to determine and agree upon TBRA recommendations for implementation in the fall, instead of waiting until 2025.



Johnson doesn't believe accomplishing this by the fall is realistic considering the large amount of other work occurring in that timeframe. She is leaning towards a recommendation to pause.

Lillegren noted that it will be an aggressive workplan to get to the revisions desired for 2025. There will be dialogue between policy-makers and staff and that it's an iterative process and he doesn't want to dampen staff innovation in this process.

Carter noted that there are improvements to be made but there are also community needs to meet. She asked the group to focus on accomplishing its short-term needs and to work to do the outreach needed to create what is needed for 2024 and 2025. She suggested a delay to address the short-term issue but then moving forward quickly with LCDA and TOD.

Wulff would like to pause Affordable Home Ownership for a year since there are other things that might be more effective. She believes the best option with disagreement among committee members is to go ahead with TBRA and the proposed changes, go ahead with LHIA which is statutory and non-controversial, and pause LCDA and TOD grants to give time to make changes and to align it with Imagine 2050.

Wulff moved to fund TBRA with the proposed changes, to fund LHIA, and to pause funding for LCDA and TOD programs in 2024. Johnson seconded.

Johnson stated that she believes Met Council is understaffed and underfunded to accomplish all the needed community engagement and with that consideration, an aggressive timeline to make program changes would not be realistic. She'd like to send the message to communities that Met Council is trying to engage deeply and take the time needed to build a better program and do it well. She noted that a brief pause would be beneficial toward this end and that the money will roll over to communities in the future. The committee should address any capacity and resource needs of staff to accomplish this work if they exist.

Wulff noted that if there is a pause, the processing time for new grant applications would be available for exploration and research.

Chamblis noted that she was unsure how much of the proposal is due to staffing constraints. What she's heard is that those who were part of the process wanted to be more participative. She wants to focus on what was presented as the challenges.

Lillegren argued against the motion noting there is a need to get money into the communities. He identified Option 2 as a compromise and noted predictability in funding as important. He feels it's a mistake to disrupt what has been established with communities and partners. He doesn't want the Met Council to be perceived as an impediment to development in the region and noted that moving forward is the committee's work.

Wulff noted that while funding is predictable for Minneapolis, many other communities don't feel it's predictable. She gave the Rosemount project as an example. Lillegren noted that we are here to represent the region.

Johnson said that she doesn't think that the intent of a pause is to sow unpredictability but to create something. She doesn't believe that the narrative that Met Council is an impediment to development will be the result of this discussion. Several committee members have been raising questions about geographic balance and equity for some time. She notes that it's not about staff time, but about additional engagement.

Lillegren clarified he believes everyone is working in good faith.

Vento indicated she will vote in favor of the motion. She requested assurance that the issue will be addressed and she's not convinced that a year from now things will be different. She commended staff for their work and noted the committee is not currently thinking regionally because some areas are being totally ignored.

Carter indicated she will not support the motion. She noted that she does not have a clear sense of what is described by Wulff. She noted that LCDA's intent is to address disparities



and racial equity and that's difficult. Carter further noted that we can't continue to avoid doing things differently because of differing results. Analysis needs to be done on the results as it relates to the understanding of the foundation of the goals. The committee is committed to doing the work and this funding can be of consequence in 2024.

Motion carried 4-3.

Staff asked for clear direction on what the committee would like to see for these programs that is different from the additional information and staff recommendations that have been presented over the past year. Staff noted that they are in regular daily conversation with communities and funders and are trying to align their work. A major realignment was done at the committee's direction in 2020-2021 and staff is trying to determine what is needed to accomplish the program goals. Very specific guidance on what they can do or what they can address was requested.

Dolkar noted that there is something underlying the program that isn't meeting the needs of certain communities. She suggested bringing a combination of communities that haven't succeeded in being awarded funding and those that have together with Council Members. Dolkar said she didn't like the conversation that MCUB purchasing requirements was a reason that communities weren't being successful in being awarded funding. She noted that when the underlying reason for not having success isn't addressed, then equity may be blamed. It's also hard to address the criteria when in the middle of the decision-making process a pause is healthy and there's nothing in this action that says that no money could go out in 2024.

Vento apologized for piggybacking on the MCUB remarks made earlier by Wulff and thanked Dolkar for her comments. Lillegren noted that staff might need some time to gather a response to take to Council.

Johnson noted that this is a big issue and wants to ensure that if a subgroup looks deeply into it that the rest of the group somehow keeps up. She noted that when she sees things shifting in the region, she would like staff to be able to explain what is happening and why. She also requested that Council Members be informed when staff are engaged in their districts and with whom they are speaking and the topic of discussion. Johnson would like to have a reference to validate against her assumptions.

Staff appreciates the conversation and will come back with next steps and actions for alignment for 2050. She will talk about getting to process predictability and think about opportunities for Councilmember engagement opportunities.

Information

None

Adjournment

Business completed; the meeting adjourned at 6:13p.m.

Certification

I hereby certify that the foregoing narrative and exhibits constitute a true and accurate record of the Community Development Committee meeting of February 5, 2024.

Approved this 00 day of Month 2024.

Council Contact:

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