

Minutes of the

REGULAR MEETING OF THE COMMUNITY DEVELOPMENT COMMITTEE

Monday, September 20, 2021

Committee Members Present: Chamblis, Cummings, Johnson, Lee, Lilligren, Lindstrom, Muse, Vento, Wulff

Committee Members Absent: Atlas-Ingebretson

Committee Members Excused:

CALL TO ORDER

A quorum being present, Committee Chair Lilligren called the regular meeting of the Council's Community Development Committee to order at 4:00 p.m. on Monday, September 20, 2021.

APPROVAL OF MINUTES

It was moved by Chamblis, seconded by Lindstrom to approve the minutes of the September 7, 2021 regular meeting of the Community Development Committee. **Motion carried.**

[Click here to view the September 20, 2021 Community Development Committee meeting video](#)

BUSINESS - Consent

2021-247 City of Prior Lake 17944 Revere Way Comprehensive Plan Amendment, Review File 22282-3 (Raya Esmaeili 651-602-1616)

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

1. Authorize the City of Prior Lake to place its comprehensive plan amendment into effect.
2. Find that the amendment does not change the City's forecasts.
3. Revise the *Thrive MSP 2040* Community Designation of the subject area from Rural Residential to Emerging Suburban Edge for the area shown in Figure 2 of the Review Record.
4. Advise the City to implement the advisory comments in the Review Record for Transportation and Forecasts.

Motion carried.

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

BUSINESS – Non-Consent

2021-227 JT SW: Third Quarter Budget Amendment

Finance and Administration Director Heather Aagesen-Huebner presented the Business item to the Community Development Committee.

It was moved by Cummings, seconded by Johnson, that the Metropolitan Council authorize the 2021 Unified Budget amendment as indicated.

Motion carried.

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

INFORMATION

1. **2022 Community Development Operating Budget Update** – Finance and Administration Director Heather Agesen-Huebner presented the information item to the Community Development Committee.

This discussion is part of the 2022 Community Development Division budget development process and is intended to provide Committee members an update on changes from the preliminary to public comment versions on the Community Development Division budget. Ms. Agesen-Huebner discussed the overall 2022 budget timeline, introduced potential strategic initiatives, and identified next steps for continued discussion and decision-making.

Council members asked for a breakdown of the requested 6 FTE's. Ms. Agesen-Huebner confirmed 4 designated for Mobility Demonstration Program and 2 for Emergency Housing Voucher program.

Council members requested an estimate of time demands starting a new program and if the administrative costs worth it. Ms. Agesen-Huebner explained the worth and value of the administrative costs. Ms. Smith commented on the value and the work demands complying to recording and tracking requirements.

2. **Local Housing Incentives Account (LHIA) Affordable Homeownership Pilot** - Livable Communities Director Tara Beard and Housing Planner Ashleigh Johnson presented the information item to the Community Development Committee.

The Livable Communities Act (LCA) includes the Local Housing Incentives Account (LHIA), which provides funds to help participating communities achieve their affordable housing goals.

Since the LHIA was first implemented in 1996, it has been pooled with state and other affordable housing funds through an annual Consolidated Request for Proposals (RFP) that is issued by Minnesota Housing. The ability to partner with other, larger funding sources to layer and award different types of funding can be a valuable tool in simplifying the application process and maximizing project selection; however, it also inhibits the ability to tailor funding decisions to most closely meet Council priorities as the various funding sources often have different goals and requirements.

As staff outlined at the [April 19, 2021 Community Development Committee](#), directly soliciting and awarding a portion of LHIA funding for affordable homeownership funding would allow the Council to target two aspects of a key Council objective from the 2020-2022 strategic plan more explicitly: “(i)ncreas[ing] the rate of homeownership for people of color and indigenous people across the region.” Staff have evaluated affordable homeownership funding data awarded through the Consolidated RFP and engaged LCA participants, affordable homeownership developers, Metro Cities, and the Council's Housing Work Group and Community Development Committee over the last 18 months and determined there is sufficient support for a Council-led subset of the LHIA program to focus on that objective. Since the April conversation with the Community Development Committee, staff have begun designing such a program to pilot as a part of the 2022 Livable Communities Act suite of grant programs.

Council staff introduced the preliminary program design described in the body of this report and sought feedback on the following:

- Are the threshold criteria that determine which cities are “pre-qualified” on target?
- Does the proposed scoring framework accurately capture the intent of the pilot?

- Is there feedback or direction with respect to the pilot funding options?
- What haven't we considered?

Council members inquired into feedback received from cities. Ms. Johnson & Ms. Beard provided information on application periods receiving a full spectrum of reactions, for example the excitement about matches, applauded effort with some hesitancy over staffing and workload challenges.

Another question from Council members was the term of pilot. Ms. Beard confirmed a 1-year 2022 LCA programs available just that year, with a 15-year covenant.

Concern from Council members was expressed regarding unintended consequences. Stating homeownership is not for everyone, increased housing prices, maintenance expenses and how crises disproportionately affect the BIPOC communities. The Land Trust Model was commented as the safest shared risk for homeowners and affordable for the next buyer.

Council members commented on the homeownership guidance for 1st time homeowners helps towards success and understanding homeowners' expectations and if it applied to any units. Ms. Beard confirmed yes.

Council members inquired as to how the eligibility decisions are made. Ms. Beard explained some of the differences, but commented it is similar to the RFP agreements.

ADJOURNMENT

Business completed, the meeting adjourned at 5:30 p.m.

Michele Wenner
Recording Secretary