

**METROPOLITAN COUNCIL  
390 N. Robert St., St. Paul, MN 55101**

**MEETING OF  
LAND USE ADVISORY COMMITTEE  
May 17, 2012**

**COMMITTEE MEMBERS PRESENT:** Jon Commers, Andy Hestness, Bill Neuendorf, Chip Halbach, Kim Kang, Amy Ihlan, Kristina Smitten, Kathi Hemken

**ABSENT:** Elizabeth Kautz, George Johnson, Elizabeth Wefel, Scott Hoke, Jon Ulrich, David Elvig, Tami Diehm, Gregory Boe, Phillip Klein, Kerrin Swecker

**CALL TO ORDER**

Chair Commers called the meeting of the Land Use Advisory Committee to order at 4:05 p.m. on Thursday, May 17, 2012.

**WELCOME**

Commerz introduced new member, Kathi Hemken, who will be serving in District 6. Hemken is an elected official – Mayor of New Hope. Committee members introduced themselves and noted the areas they represent.

**APPROVAL OF AGENDA AND MINUTES**

With no quorum present the May 17, 2012 agenda was accepted by consensus, however, the motions to approve the January 19, 2012 and the March 15, 2012 minutes were tabled until the next meeting.

**BUSINESS:**

**LUAC Report to Community Development Committee on April 16 – Jon Commers**

Commerz discussed the report given to the Community Development Committee (CDC) on April 16, 2012. He noted that Chip Halbach and Kristina Smitten were both in attendance and thanked them for their participation. He stated that the feedback from the CDC was positive. Updates to the CDC will be provided three times a year. Commers encouraged LUAC members to contact Council Members directly if they are so inclined.

Commerz discussed the Council's work on Thrive MSP and stated he feels this committee will be valued in that dialogue. He noted that he is looking for feedback from elected members, especially regarding forecasts.

Commerz discussed 'Reality Check' and encouraged members to be involved. He invited Libby Starling to speak more about this. Libby Starling, Research, stated that 'Reality Check' is an event sponsored by Urban Land Institute Chapters that has been done in other parts of the country. The idea is to bring a cross section of communities together to talk about vision for the region through the Thrive MSP 2040 Plan (formerly Regional Development Framework). They are looking for 1/3 elected, 1/3 non-profits, and 1/3 business community representatives. There is a plan sponsored by the Urban Land Institute, Greater MSP, and the Metropolitan Council to do what they're calling 'Reality Check 2.0' in the Twin Cities region. They'll be looking at the plan conceptually as well as looking at what it takes to do the implementation of a plan and some of the roles all the different players in the regional conversation need to have. In the overall work of the Thrive MSP 2040 Plan, they're envisioning the 'Reality Check' to be a key piece of its overall development.

Starling discussed the reasons for including the LUAC in this process as they represent elected officials, non-profits, as well as the business community. She asked if the LUAC would be willing to be the beta event for Reality Check.

Commerz discussed the diversity of this group and felt it would make an excellent 'beta test.'

Halbach stated that he felt there was an obvious gap in participation of the business community.

Hemken stated there needs to be more diversity, i.e., people of color.

Starling discussed the timeline. The test will be in January with the full event rollout in late February/March.

### **Regional Forecasts – Libby Starling, Todd Graham and Dennis Farmer, Research**

Starling gave an update on where we are with regional forecasts and local forecasts and gave background on why we do forecasting.

Graham discussed the preliminary forecast to 2040 as outlined in the PowerPoint provided, including forecasts for population, households and employment. He discussed the components of population growth including natural growth, international migrants and domestic migrants.

Graham discussed the breakdown of population by race and ethnicity by age (age distribution by male vs. female) for white non-Hispanic people and people of color. He then discussed the forecasted mix of households by household type and also growth of households – expected to grow 41%.

Graham discussed forecasting methods, as outlined in the PowerPoint provided. He noted that Remi PI does not forecast households – for that they used a model called Profamy.

Starling discussed the key implications for our regional policy. Two thirds of the net household growth will be among households without children. She noted that over ½ of new households will have only one income. She stated that another key piece is that by 2040 the senior population will double – more people age 65 and above than children age 14 and under.

Farmer gave an update of local forecasts model (four models that work together) as outlined in the PowerPoint provided. He discussed the progress since the last meeting where we have gone from the calibrated model to validation to sensitivity tests. He discussed what was learned as well as the next steps – to rerun the calibration and evaluate the results.

Farmer discussed the Phase 1 model and refinements to give us a realistic forecast out to 2040 and also alternative approaches – forecasts for comparison.

Farmer discussed the preliminary forecast timeline as outlined in the PowerPoint provided.

Kang asked about the data on populations with disabilities. Graham responded that their forecast model does not have this as a projection. Kang stated that the adult autistic population will be a big change in the next 10-15 years. She noted there will need to be affordable housing for people with this disability as well as access to transportation.

Neuendorf asked about the two phases of local forecasting – planning area (developed, developing, rural) vs. local forecasts – which comes first. Farmer stated the planning areas come first and will be used in looking at larger regional policies and how they affect the distribution of people and jobs in larger areas of the region.

Neuendorf stated he feels this is critical and asked who is vetting those scenarios and what the public process is. Starling responded that there will be multiple iterations between outreach/engagement prior to policy development. Feedback from the 1<sup>st</sup> phase of outreach/engagement will form the alternative scenarios. She stated the overall plan is for lots of opportunities for public engagement/input.

Hemken referred to the employment forecast growth numbers and asked if exports were added to 2020 forecasts. Graham stated the model was based on simulation of industry growth that's expected in the region and growth premised on the competitive position of this economy compared with other parts of the nation. He noted that we do export in this part of the country, so production for export is part of the gross metro product.

