



State Budget and Economic Forecast Released

On Wednesday, Minnesota Management and Budget (MMB) released the [November Budget and Economic Forecast](#). This forecast is produced in November and February each year to provide a snapshot of the State's economic picture.

The November budget forecast estimates a budgetary balance of \$616 million in the state General Fund for the FY 2026-2027 (which begins July 1). This balance is \$1.1 billion less than estimates at the end of the 2024 legislative session. The forecast also estimates a projected budgetary balance -\$5.1 billion for FY 2028-2029. There are several reasons for the negative budgetary balance, including a reduced income and sales tax estimates combined with higher projected expenditures for long-term care services and special education. You can view a power point overview of the November forecast [HERE](#).

The 2025 legislative session will begin on January 14, 2025 and establishing a FY 2026-2027 budget will be a key responsibility for state policymakers in the 2025 session.

Community Development Committee Discusses Imagine 2050 Comments

At their meeting on Monday, the Metropolitan Council's Community Development Committee discussed information items relating to the public comments received on portions of the draft regional guide, *Imagine 2050*, including the Vision, Values, and Goals section, Housing Policy, and Land Use Policy.

For each section, staff presented on major themes in comments and proposed areas for potential revision based on the feedback received. A list of who commented and draft documents with proposed revisions were attached in the agenda for this meeting. Public comments for *Imagine 2050* were accepted from August 15 to October 7. Comments across the policy plans came from local governments, state agencies, advocacy groups, and individual residents.

For the Vision, Values and Goals content the comments received reflected general support for this draft content. Some who commented suggested that the areas covered in the document were overly broad and not sufficiently connected to the Metropolitan Council's work.

Under the Draft Housing Policy Plan, commenters expressed support for aligning Council initiatives with local goals. There was also a theme of appreciation for engagement with local agencies and the availability of technical assistance. Housing staff heard in comments the need for clarification regarding density requirements, reporting requirements, and how policies will be implemented. Commenters expressed concerns over a lack of funding for affordable housing and a need to reduce barriers to funding. Council staff is proposing to revise the documents to clarify confusion on reporting requirements and options for cities in implementing the plan. Other changes are proposed to add context and change how the role of the Council is described for certain policy objectives.

For the Draft Land Use Plan the presentation used by Council staff distinguished feedback offered by advocacy organizations from comments received by local governments. Advocacy organizations provided comments supportive of increasing minimum density requirements for climate and affordability reasons. Local government commenters expressed appreciation for flexibility regarding density requirements. Local governments generally were supportive of the Metropolitan Council taking a role in resolving annexation issues, increasing mixed-use development and walkability, efforts to protect natural systems, the goal of increasing diversity in housing type, and more.

A repeated area of concern for local governments related to new minimum density requirements. The Council heard concerns that there would be inadequate infrastructure and services to accommodate required densities, that the requirements would harm community character, that increased density was impractical in the current market and political environment, and a need for more flexibility.

The Council is proposing a change to the community designation of 15 cities, which will have an impact on their required minimum densities. Council staff is proposing to revise the draft documents to clarify flexibility and implementation and clarifying orderly annexation area policies. Staff continues to look to the Council for direction on proposed changes to designations and minimum average density requirements (specifically for the Suburban Edge designation).

The Committee had robust discussion on the proposed policy change in density for the Suburban Edge designation from 3 units per acre to 4 units per acre.

During the meeting, there was significant member discussion on the three policy plan sections presented and Council members acknowledged Metro Cities letter and comments on the *Imagine 2050* documents. Revised drafts with public comments for the Housing Policy Plan and the Land Use Policy Plan will return to the Community Development Committee on January 21st for discussion and review.

During the meeting, Council staff also presented on the funding recommendations for the 2024 Affordable Homeownership Grant program under the Livable Communities Act (LCA). This is the third year that this program is being offered at the Council. \$3 million was available for 2024 grants, and 11 applications were submitted. 10 applications were recommended for funding, including Bloomington HRA, Carver County CDA (Watertown), Eden Prairie, Maplewood, Minnetonka, Roseville EDA, Scott County CDA (Shakopee), Saint Paul, and Saint Paul Port Authority. You can view the presentation with more information on the projects recommended for funding [HERE](#). Next, the funding recommendations will head to the full Council for approval.

Click [HERE](#) to view the full agenda for Monday's meeting, which has links to presentations, public comment information, and proposed revisions.

Regional Solicitation Evaluation Work Continues

The Technical Advisory Committee (TAC) to the Transportation Advisory Board met this week and heard an update on the Metropolitan Council's ongoing work to evaluate the Regional Solicitation and ensure it aligns with the goals, policies, and objectives of the 2050 Transportation Policy Plan (TPP). As part of this effort, stakeholders, TAB and TAC members, Councilmembers and others will be asked to identify a preferred structure for the solicitation process, application categories and scoring criteria, and other application components for future rounds of the regional solicitation.

So far, a before and after study has been initiated to assess the outcomes and benefits of past investments via the regional solicitation. A safety analysis has also been conducted to quantify the

safety benefits of solicitation investments by project type. A pedestrian/bicycle usage study was completed where projects funded in 2014 were measured and compared to better understand which facilities are best at attracting users, with an acknowledgement that quantitative measures might not capture the full impact of a given bike/ped project.

One topic of discussion for this evaluation work is whether to switch from a mode-based solicitation structure (projects applying in road, transit, or bike/ped categories) to a goal-focused structure (projects applying to categories associated with 2050 TPP goal areas). Imagine 2050 has 5 goals: Equitable and Inclusive, Healthy and Safe, Dynamic and Resilient, Climate, and Protect and Restore Natural Systems. It remains to be seen as to whether each of these goals could be their own application category or if some may just be incorporated into scoring criteria. A policymaker workshop is being held in December which will have TAB members, their alternates, and Transportation Committee members attending to discuss the possibility of a goal-focused structure for future solicitations.

This work will continue into Spring 2025 as it moves through various work groups, a technical steering committee, the TAC's subcommittees, and the Transportation Advisory Board. Click [HERE](#) for a link to the presentation from this week's meeting.

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

Openings on Transportation Advisory Board (TAB)

Metro Cities is accepting applications to fill two openings on the Transportation Advisory Board (TAB). The TAB qualifies the region for federal transportation funds and is a participant in processes for transportation planning and funding in the metropolitan region. Municipal TAB appointees must be elected officials. Metro Cities guidelines for appointments require high priority for balance with respect to geography and city size.

There are no term limits, but members are re-appointed every two years and must meet attendance requirements to qualify for reappointment. Guidelines give preference to those who agree to serve on Metro Cities' Transportation Policy Committee.

Applications will be accepted until end of day **Wednesday, December 11, 2024**. Candidates should submit a completed [questionnaire](#), letter of interest and resume to Jennifer Dorn at jennifer@metrocitiesmn.org. Contact Patricia Nauman at patricia@metrocitiesmn.org with any questions.

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