

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

REGULAR MEETING OF THE COMMUNITY DEVELOPMENT COMMITTEE
Monday, August 18, 2008

Committee Members Present: Natalie Steffen, Chair; Richard Aguilar; Polly Bowles; Sherry Broecker; Georgeanne Hilker and Brian McDaniel

CALL TO ORDER

A quorum being present, Chair Steffen called the regular meeting of the Council's Community Development Committee to order at 4:00 p.m. on Monday, August 18, 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 Broecker, to approve the minutes of the July 21, 2008 regular meeting of the Community Development Committee with the following change: Committee member Polly Bowles clarified that she attended the July 21, 2008 CDC meeting as a visitor and did not vote in any of the proceedings. Her appointment was confirmed at the July 23 Metropolitan Council meeting, and today is her first official meeting as a member of the Metropolitan Council's Community Development Committee. **The motion carried.**

ANNOUNCEMENT

Chair Steffen announced that Mark VanderSchaaf, Director, Planning & Growth Management, is attending this meeting on behalf of Guy Peterson, Director, Community Development, who is absent.

BUSINESS

2008-81 – Public Hearing: 2009 Public Housing Agency Plan – Public Hearing. Chair Steffen asked Beth Reetz, manager, housing and redevelopment authority, if anyone had signed up to address the committee during the public hearing. Reetz responded, "No." Steffen called to order the public hearing on the 2009 Public Housing Agency Plan. She explained that the hearing today was to provide the public with an opportunity to comment on the proposed 2009 Public Housing Agency Plan for the Section 8 and Family Affordable Housing Programs (FAHP). The PHA plan is a requirement of the U.S. Department of Housing and Urban Development (HUD) for all agencies operating Section 8 and public housing programs. Steffen indicated the proposed 2009 Public Housing Agency Plan has been available for public review for the past 45 days. The public record will remain open until 4:30 p.m. on September 2, 2008; the final version of the 2009 PHA Plan will be presented to the Community Development Committee on September 15 and the Metropolitan Council on September 24, 2008. Steffen asked the committee if they had any questions. Hearing none, she reiterated that comments will be accepted through September 2.

2008-184 – Continuation of Funding – Home Ownership Made Easy (HOME). Beth Reetz, manager, housing and redevelopment authority, explained that the item before them was a request to approve \$200,000 from the HRA operating reserves to continue funding for the Home Ownership Made East (HOME) first time home buyer training and counseling program. Reetz stated that the Council first authorized the development of a first time home buyer counseling program in 2000, using \$150,000 from the HRA operating reserve and \$100,000 from a Minnesota Department of Human Services grant. The continuation of the home buyer education program supports the Council's goal to encourage and expand affordable housing options and, as importantly, greatly increases the HRA's competitive standing when applying for the Family Self Sufficiency Coordinator grant each year. The Family Self Sufficiency Coordinator grant from HUD totals approximately \$65,000 annually. To date, over 190 households have received homeownership counseling through the program, and 33 households have purchased their first homes. Families who complete the homeownership education classes, credit and loan counseling, and mortgage qualification process are eligible for up to \$22,500 in down payment, closing costs, and rehabilitation assistance which is funded by the Family Housing Fund. Reetz reported that the HRA operating reserve level is strong and adequately meets the guideline of meeting 10% of HRA's annual operating budget.

Member Bowles asked about the families that participated in counseling but did not purchase a home and what can be done to increase the number of families purchasing homes. She also asked about whether any benchmarks were targeted when the program was initiated to help evaluate program success. Staff explained the four counseling components and indicated some families think they are interested and ready to purchase a home but, in some instances, the counseling and loan qualifying sessions help them determine otherwise because their income may not be high enough to support the purchase. Chair Steffen noted the information in the business item stating the average amount of rental subsidy received per household each year is approximately \$7,500 while the cost of counseling per household purchasing a home is approximately \$6,666.

McDaniel moved, seconded by Aguilar, that the Metropolitan Council:

Approve the use of operating reserves from the Section 8 program in the amount of \$200,000 for the continuation of the Home Ownership Made Easy (HOME) first time home buyer counseling and training program.

The motion carried.

