

METROPOLITAN COUNCIL
390 North Robert Street, St. Paul, Minnesota 55101

REGULAR MEETING OF THE COMMUNITY DEVELOPMENT COMMITTEE
Monday, February 4, 2008

Committee Members Present Chair, Natalie Steffen; Richard Aguilar; Georgeanne Hilker; Brian McDaniel; Tony Pistilli

CALL TO ORDER

A quorum being present, Committee Chair Steffen called the regular meeting of the Council's Community Development Committee to order at 4:05 p.m. on Monday, February 4, 2008.

APPROVAL OF AGENDA AND MINUTES

It was moved by McDaniel, seconded by Hilker to approve the agenda. **The motion carried.**

It was moved by Hilker, seconded by McDaniel to approve the minutes of the January 22, 2008 regular meeting of the Community Development Committee. **The motion carried.**

BUSINESS

2008-8 – Recommendations of the Livable Communities Demonstration Account (LCDA) Work Group. Chair Steffen reported that the LCDA Work Group was established in September, 2007 to undertake a thorough evaluation of the LCDA program and make recommendations for the 2008 LCDA grant cycle. She indicated that Work Group members included her and Chair Peter Bell (the group's chair); Council Member Annette Meeks; Livable Communities Advisory Committee Chair Ruth Grendahl, and the advisory committee's Vice-Chair, Dan Marckel. The Work Group met three times in October and November 2007, and twice in January, 2008. Two of the meetings were "listening sessions" at which the Work Group heard from numerous experts on how they would reinvent the program in whole or in part. The Group discussed these ideas, and others suggested by members, and prioritized them. She expressed that staff would continue to work out details while remaining consistent with the charge of the Livable Communities Act.

From the prioritized list of Work Group recommendations, Chair Steffen stated the overview provided on the staff business item.

Allocate \$6 million for the regular 2008 LCDA program in 2008, and include the following three changes in the LCDA program criteria for 2008 and future years:

1. More deeply integrate policies of state agencies into the LCDA criteria.
2. Give bonus points to projects located on transitways identified on the *2030 Transitway System Plan* map.
3. Incorporate the Minnesota Sustainable Building Guidelines to encourage more sustainable development practices, using bonus points or some other method.

Designate a one-time allocation of \$4 million to be used in 2008 and/or future years for a land bank revolving loan program to preserve opportunities for affordable housing.

Chair Steffen invited Joanne Barron, planning analyst, to elaborate on the recommendations. To integrate the LCDA criteria, Barron noted that staff would look to the other state agencies with which the LCDA has its most evident connections such as: MnDOT, DEED, MPCA, Department of Administration, and MN Housing. She explained why the Minnesota Sustainable Building Guidelines were incorporated into the recommendations and discussed the concept about a land bank program using LCDA funds. Barron addressed Chair Steffen's concerns and explained that one of the Work Group's parameters was that these changes not require legislation because it was the committee's intent to implement these recommendations in 2008; however, the land bank program has raised some legal issues. Steffen noted that Chair Bell and Council Member Meeks were very supportive of these recommendations as was she. She also expressed that Chair Bell was hopeful that private partners such as philanthropic groups might be identified to participate in capitalizing the land bank program.

Hilker suggested that the new state office of Energy Security be considered for inclusion as a partner to integrate the LCDA criteria. McDaniel cautioned that the Governor's Office and Mr. Garvey at DEED should be conversed with prior to consideration to ensure these recommendations are applicable. In response to another question, Barron provided an explanation for how these recommendations would be communicated in an understandable manner. Hilker questioned whether the possibility of providing speakers would be of value to communities. McDaniel inquired if any legislative comment had been obtained regarding the bonus points recommended in #2. Discussion followed regarding a perception that larger cities, with larger staffs, may have an advantage in developing better proposals, and Steffen revisited the Work Group's recommendations that pertained to this issue. Chair Steffen concluded by stating that staff would continue to ferret out the details regarding these recommendations and thanked staff and the Work Group members for their very good meetings.

Hilker moved, seconded by Aguilar, that the Community Development Committee accept the recommendations of the LCDA Work Group for incorporation into the LCDA program and the Annual LCA Fund Distribution Plan.

The motion carried.

INFORMATION

2007-341 – Report of Findings From the Diversified Rural Area Group (DRAG). Chair Steffen provided an introductory overview of the group's findings with discussion of a host of problems and timing issues facing different cities. Phyllis Hanson, manager, local planning assistance, reported that the Diversified Rural Area Study Group was formed to evaluate diversified rural policy issues and tasked with providing direction on policy implementation for the *2030 Regional Development Framework's (RDF) Diversified Rural Areas*. Members of the group include Council Members' Steffen, McDaniel, Broecker, and Hilker.

Hanson stated that the work group had been asked to examine four questions:

1. How are Cluster Ordinances and Density Bonuses applied to the policy of 1 unit per 10 acres and how does this impact forecasts and land consumption for future urbanization?
2. When do existing developments get included in the density calculation for sewer areas? Examples: large lots soon to be annexed, large lots with failing ISTS close to future sewer areas
3. Will the Metropolitan Council allow a community to change from Diversified Rural (1 unit per 10 acres) to Rural Residential (2.5 acre lots or less on septic) in their comprehensive plan updates?
4. What is the relationship between Diversified Rural and Long Term Wastewater Service Areas?

