

**Minutes of the
REGULAR MEETING OF THE COMMUNITY DEVELOPMENT COMMITTEE**

Monday, June 3, 2013

Committee Members Present: Cunningham, Chávez, Commers, Elkins, Kramer, Munt, Rummel

Committee Members Absent: Wulff, Smith

Committee Members Excused:

CALL TO ORDER

A quorum being present, Committee Chair Cunningham called the regular meeting of the Council's Community Development Committee to order at 4:35 p.m. on Monday, June 3, 2013.

APPROVAL OF AGENDA AND MINUTES

It was moved by Commers, seconded by Chávez to approve the agenda. **Motion carried.**

It was moved by Chávez, seconded by Kramer to approve the minutes of the May 20, 2013 regular meeting of the Community Development Committee. **Motion carried.**

BUSINESS

2013-163 City of Shoreview Lakeview Terrace Comprehensive Plan Amendment, Review No. 20417-4 LPA Manager LisaBeth Barajas presented the staff's report and proposed actions to the Committee.

It was moved by Rummel, seconded by Commers, that the Metropolitan Council:

1. Adopt the attached review record and allow the City of Shoreview to put the Lakeview Terrace comprehensive plan amendment (CPA) into effect.
2. Find that the proposed CPA does not change the City's forecasts.

Motion carried.

Committee Member Jon Commers asked whether this type of development was reflective of overall trends in apartment construction in the region. Barajas responded that it has been common in the amendments that staff has reviewed, and that Council staff would speak more to those details on development patterns later on that meeting's agenda. The Committee did not have any additional comment or discussion.

2013-164 Establish Public Hearing Date – 2014 Annual Public Housing Agency (PHA) Plan HRA Manager Terri Smith presented the staff report and proposed action to the Committee.

It was moved by Chávez, seconded by Kramer, that conduct a public hearing to discuss and receive comment on the 2014 Annual Public Housing Agency (PHA) Plan on August 19, 2013, at 4:30 p.m. in the Council Chambers.

The committee had no questions.

Motion carried.

2013-165 Board Resolution 2013-5, Minnesota Housing Finance Agency Bridges Rental Assistance Program
HRA Manager Terri Smith presented the staff report and proposed action to the Committee.

It was moved by Chávez, seconded by Rummel, that the Metropolitan Council adopt a resolution, required by Minnesota Housing Finance Agency (MHFA) to authorize the Regional Administrator to execute a continuation grant agreement for the Bridges Rental Assistance Program.

The committee had no questions.

Motion carried.

2013-157 Unified Capital Program Amendment 2nd Qtr
Regional Parks and Natural Resources Manager Arne Stefferud presented the staff report and proposed action.

It was moved by Rummel, seconded by Chávez, that the Metropolitan Council:

Amend the 2013 Capital Budget (annual appropriation) by increasing it \$3,027,660 for the year 2013 and increasing the multi-year authorization by \$17,941,333 for Parks and Open Space;
Approve the projects under “Increasing Funding Commitments” as detailed in Attachment 1.

Committee member Commers abstained from voting.

Motion carried.

Mr. Stefferud clarified to the committee the funding was part of a 2006-2010 State bond that is being re-authorized and extended.

2013-166 Authorization to Negotiate and Execute HUD Sustainable Communities Regional Planning Grant Sub-recipient Agreement with Springsted Incorporated for Transit Corridor Development Data System
Corridors of Opportunity Manager Allison Bell presented the report and proposed action to the committee.

It was moved by Chávez, seconded by Elkins, that Authorize the Regional Administrator to negotiate and execute a HUD Sustainable Communities Regional Planning Grant (SCRPG) Sub-recipient Agreement with Springsted Incorporated for a Transit Corridor Development Data System project, totaling \$40,000.

Council Member Cunningham asked how the consultant had been selected. Staff indicated that there was a Request for Proposals, and a team of staff members and a staff member of the City of Saint Paul reviewed the proposals.

Motion carried.