2008-210 – 2008 Unified Operating Budget Amendment. Terri Smith, HRA assistant manager, stated that the issue before the committee is a request for approval of the amended 2008 Family Affordable Housing Program (FAHP) budget. She explained that the Council owns 150 units of scattered site rental housing in 11 cities across Anoka, Hennepin and Ramsey Counties. Smith further noted that, since the program’s inception, budget deficits have been experienced each year due to insufficient funding at the federal level as well as program uniqueness that causes higher than average operating expenditures. The initial budget that was approved showed a \$185,000 deficit for the program; the amended budget shows the year-end deficit to be \$169,000. Smith explained that the lower deficit is due to higher than projected rental income for the program as well as a grant received from Minnesota Housing for the Preservation of Affordable Rental Investment Fund (PARIF). Smith reported that the higher expense is primarily due to increases in non-routine maintenance expenses during tenancies and at the time of unit turnover. The FAHP currently has a \$1 million reserve which has covered, and will continue to cover, this deficit through the year 2011. Smith expressed that the budget for the program may not be an ongoing issue because staff is asking the Community Development Committee to approve the submission of an application to the U.S. Department of Housing and Urban Development (HUD) to voluntarily convert the FAHP properties from public housing to Section 8 Project Based Vouchers. This change in funding streams will significantly increase the operating revenue available for the properties such that the program will be financially self sustaining in the future. Smith also indicated that this request will be presented to the Management Committee on August 27, 2008, and to the full Council on September 10, 2008, as part of a consolidated request. There were no questions from the committee.

Broecker moved, seconded by Bowles, that the Metropolitan Council:

Amend the 2008 Unified Operating Budget by increasing authorized expenditures and revenues in the Family Affordable Housing Program as follows:

<u>Description</u>	<u>Approved</u>	<u>Revised</u>
Revenue	\$ 841,000	\$1,066,000
Expenses	<u>\$1,026,063</u>	<u>\$1,235,063</u>
Projected Deficit	(\$ 185,063)	(\$ 169,063)

The motion carried.

2008-212 - Family Affordable Housing Program Voluntary Conversion Approval. Chair Steffen provided a brief overview about the committee’s previous discussion about taking the scattered housing sites and turning them into Section 8 housing to avoid the deficit that has been experienced in the past. She explained that this action item allows Chairman Bell to sign the necessary papers to make the application to HUD to complete this conversion. There was no further discussion.

Bowles moved, seconded by Hilker, that the Metropolitan Council:

- Approve the voluntary conversion of the Family Affordable Housing Program (FAHP) units from Public Housing to Section 8;
- approve the submittal of an Inventory Removal Application to the U.S. Department of Housing and Urban Development (HUD);
- authorize the Regional Administrator to execute the Application and other documents associated with the voluntary conversion process including program agreements;
- authorize the Regional Administrator to execute the Application for replacement Section 8 vouchers; and
- authorize the Chair to execute the attached Board Resolution No. 2008-XX approving the submittal of the Application and approving the Voluntary Conversion Plan.

The motion carried.

2008-168 – City of Golden Valley Comprehensive Plan Amendment for the “I-394 Corridor Land Use Study,” Review File No. 16989-15. Denise Engen, senior planner, local planning assistance, provided background information and explained that the Council reviewed the City’s 2020 Comprehensive Plan (Review No. 16989-2) on November 8, 2000. Since then, the City has submitted 12 plan amendments to the Council for review. Engen stated that the *2030 Regional Development Framework* identifies Golden Valley as a Developed Community. The CPA incorporates the *I-394 Corridor Land Use Study* into the City’s comprehensive plan. It affects a 237.40-acre area just north of I-394, extending from approximately Hwy. 100 on the east to Rhode Island Avenue on the west. The City also proposes to change the land use guiding from a variety of land uses, mainly commercial, industrial and vacant/open space, to Mixed-Use. The CPA does not change the City’s forecasts. Engen noted that the proposed CPA conforms to regional system plans, is consistent with Council policies, and is compatible with the plans of adjacent communities. Engen also reported that staff has reminded the city in their comprehensive plan to provide density and housing unit information for all land uses that allow for residential use and to also address I/I. Engen indicated that Joe Hogeboom, City Planner, Golden Valley, was in the audience and available to answer questions.

Chair Steffen inquired if the amendment would affect anything on the Highway 100 corridor. Staff explained that it would not, and there were no further questions.

Hilker moved, seconded by Broecker, that the Metropolitan Council:

1. Adopt the attached review record and allow the City of Golden Valley to put the I-394 Corridor Land Use Study comprehensive plan amendment (CPA) into effect.
2. Find that the CPA does not change the city’s forecasts or wastewater flow projections.
3. Remind the City in its 2030 Comprehensive Plan Update to provide density and housing unit information for all land use categories that allow residential uses.
4. Remind the City to describe activities to identify and reduce sources of excessive inflow and infiltration as a part of the 2008 Comprehensive Plan Update.

