

Minutes

Community Development Committee



Meeting date: June 2, 2025

Time: 4:00 PM

Location: 390 Robert Street

Members present:

- | | | |
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| <input checked="" type="checkbox"/> Chair, Robert Lilligren, D6 | <input type="checkbox"/> Diego Morales, District 9 | <input type="checkbox"/> Vacant, District 15 |
| <input checked="" type="checkbox"/> Vice Chair, Toni Carter, D14 | <input checked="" type="checkbox"/> Peter Lindstrom, District 10 | <input checked="" type="checkbox"/> Wendy Wulff, District 16 |
| <input checked="" type="checkbox"/> Reva Chamblis, District 2 | <input checked="" type="checkbox"/> Chai Lee, District 13 | <input type="checkbox"/> = present, E = excused |
| <input checked="" type="checkbox"/> Anjuli Cameron, District 8 | | |

Dakota Land, Water, and People Acknowledgment

The Metropolitan Council acknowledges that the land we currently call Minnesota and specifically the seven-county region is the ancestral homeland of the Dakota Oyate who are present and active contributors to our thriving region. As part of the Metropolitan Council's commitment to address the unresolved legacy of genocide, dispossession, and settler colonialism and the fact that government institutions, including the Metropolitan Council, benefitted economically, politically, and institutionally after the forceable removal of the Dakota Oyate, the Metropolitan Council is dedicated to instilling Land, Water, and People Commitments in regional policy. These commitments support the Dakota Oyate, the eleven federally recognized Tribes in Minnesota, Ho-Chunk Nation, and the American Indian Communities representing over 150 diverse Tribal Nations that call the seven-county region home.

Call to order

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

Dakota Land, Water, and People Acknowledgment

The Dakota Land, Water, and People Acknowledgment was read by Council Member Lilligren.

Agenda approved

It was moved by Carter, seconded by Wulff to approve the agenda. Council Members did not have any comments or changes to the agenda. **Motion carried.**

Approval of minutes

It was moved by Wulff, seconded by Carter to approve the minutes of May 19, 2025, regular meeting of the Community Development Committee. **Motion carried.**

Consent

1. **2025-129** Establish Public Hearing Date – 2026 Public Housing Agency (PHA) Annual Plan (Stephanie Paulson 651-602-1584)

It was moved by Lindstrom, seconded by Wulff, that the Metropolitan Council establish a date to conduct a public hearing to discuss and receive comment on the 2026 Public Housing Agency (PHA) Annual Plan. The hearing will take place on August 18, 2025, 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

1. **2025-135** Funding Recommendations for 2025 Round One Livable Communities Act Pre-Development Grants (Hannah Gary 651-602-1633)

It was moved by Carter, seconded by Chamblis, that the Metropolitan Council

(1) That the Metropolitan Council award five (5) Livable Communities Act Pre-Development Grants totaling \$1,000,000, as shown in Table 1 below.

(2) Change the City of Bloomington’s award limit in Round Two of 2025 Pre-Development grants to \$200,000.

Table 1. Recommended Grant Projects and Funding Amounts

City of Saint Paul	1170 Arcade St. (Face to Face)	\$260,000
City of Saint Paul	694 Minnehaha Ave (Hamm’s Brewery Redevelopment)	\$40,000
City of Bloomington	Bloomington Family Townhomes	\$130,000
City of Bloomington	Bloomington Affordable Homeownership Program – 4-acre subdivision	\$270,000
City of Hopkins	Sustainable Missing Middle	\$300,000

Motion carried.

Council Members expressed support for the projects, noting the variety of projects and support for young people experiencing homelessness. There was a question about funding mentoring for emerging developers, specifically questioning the amount of funding allocated to mentorship. Staff will follow up with Council Members to provide additional details on developer mentoring. Several Council Members stated support for mentorship for emerging developers.

2. **2025-107 JT:** 2025 Budget Amendment – 2nd Quarter (Heather Giesel, 651-602-1715)

It was moved by Carter, seconded by Lee, that the Metropolitan Council authorize the 2025 Unified Budget amendment as indicated, and in accordance with, the attached tables.

Motion carried.

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

Information

1. Fiscal Disparities Program Update (Maia Guerrero-Combs 651-602-1060; Sarah Rodman 651-602-1953)

Council staff provided an overview of the program and present results for taxes payable in 2025.

The 2025 Community Development Work Plan includes a report on the Fiscal Disparities Program. Taxing jurisdictions in the metropolitan area share part of the growth in commercial-industrial tax base through a tax-base sharing program known as the Fiscal Disparities Program. The Minnesota Legislature created the Fiscal Disparities Program in 1971 with the support of the Metropolitan Council, and the first year of tax base sharing was 1975. Through the Fiscal Disparities program, local taxing jurisdictions in the seven-county metro area each share part of the growth in commercial-industrial net tax capacity, or commercial-industrial tax base. The Fiscal Disparities program is built into our property tax system and is administered by the state. The Metropolitan Council reports on the outcomes of the program annually and conducts an eligibility review for participating cities and townships. Tax-base sharing supports the statutory direction and regional goals of the Metropolitan Council. The program improves equity in fiscal resources by reducing large differences in tax base wealth among communities. It supports cost-effective regional wastewater treatment and transportation services by reducing competition for tax base. Tax-base sharing encourages land uses that protect the environment and increase livability but raise little or no revenue, such as regional parks, open space, and low-income housing. The program promotes a regional approach to planning and development.

