

Legislative Commission on Housing Affordability Convenes

The Legislative Commission on Housing Affordability held its second meeting this week, and began by selecting two new co-chairs, Senator Kari Dziedzic (Minneapolis) and Representative Jim Nash (Waconia) for the next year. The commission heard updates from builders and cities.

Commission members received an [update on goals](#) since Governor Dayton's Housing Task Force released its report in 2018. That analysis showed a loss of 214,000 affordably priced homes since 2013. It also highlighted how the housing production lag due to the Great Recession in 2008 continues to impact housing supply. The presentation stated the need for increases in state funds to meet new home construction needs across the state, renewing the state's focus on preserving existing homes, increasing construction density through upzoning, and increasing state investments in local housing trust funds. The update also highlighted how median renter incomes have decreased while rent has increased. Wages for in-demand jobs is far below rent for two-bedroom apartments and even further below the salary needed to afford a median-priced home.

A representative from the industry group representing single family, market rate builders, [highlighted](#) the racial homeownership gap in the metropolitan region, the number of new homes built, and repeated claims of how zoning and development agreements impact the costs of their housing product.

The League of Minnesota Cities [presented an update](#) on housing needs and housing product types across the state, including rentals, smaller units (ADUs, tiny homes), senior and veterans housing, rooming houses, student housing, short term rentals, and emergency shelters, as well as single family homes. The League shared support for housing solutions that address this full spectrum of housing, policy and funding that continues to support innovative local efforts instead of preemptive statewide mandates, and solutions that are tailored to unique characteristics and considerations. Locally based considerations were debated in the 2021 legislative session and some progress was made. These included TIF flexibility, a state match for local housing trust funds, and funds for Minnesota Housing's Challenge Program.

A consistent theme heard throughout the presentations was the impact of converting owner-occupied single-family homes into rentals. A concern noted by some speakers was the ownership transfer from local owners to out of state and institutional investors and how that impacts homeownership as a wealth-building tool and how limiting supply of homes exacerbates racial homeownership disparities. Legislators said they were interested in learning more.

Rep. Steve Elkins (Bloomington) [presented](#) a draft bill that includes a range of housing-specific and housing-adjacent proposals. While the entire bill ([language](#) and [summary](#)) proposes drastic changes to long-standing and important city development authorities and regional planning processes, only two transportation policies were discussed at the commission hearing.

Article 1 of the bill provides a process for a city to charge impact fees. The draft bill language differs from Metro Cities-supported and League of Minnesota Cities-supported language included in [HF 527-Masin](#) that authorize municipalities to charge fees for future street improvements (street

impact fees) by providing statutory clarity for cities to provide the requisite infrastructure to serve new development.

Article 2 of the bill authorizes street improvement districts. That article was also included in a stand-alone bill in 2021 in [HF 1565-Elkins](#). Metro Cities supports allowing cities to create street improvement districts and to collect fees from property owners within a district to fund work on municipal streets. This authority would provide an additional tool for cities to build and maintain city streets. Metro Cities [submitted a letter](#) on Articles 1 & 2.

Remaining articles from Rep. Elkins bill will be discussed by the commission at future meetings, tentatively planned for every month leading up to the 2022 legislative session. Metro Cities will continue to provide legislators with feedback as proposals are discussed. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

2021 Policy Committees Wrap up Work

Metro Cities' policy committees have wrapped up work for the year, with third meetings held this week. Thank you to policy committee chairs Jay Stroebel-Metropolitan Agencies, Mike Huang-Transportation and General Government, Lori Economy Scholler-Municipal Revenues, and Tracy Shimek-Housing and Economic Development, and committee members for your work, participation, and input. The policies will be considered by the Board of Directors at their October meeting and adopted by the membership at the policy adoption meeting on December 9. Stay tuned for additional information!

Legislative Commission on Data Practices Holds First Meeting in Two Years

The panel of legislators began its work Tuesday morning by electing Rep. Jamie Becker-Finn chair. Sen. Warren Limmer was elected vice chair. The Department of Administration provided a data practices overview which included a breakdown of various classifications for government data and the distinction between official records and government data. It also explored the various requirements and costs associated with data requests from the public. Click [HERE](#) to view the entire Department of Administration presentation.