The motion carried.

2008-209 – Park Acquisition Opportunity Grant Request for 19 Acre Parcel in Big Marine Park Reserve, Washington County. Arne Stefferud, planning analyst, parks and open space, stated that Washington County has asked for a park acquisition grant to purchase a portion of Big Marine Park Reserve. The parcel is 19 acres that contains a house and a pole barn in the center of the park. Stefferud walked members through a map that outlined the land that the county already owns in addition to land that is still in private ownership within the park boundary. The total cost to purchase the land and related costs are \$555,063, and under the rules for distributing a grant for this program, a grant of \$416,000 would finance 75% of the eligible costs. Stefferud reported that the seller wants to rent back the property for up to five years and that is permitted under this program. The income that the county receives is used to pay the personal property tax and restoration of the site. The county does report the revenue they receive and how they spend it every year. Stefferud walked committee members through the recommendation. He further stated that John Elholm, Parks Director, Washington County, was in the audience if there were further questions from the committee. There was no further discussion.

Broecker moved, seconded by Hilker, that the Metropolitan Council:

Authorize a grant of \$416,297 from the Land Acquisition Opportunity Account in the Park Acquisition Opportunity Fund to Washington County to partially finance the acquisition of the 19 acre Grundhofer parcel for Big Marine Park Reserve.

The motion carried.

2008-187 – Suspension of Comprehensive Plan Amendment Review after December 31, 2008. Phyllis Hanson, manager, local planning assistance, provided background information regarding the timeframe for when comprehensive plan updates are due at the end of 2008. The process has been monitored with the communities, and it is evident that not all comprehensive plan updates will be submitted on time. She reported that, at the June 25 Council meeting, an extension process for communities to utilize if they will not have their plans done by December 31 was adopted by the Council. Hanson noted that Minnesota Statutes directs the Council to review comprehensive plans for compatibility of adjacent communities, consistency with the development framework and it is understood that existing plans may not be compatible or consistent with each other. The proposed actions are to allow a process that the Council adopts for dealing with comprehensive plan amendments that may be submitted after the end of December 31, 2008, prior to any review of the comprehensive plan update. Hanson reported that after December 31, 2008, the proposed action is such that the Council will not accept for review any proposed amendments to existing local comprehensive plans. This review policy will be applied to all communities including those that may have received extensions. The proposed action directs staff to inform communities and to incorporate this policy into the *Local Planning Handbook*. This sets up the process by a procedure that the Council will adopt to not entertain comprehensive plan amendments from communities that have not submitted a complete comprehensive plan that has been reviewed by the Council as required by the decennial review of 2008.

Chair Steffen indicated that this is an effort to avoid the experiences of the last comprehensive plan review process where many comprehensive plans were submitted very, very late. She further noted that she didn't see a representative of Metro Cities (formerly AMM – Association of Metropolitan Municipalities) in the audience today. Hanson commented that Metro Cities Executive Director, Louis Jambois, was informed about this meeting and had responded that he was on annual leave at this time.

Bowles moved, seconded by Hilker, that the Metropolitan Council:

1. Effective January 1, 2009, accept for review only: (1) 2008 decennial plan updates submitted by communities pursuant to Minnesota Statutes section 473.864; and (2) amendments to those decennial plan updates. After December 31, 2008, the Council will not accept for review any proposed amendments to existing local comprehensive plan.
2. Apply the above-described review policy to all communities, including communities that may have received extensions to the comprehensive plan update submission date.

3. Direct staff to inform cities, townships, and counties about this policy and to incorporate the policy into the Council's *Local Planning Handbook*.

The motion carried.

2008-204 – City of Long Lake 2030 Comprehensive Plan Update, Review File No. 20279-1. Jim Uttley, planning analyst, Local Planning Assistance, provided background information including that Long Lake is a small city of about 1,700 people and 700 households. It is expected that 700 people and 350 households will be added (around 200 jobs) by 2030. He walked the committee through several maps. Uttley reported that there were no issues. The findings are that the plan conforms with the systems plans for parks, transportation, including aviation and wastewater, and is consistent with forecasts, water resources management, housing policy and there are no impacts in adjacent communities. He explained the recommendations and expressed that several reminders about different aspects about sending the plan in after it is approved were noted.

Chair Steffen asked about the legal relationship of the Council's authority to review the local Water Resource Management Plan element in the comprehensive plan vs. a Watershed District's authority to review and actually approve the local Water Resource Management Plan. Associate General Counsel Theisen said that he would provide the information to committee members before the Council meets to consider action on this Comprehensive Plan Update.