Chair Steffen invited Dave Theisen, legal counsel, to the table and questioned whether the four questions aren't really all the same question. Theisen responded that, in order for the Metropolitan Land Planning Act to work the way the legislature intended it, comprehensive plans need to be implemented with complimentary local controls and fiscal devices and agreed that the questions are related. Steffen commented that the committee might consider lumping the four issues stated above if long-term service areas are defined.

Hanson indicated that staff will be developing answers to the following questions:

1. Will the Council enforce its policies by challenging the implementation of ordinances that would allow development that is inconsistent with Council policy?
2. What are the guidelines and parameters for ordinances in the long term wastewater service area that would be acceptable to the Council?
3. Should the Council quantify how much capacity and how much land needs to be set aside for future sewer development in long term service areas? Should areas outside of the long term service area be treated differently than those within the long term service area?
4. Does the Diversified Rural policy of 1 unit per 10 acres work to preserve areas for future urbanization in the long term service area? If not, what steps are needed to ensure that the policy works as intended?
5. What is the role of the transportation system in the rural area? What constitutes a transportation system impact/departure in rural areas?

Hanson noted that the intent is that the DRAG Committee will not meet again, that the Community Development Committee will deal directly with these issues, and that staff from MCES and Community Development will continue to

meet with the communities that have asked guidance as they relate to their specific issues. Steffen inquired if consideration was being given to changing the name—she commented that Diversified Rural 1 and 10 does not do what the committee wants it to do. Steffen further noted that she wouldn't mind referring to this as "Long-Term Service Area" and encouraged staff to address this issue. Guy Peterson, community development director, expressed that staff are developing steps on each of the questions listed. Steffen directed staff to continue to update the committee about how they are going to identify areas for future urbanization other than calling them diversified rural which does not work. Hanson shared that staff is currently working with the city of Hugo and other cities with respect to their comprehensive plan updates.

Interim Forecast Revisions. Todd Graham, research analyst, presented a PowerPoint overview that included the background on the Metropolitan Council's forecasts to 2030 and business rules for forecast revisions, interim revisions to forecasts over the past 12 months, and additional revisions expected through Comprehensive Plan updates. Two handouts were available in the committee packets. Graham noted that the committee directed staff in 2005 to review and validate forecasts in preparation for the comprehensive plan update cycle. The objective in 2005 was to ensure consistency between the forecasts in the regional development framework, the forecasts being used for wastewater planning, and the forecasts found in approved comprehensive plans that had been submitted by the cities in the past. He noted that an ongoing challenge is to maintain that consistency and stated that the forecasts are a quantitative expression of those shared expectations. Graham provided an overview and explanation about the revised forecasts as of January 9, 2008 (as depicted in the handout) in response to committee questions. He concluded his presentation by stating the message is that the Metropolitan Council is flexible, forecasts can be revised if the Council can get to shared, reasonable expectations, and the process in place (due diligence review for forecasts revisions) fits with the importance of forecasts in regional policy. Discussion on general committee questions followed.

Status of 2008 Comprehensive Plan Update Submittals. Phyllis Hanson, manager, local planning assistance, reported that, in December 2007, sector representatives sent a survey to the region's cities and townships which asked the anticipated quarter the 2008 comprehensive plan updates (CPUs) would be submitted to the Council for review. She noted that sector representatives are also visiting the communities that have planning grants. As required by the grants, sector representatives have been through their first initial visit with the communities and, in some cases, are on their second visit. Hanson noted this report presents anticipated submittals dates for the region's cities and townships and that approximately 75% of the CPUs in the region will be submitted in the third and fourth quarters of 2008. Hanson commented that a couple of requests generically have been received regarding how the Metropolitan Council may handle extensions but no specifics in terms about whether they will be requested.

2008 Community Development Work Plan Update. Guy Peterson, community development director, explained that, since the inception of this Council, the committee has adopted a work plan related to its responsibilities for the year, including identification of policy issues. Peterson reviewed several areas of the 2008 work plan. He noted that this committee will be involved in deciding what parameters are acceptable if comprehensive plan extensions are received. Peterson anticipates that the Fund Distribution Plan will be wrapped up in March so that it can move forward to the Council to get the criteria in place as early as April. He reported that staff will continue their work regarding DRAG issues and as well and developing what parameters are needed for cluster ordinance issues. Peterson concluded by stating that he welcomes committee feedback and was available for any questions.

Chair Steffen suggested that staff review the four questions discussed in the DRAG presentation to ferret out specific items that should be included in the work plan, including "Long-Term Service Area," and to also include the question regarding what the committee is going to do about cluster ordinance issues. She encouraged committee members to contact Peterson if they have further suggestions. Peterson responded that a revised 2008 work plan would be brought back to the committee at its next CDC meeting for additional discussion.

ADJOURNMENT

The next meeting of the Community Development Committee is Tuesday, February 19, 2008, due to the President's Day holiday. Business completed, the meeting adjourned at 5:15 p.m.

Respectfully submitted,

Diane Jadwinski
Recording Secretary