INFORMATION

1. Results of Interviews with Developers and Business Owners about TOD

Corridors of Opportunity Manager Allison Bell introduced Dr. Yingling Fan from the Humphrey Institute of Public Affairs to the Community Development Committee. Dr. Fan presented her results of interviews with developers and business owners about TOD. The research centers on a series of interviews with developers and business leaders in the Twin Cities region. These conversations took multiple forms, ranging from group discussions and online surveys in the initial, scoping phases, to in-depth, open-ended interviews with 24 developers, 16 employers and three commercial real estate brokers based in the Twin Cities metropolitan region.

2. Development Patterns

Research Manager Libby Starling presented information to the Community Development Committee on development patterns around the region.

Under [Minnesota Statute 473.24](#), the Metropolitan Council is responsible for preparing local population and household estimates for the cities and townships in the Twin Cities seven-county area. These estimates are the official population and household estimates for State government purposes and are used to determine local government aid (LGA) and local street aid allocations. As an input into the population estimates, the Council annually collects data from local governments on residential building permits as well as non-residential building permits.

In 2012, local jurisdictions across the region issued 10,893 residential building permits, up 80 percent from 2011's 6,029 and up 150 percent from 2009's nadir of 4,328 permits. Despite these rapid increases from the low years of the Great Recession, 2012's permits remain below the historical averages.

39 percent of 2012 permits were for single-family detached housing, and 55 percent were for multifamily units in structures of 5 units or more (the remainder were primarily townhomes). Thirty percent of the region's total residential permits were for multifamily developments in the city of Minneapolis alone.

Developing suburbs were 38 percent of all permits, their lowest share since 1987 when many of today's developing suburbs had not yet entered their boom years. Residential permitting in the two central cities was 36 percent of all permits, the highest share for the central cities in the four-plus decades of the Council's Residential Building Permits Survey. The 3,898 permits issued by Minneapolis and Saint Paul in 2012 were the highest number for the central cities since 1972.

The Council also collects data on commercial, industrial and public / institutional permits. In 2012, local jurisdictions issued building permits for \$792 million for commercial, industrial or public / institutional construction, up 12 percent from 2011 and up 25 percent from 2010's low of \$631 million but just 34 percent of 2006's high of \$2.3 billion (in 2012 dollars). (Note that these 2012 non-residential permit totals do not contain information from the cities of Brooklyn Park and Maple Grove, which have not yet responded to the Council's survey.)

The 2012 building permits data suggest the following questions about Council policy:

- The 2030 Regional Development Framework set goals that half of new housing units would be attached, including townhomes and multifamily buildings. Among the permits issued in 2012, 61 percent were for attached housing. Since adoption of the Framework in 2004, 58 percent of permitted housing units have been for attached housing – though with a changing share of

townhomes, 39 percent of attached development in 2004 and 10 percent in 2012. Housing preference surveys do show greater interest in rental housing at this point, but it is too soon to know if this is the result of changing preferences or reduced financial means.

- Given changing household demographics balanced by future job growth, what distribution of new housing stock between attached and detached might be appropriate for the *Thrive MSP 2040* plan? What level would represent market demand? What level would represent a policy objective?
- The 2030 Regional Development Framework set goals that at least 27 percent of new housing would be in the developed area (including the center cities), 59 percent would be in the developing suburbs, 6 percent in rural centers, and not more than 8 percent in other rural areas. Among the permits issued in 2012, 58 percent were in the developed area (36 percent in the central cities, 22 percent in the developed suburbs), and only 38 percent were in developing suburbs. The share of permits in the developing suburbs has been declining since 2008 when 62 percent of permits were in the developing suburbs. Since adoption of the Framework in 2004, 51 percent of permitted housing units have been for in the developing suburbs.
 - Given changing household demographics balanced by future job growth, what geographic distribution of new housing stock might be appropriate for the *Thrive MSP 2040* plan? What level would represent market demand? What level would represent a policy objective?
- Over half of the building permits in the developed suburbs are in multifamily developments in 10 suburbs.
 - Given that many of the developed suburbs are aging and are in need of redevelopment, do local governments have the redevelopment tools they need?

ADJOURNMENT

Business completed, the meeting adjourned at 6:00 p.m. The next regularly scheduled Community Development Committee meeting will be Monday, June 17, 2013 at the **Maple Grove Government Center**.

Michele Wenner
Recording Secretary