Hilker moved, seconded by McDaniel, that the Metropolitan Council:

1. Authorize the City of Long Lake to put its 2030 Comprehensive Plan Update into effect without any plan modifications;
2. Remind the City that after it adopts its Water Resources Management Plan (WRMP), a final copy needs to be forwarded to the Council for Council records together with the dates that the watershed district approved the plan and the city adopted the final plan.
3. Remind the City to submit a copy of the City Council Resolution adopting its Update to the Council for its records;
4. Remind the City that Minnesota Statutes 473.864 require it to formally adopt the Comprehensive Plan, along with any required modifications, within nine months after the Council's final action and require the City to submit two copies of the adopted Plan to the Council in a timely manner; and,
5. Remind the City that it is required to submit any updated ordinances and controls intended to help implement the Plan to the Council upon adoption.

The motion carried.

INFORMATION

Statewide Conservation Plan. John Shardlow, Bonestroo, stated that the Metropolitan Council's Regional Administrator, Tom Weaver, was part of a committee that he chaired, and that Weaver had asked him to give an abridged overview about the Minnesota Statewide Conservation and Preservation Plan. He explained that this PowerPoint presentation was being given on a voluntary basis and noted that no budget existed for handouts. Shardlow expressed that, in his opinion, this is the most comprehensive inventory and assessment of our state's natural resources that he has seen in his 30 years of experience. It was broken up into a number of different categories: land and aquatic habitat conservation, land use practices and energy production use and mercury. The study made recommendations that came into these categories. Some of the recommendations speak directly to gaps which was called knowledge infrastructure. Sharlow focused his presentation on the committee he chaired about land use practices products including key trends about shared land use, population growth, transportation, agricultural land use and forestry land use. He noted that all of this information is available on the web at the University of Minnesota and also at the LCCMR.

Chair Steffen expressed that this was a good time for this study to come up and thanked the broad section of folks who collaborated on this study for their work. She indicated that she hopes this data comes to the attention of the people doing planning. Shardlow commented that when there is good environmental information to share with folks, they make good decisions. Committee discussion and comments followed. Chair Steffen thanked Shardlow for this very interesting presentation.

Update on the Flexible Residential Development Ordinance Guidelines – Interaction with Stillwater Township.

Chair Steffen apologized to those who served on the Rural Issues Committee. It was brought to staff's attention that when mailings were done, Stillwater Township was inadvertently omitted from them. She reported that staff has since met with Stillwater Township to give them an opportunity to respond that they are, indeed, in the metropolitan area, which they are, and we were apologetic for the omission.

Phyllis Hanson, manager, local planning assistance, stated that this item came before the committee on July 21 with proposed recommendations. Staff is not making any recommendations to change that. Staff met with Stillwater Township and the Planning Commission. The main concern they had was in the fact that the long-term service area indicated an area within their township that needed additional study and that it had been a few years since we had been out to see them to discuss continuing that study. Our Environmental Services staff is following up and will be looking at further study in the St. Croix Valley area and looking at a more general area that will be defined as we go through the study and the fact that these proposed ordinances would only apply to those areas once we define the long-term service area. She called the committee's attention to the paragraph that was added to the business item under Known Support / Opposition that basically says the Metropolitan Council has agreed that the potential long-term wastewater service area of the St. Croix Valley Wastewater Treatment Plant will be studied and revised as appropriate prior to or in conjunction with the Council's review of the comprehensive plan updates from Baytown, Grant and Stillwater Townships. Hanson noted that the proposed Flexible Residential Development Guidelines will be applied to these communities upon the Council's completion and revisions to the long-term wastewater service area of the St. Croix Valley plant. Hanson reported there is no recommendations to change the item or the recommendations, however, to acknowledge this interaction did take place between the Council's Environmental Services staff and Stillwater Township. This item will be presented on the next Metropolitan Council's meeting agenda as proposed at the last meeting. There was no further discussion from the committee.

ADJOURNMENT

Mark VanderSchaaf informed members that the Tuesday, September 2, CDC meeting following the Labor Day holiday will likely be canceled. He noted that an official meeting cancellation will not be mailed until approximately August 27. The next regular meeting of the CDC would then be Monday, September 15, 2008, at 4:00 p.m. in the Council Chambers.

Business completed, Chair Steffen adjourned the meeting at 5:20 p.m.

Respectfully submitted,

Diane Jadwinski
Recording Secretary