The group concluded their meeting with some public testimony and a discussion of future topics members would like to have before the commission. Members suggested a number of issues of interest including consequences for the purposeful destruction of data, timely turnaround on data requests, artificial intelligence, facial recognition technology, consumer data protection, and the regulation of body cameras. Click [HERE](#) to view the hearing in full.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Police Work Group Develops Work Plan

The Metropolitan Council's Metro Transit Police Work Group discussed [this draft work plan and schedule](#) during their meeting on Thursday. The plan organizes meetings by topics such as discussing shared values on safety or considering the perspectives of youth. Members on the group also suggested getting direct feedback from Metro Transit Police officers. Ultimately, this group is tasked with developing recommendations for the full Council by February 28, 2022. Also during Thursday's meeting was a presentation on 21st Century Policing at Metro Transit by Police Chief Frizell. The six pillars of 21st Century Policing are:

- Build Trust and Legitimacy
- Policy and Oversight
- Technology and Social Media
- Community Policing and Crime Reduction
- Training and Education
- Officer Wellness and Safety

Chief Frizell explained the Metro Transit Police Department's efforts in each of these six areas. Finally, council staff provided the work group with public safety approaches used by other transit agencies around the country. Click [HERE](#) to view the slides from Thursday's meeting. Metro Cities will continue to monitor these meetings and will provide updates as the group's work continues. Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Met Council Considers Homeownership Pilot Funding Project

The Metropolitan Council is [considering targeted funding](#) to support homeownership in the metro region, with [details of a pilot project](#) being released. According to a staff briefing to the Community Development Committee this week, the program would award a portion of Livable Communities Local Housing Incentives Account (LHIA) funding for affordable homeownership.

The program would have two priorities: a racial equity priority and a geographic choice priority, both with targeted areas of the metropolitan region. All LCA participating cities would be eligible to apply, however, pre-qualification factors would identify cities that would be automatically considered for funding. Other cities would have to describe how their proposal addresses pilot priorities in a way that aligns with the way pre-qualified cities were determined.

The racial equity priority would create homeownership opportunities for Black, Indigenous, and other ethnic or racial groups that own homes at disproportionately lower rates than white households in the region. Met Council staff have identified 16 cities for the focus of serving these populations. These cities are near or above the regional share of Black and Indigenous residents and residents of color and are cities with higher homeownership disparities across race than the regional average.

The geographic choice priority would create affordable homeownership opportunities in parts of the region where "it is most challenging to do so" according to Council research. Met Council staff have identified 21 cities that could be initially eligible. These are cities with a higher share of single-family homes than the regional average and are cities with a median home sale price more than \$25,000 above the regional average.

Program eligibility was also discussed. To be considered, projects would have to have a dollar-for-dollar local match; provide an affordable homeownership opportunity for a household earning up to 80% Area Median Income; provide a minimum affordability term of 15 years; and must require Home Stretch or similar homeowner education for first-time homebuyers.

Staff is recommending \$2 million in 2022 for the pilot project with an average annual award of \$100,000. The CDC will continue to review the pilot proposal and may include it in the Community Development division's 2022 budget. Metro Cities will continue to monitor this and other CDC budget discussions this year. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Minnesota Main Street COVID Relief Grants Now Accepting Applications

\$70 million in grants is now available for businesses negatively impacted by COVID-19. The funds were authorized during the 2021 legislative session. According to DEED, a significant portion of this \$70 million will be dedicated to helping Black, Indigenous and People of Color (BIPOC) owned small businesses, veteran and women-owned small businesses and small businesses with six or fewer fulltime workers.

Eligible applicants include private for-profit business or nonprofit organization with primary operations located in the state of Minnesota, at least 50% owned by one or more resident(s) of Minnesota, employ the equivalent of 200 full-time workers or less, able to demonstrate financial hardship as a result of the COVID-19 outbreak, and with minimum total sales or revenue of at least \$10,000 for the 2020 or 2019 tax year.

Applicants will receive a grant amount based on the number of full-time equivalent (FTEs) employees on staff.

\$10,000 – 6 FTEs or less.

\$15,000 – Between 7 and 49 FTEs

\$20,000 – Between 50 and 99 FTEs

\$25,000 – Between 100 and 200 FTEs

Applications for the funds will be accepted through September 29. Applicants who have not received assistance through previous relief programs will be prioritized for consideration. These programs include the Small Business Emergency Loan program, the Small Business Relief Grant Program, the Movie Theater and Convention Center Relief Grant program, and the County Relief Grant program. More information is available on [DEED's website](#).

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