The Fiscal Disparities Program shared over \$620 million in tax base for taxes payable in 2025 which created over \$769 million in tax revenue.

A total of 177 communities participate in tax-base sharing. Each year, the Council and the Minnesota Department of Revenue determine eligibility for communities to participate in the program, as required by statute.

[Fiscal Disparities: Tax-Base Sharing in the Metro Area](#) on the Council's website provides further information, with updated summary data and links to resources.

Council Members inquired about the data available regarding the MN Land Planning Act and exclusions. Staff directed them to the appropriate web pages.

2. Metro HRA 2025 Funding Discussion (Terri Smith 651-602-1187; Larry Phillips 651-602-1025)

Staff provided an overview of the budget shortfall, contributing factors, and options for consideration.

The Metropolitan Council Housing and Redevelopment Authority (Metro HRA) administers rent assistance programs for low-income families, primarily through the federal Housing Choice Voucher Program. The Metro HRA currently serves 7,300 households with rent assistance. The primary source of funding is provided by the U.S. Department of Housing and Urban Development (HUD). Funding is dependent on annual congressional appropriations.

Congress passed a Continuing Resolution on March 14, 2025, to provide funding at 2024 levels for calendar year 2025. Metro HRA received its formal funding award on May 14, 2025, resulting in a shortfall of funds to continue providing rent assistance to all current voucher holders.

Council Members and staff discussed the options to handle the funding shortfall. They discussed the increase in rents which could increase payment standards, and the use of reserves and local funds was discussed. The amount of reserves and their eligibility for HRA was clarified. The consensus was to use reserves to cover the shortfall.

3. Livable Communities Act Policy Development Program 2025 Round 1 (Olivia Boerschinger 651-602-1327)



The Livable Communities Act (LCA) grant programs support Metropolitan Council priorities by making grants to projects that advance statutory and regional goals. Within this suite of programs, the LCA Policy Development program supports the development of locally adopted policies that further regional goals and have an impact on physical development in the applicant city. Since the program launched in 2022, the Council has awarded nine Policy Development grants, averaging three each year.

On February 12, 2025, the Council authorized two rounds of funding for the Policy Development program, with up to \$100,000 available per round, through the annual Livable Communities Act Fund Distribution Plan (FDP) (Business Item 2025-46).

Despite staff outreach and in-depth conversations with three cities considering this funding opportunity, the Council did not receive any applications for LCA Policy Development grants during the first round in 2025. Based on conversations with city partners, staff believe that there are two causes for the lack of applications:

1. The timeline between the FDP approval in February, launch of the 2025 program in early March, and application deadline on April 21st was too fast of a turnaround for cities to complete the application and have their city council pass a resolution in support of the application.
2. As cities prepare to begin the next comprehensive plan cycle locally, they are not currently planning significant policy change outside of that process.

The Council is currently accepting applications for the second round of LCA Policy Development grants, with all applications due July 21, 2025. Staff are undertaking a number of efforts to ensure usefulness of the program for city partners and to encourage applications:

- Conducting extensive outreach, including in-person visits, individual emails, and newsletters to promote the expanded round two offerings (details of expanded offerings described below). Staff are using the information provided by cities in the annual Housing Policy and Production Survey to help identify and connect with cities that are already considering or planning eligible work.
- Advertising Round Two of Policy Development grants as an expanded opportunity with up to \$800,000 available that also includes affordable housing program and partnership development as eligible projects. This expanded opportunity is achieved by offering the existing LCA Policy Development program alongside up to \$600,000 in grant funding from the Met Council's FY23 HUD Pathways to Remove Obstacles to Housing (HUD PRO) grant. Using a single application, cities can apply for policy, program, or partnership development projects that may be funded by LCA and/or HUD PRO funding. For the LCA Policy Development funds specifically, available funds and scoring criteria remain unchanged from what Council approved in the FDP. To support this expanded opportunity, the application period will be open longer than is typical, for a full two months, providing more time for outreach and technical assistance for applicants. Staff will bring all grants recommended through this expanded round two opportunity to Council for approval.

With this approach, staff expect that the Council will receive applications in Round Two. After that round of funding recommendations is complete, any unallocated LCA funds will be made available for other LCA programming, including to help fund projects applying through the 2025 Livable Communities Demonstration Account (LCDA) grant program. Any unallocated funds from the FY23 HUD PRO award will be used through future HUD PRO programming.

As part of the broader efforts to update and align LCA programs with Imagine 2050, staff have heard repeated appreciation from cities for the Policy Development grant program. The program is viewed as a good fit for cities that are trying to set the conditions for development that advance regional goals, but where development activity may not be happening today. Staff are currently engaging with city staff and past LCA participants seeking feedback on application processes, including deadlines and requirements, and plan to bring a program design recommendation to Council in the fall that will address challenges related to application process.

Chair Lilligren asked if the program is fully subscribed. Staff commented that each round had applicants and will provide a list of communities.

Adjournment

Business completed; the meeting adjourned at 5:30 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 2, 2025.

Council contact:

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