

Legislative Commission on Housing Affordability Discusses Home Sales, Demographic Data

The October meeting of the Legislative Commission on Housing Affordability convened this week. The agenda included presentations from the Minneapolis Association of Realtors, Zillow, the Federal Reserve Bank of Minneapolis, and Zonda which provides data to builders and developers.

Presenters shared data on home sales in the Twin Cities 16-county metropolitan statistical area. The representative from Zillow called for upzoning and zoning reform to ease housing shortages, allowing for multiple units and increased density on single family lots. The Realtors highlighted recent home sale data in the metropolitan region and Zonda detailed housing starts data at various price points.

The Fed highlighted their call to increase the volume of construction of new homes to address housing supply and address racial homeownership disparities. The Fed official also called for increased public funding for affordable housing. The Fed will release data on investor-owned homes in the next several weeks. The Fed is also doing a 10-year evaluation of the impact of upzoning in Minneapolis with the baseline report being issued soon. The [presentations are available here](#).

Metro Cities continues to strongly support local decision-making authorities for zoning, planning and land use and opposes efforts to preempt local control. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Frontline Worker Pay Group Meets

The bicameral [Frontline Worker Pay Working Group](#) met for the first time since September 2, 2021. Members heard from Department of Labor and Industry (DLI) Commissioner Robertson on how the administration is preparing to implement a frontline worker pay program once it is agreed upon and signed into law. Robertson said the department is looking at the state of Louisiana as a model. In their August 17th meeting the working group heard from the Louisiana Department of Revenue on the challenges and successes of their program. Most of the Commissioner's remarks spoke to the complexity of their task and that without legislative language to move forward with preparations have stalled. DLI needs more specifics on who will be eligible to design an application and appeals process. When asked about potential timelines, Robertson said that, at best, it will take three months from the moment an agreement is struck to have checks delivered to recipients. It is unlikely that checks will be sent out before this calendar year.

The working group has not reached agreement for several months. Senator Housley, who co-chairs the group, moved to have two proposals adopted as reports and be sent to the full legislature for consideration. The drafted language represents the GOP and DFL/Walz administration positions. The [GOP position](#) focuses its efforts on a narrower set of workers (long-term care, nurses, emergency responders and corrections) with the hopes of delivering higher payments to recipients. The [DFL/Walz administration position](#) includes a broader set of industries,

arguing that in addition to health care workers and emergency responders, those working in food service, retail, and schools should also be given some sort of payment. Click [HERE](#) to view a side-by-side of the two positions which includes other technical differences beyond the included sectors.

Senator Housley's motion failed, and the committee intends to meet again next week. House Majority Leader Winkler encouraged any members with potential compromises to bring them at that time. Click [HERE](#) to view a recording of Wednesday's hearing.

Testimony from Law Enforcement Professionals in Senate

A joint meeting of the Senate Judiciary and Transportation committees was held Thursday morning where members heard from public safety officials to learn what challenges they are facing and what factors they suspect are driving the rise in crime throughout the state. Those testifying include Sheriff Bob Fletcher (Ramsey County), Chief Eric Werner (Maple Grove), Chief Wm. Blair Anderson (St. Cloud), Sheriff Brandon Thyen (Chisago County), and Brian Peters from the Minnesota Police and Peace Officers Association.

One common thread among many of the testifiers was the difficulty law enforcement agencies are having retaining and recruiting officers. Mental health emerged as a top concern and the testifiers called for more funding and training in this area. Chief Anderson added that restrictions on sharing mental health data makes it difficult for police to adequately collaborate with professionals in the mental health and social services arena. Finally, there was a lot of attention paid to the issue of so-called "pretextual" traffic stops. Whether officers should stop motorists for non-safety related vehicle violations (expired tabs, equipment violations) was hotly debated throughout the 2021 regular session. Click [HERE](#) to watch the entire hearing.

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

MHFA Announces Application Process for 2022 4% Housing Tax Credits with Private Activity Bonds (4% Only)

Minnesota Housing is now accepting pre-applications for an allocation of 2022 4% Only Housing Tax Credits (HTC) for projects expected to be financed with tax-exempt volume limited bonding authority from Minnesota Management and Budget (MMB).

Minnesota Housing is encouraging a pre-application process to assist developers with requirements associated with requesting 4% Only HTC (42M). Through this process, Minnesota Housing provides the following information before a request for tax-exempt volume limited bonding authority is submitted to MMB:

1. Preliminary predictive cost model determination (to determine if total development costs are within the model's acceptable range as required by the applicable year's Qualified Allocation Plan (QAP), and/or
2. Preliminary scoring determination (to determine if the project reaches the minimum score of 40 points on Minnesota Housing's Self-Scoring Worksheet in order to move forward in the application process)

4% Only HTC (42M) Application Process

For projects that receive an allocation of tax-exempt bonds from MMB in 2022, a full and complete application must be submitted to Minnesota Housing at least 60 days prior to bond issuance. Full

applications will be accepted after January 11, 2022. Plan to include at least 60 days in your schedule for Minnesota Housing to complete its review after the complete application package is submitted in the Portal.

4% Only HTC Webinar

Minnesota Housing will offer an informational training session for developers, bond counsel, financial advisors, local government staff and others who work with developers on applications for private activity bonds and intend to apply to Minnesota Housing for 4% Only HTC. This training will provide information on Minnesota Housing's review process and an overview of requirements of the [2022-2023 HTC Qualified Allocation Plan \(QAP\)](#) and new [Tenant Selection Plan Guidelines](#).

Monday, November 29, 2021

1:00 - 2:30 p.m. CT

[Register for Webinar](#)

For more information on the 4% Only HTC process:

- Visit the [4% Only Housing Tax Credits webpage](#).
- Sign up for [MHFA's eNews](#) list to receive timely updates on the 4% HTC Only with tax-exempt bonds.

Contact William Price at william.price@state.mn.us or 651-296-9440 with any additional questions.

DEED Launches Cultural Mall Operator Grant Program

DEED, this week, released applications for the Cultural Mall Operator COVID Relief Grant Program. This program is part of the Main Street COVID Relief Grant program approved during the 2021 legislative special session.

It will make grants up to \$300,000 to Minnesota-based operators (not tenants) of privately owned, permanent indoor retail space and food markets that have an ethnic cultural emphasis. A total of \$3 million is available for grant awards. The maximum amount of benefits a tenant can receive is \$25,000 in rent credit or rent forgiveness.

DEED will [accept applications from eligible Cultural Mall operators/owners](#) starting October 18. The deadline to submit an application is November 5 at 4:00 pm.

Zero-Emissions Bus Engagement Opportunity

Metro Transit is hosting two virtual summits on their zero-emissions bus transition plan in November. The dates and times for the summits are:

- Wednesday, November 3, from 12:00PM to 1:30PM. Click [HERE](#) to register.
- Thursday, November 4, from 5:30PM to 7:00PM. Click [HERE](#) to register.

Participants are encouraged to submit questions and share these meeting details with their networks. The virtual summits are part of a larger stakeholder engagement strategy that also includes neighborhood meetings, community group meetings, and the use of social media. The next council presentation on this topic is anticipated in early 2022. Click [HERE](#) to view Metro Transit's presentation slides on their zero-emissions bus plan, which includes information on

electric buses, the transit provider's plans for electrification, as well as equity and environmental considerations.

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

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