Hemken referred to the component of population growth and asked what makes us think that domestic migrants would be less in 2011-2020. Graham responded that the population part of the economic model is the population and labor force responding to the expected or projected economic conditions in the region. Therefore, we are projecting that we will have economic growth in this region that we did not have in the previous decade, and that growth will pull in people looking for employment or business opportunities.

Hestness asked about the land use component and regional allocation – what are inputs/outputs – will the model indicate where we expect growth. Farmer stated that the model looks at each zone based on how attractive that zone is (i.e., transportation accessibility, neighborhood characteristics, etc.) and forecasts accordingly. It doesn't look at zoning.

Halbach asked what percent of increased population would not have incomes that would enable them to be served by market rate housing. Starling responded that they can't use the model to look at this exactly – it doesn't work in 'real dollars.' We can look at where housing costs are higher and where they're lower. We do have a 'market based' model, so it will give options.

Halbach asked what relative portion of the whole won't be able to participate in market housing. If it's a huge number – will it affect public policy? Graham stated that in the region-level modeling, we have not forecast for median income in the future. He noted, looking at data sources, we do not get a good picture of senior citizen income levels.

Commers stated that the transportation - employment - housing connection is powerful. He asked, like transportation elements used for scenario testing, can we evaluate the impact of fiscal constraints on the public sector? Will this model allow us to get into this? Farmer stated that transportation scenarios would be an input to the land use model. He stated if we have a scenario where we don't build transportation and highways, we would see changes in where people live and work in the model, and in turn, that transportation model would show higher levels of pedestrian traffic, greater trip delay, etc. Conversely, where we build more, we could show how that would affect where people live. He noted that we have to choose a transportation scenario, and in doing so, we could look at how the region would respond based on what we chose to do.

Graham stated for clarity that none of the models discussed today are fiscal capacity or budget projection models.

Commers stated one of the five questions he will always hear is how is this going to get paid for.

### **Local Planning Assistance Fund – Guy Peterson, Community Development, and Phyllis Hanson, Local Planning Assistance**

Peterson and Hanson did a presentation on the Planning Assistance Fund and noted they are looking at converting what is presently a planning assistance loan program to a planning assistance grant program. This was brought to the Community Development Committee (CDC) in April. They are looking for feedback from this group.

Peterson noted that the last Local Planning Assistance Loan Guidelines were last updated in March of 2005. He gave a brief history of this program as outlined in the handout provided. He noted that there are two different funds now and they would like to combine them into one fund.

Peterson stated that very few loans have been given over the years (only 13 in the last 8 years). Communities are not interested in loans that must be paid back. They would like to take funds and convert them to a grant program rather than a loan program. He stated they would like to reserve \$300,000 of \$1,084,000 in the fund to keep growing the fund. Staff are suggesting a maximum grant amount of \$40,000 with a 25% local match. There would be a one-year grant term (with an option of extending the grant another year, if needed). The overriding requirement of using these dollars would be that it must end in a local comprehensive plan amendment or update. Peterson noted that they have thought of this as being a 'pipeline' process.

Peterson reviewed some questions sent by Neuendorf. First, how many cities will need significant changes to their comp plans? Peterson responded that this isn't really the issue; however, there are some communities with some planning needs that they would like to engage in. Hanson discussed the example of Hassan and Rogers that are merging and therefore have to redo their plan. She also discussed many of the advisory comments that do not require a community to modify their plan, however, when doing an amendment, this fund allows them an opportunity to address those suggested items.

Peterson read the next question – are the needs to change the current comp plans in the spirit of the current direction of the Met Council? He responded that the expectation would be that any changes that a community is making would be consistent with adopted regional policies and our systems plans.

Peterson read the third question of Neuendorf. With anticipated strong demand for these grants, how will awards be prioritized? Peterson noted that they are open to suggestions and stated that their thought was to do it as a pipeline process meeting specified criteria. He stated that they would be open to having the CDC and the Council outline some priorities and gave a few examples:

- Responding to system plan changes
- Advancement of affordable housing
- Advancement of transit oriented development
- Comp plan changes associated with gaining employment in a community or the region

Hanson discussed the history of the success of the distribution of funds in the past. When needs arose a community would ask for available funds.

Neuendorf asked when the next round of comp plan updates will be due. Staff responded they are due at the end of 2018.

Neuendorf suggested that with a pipeline approach, the first request may not be the highest priority for the region, so he feels it would be helpful to identify priorities. This will give an incentive and encouragement to local communities to take that next step. He stated that minor updates may not be the best use (or value) of the funds.

Hemken asked when the funds will be available. Peterson stated possibly by the end of the year. Hanson stated that the funds are there – it will depend on how quickly discussions can happen. She stated that staff are meeting with Metro Cities next and then it will go back to CDC and then to the Council.

Neuendorf asked will small area plans be eligible. Peterson responded yes, any comp plan amendment would be eligible.

Neuendorf asked, is this the best time for such grants. Peterson stated that we do have the funds available and believe that communities could benefit. Hanson added that the Council has been asked repeatedly if there is any money, so they know there is a need.

Neuendorf asked would it be better to wait for Thrive MSP to be complete (in 2014) or after population projections are released. Peterson responded that he doesn't see a benefit to waiting and noted that the needs are current.

Smitten asked where the funds come from and how are they regenerated. Peterson stated that much is earned income and he is not sure where it all came from or that we'll get more.

Smitten stated she is concerned with where future funds will come from. She discussed the past where communities would have to show a need for funds and this was a challenge. She is concerned that smaller changes would not get funds, but still have a need.

Peterson talked about fiscal well being that was looked at in the past.

Ihlan suggested rounds of funding, rather than a pipeline. This may help with prioritizing. She asked will there be a way to ensure that the money is used for planning – can we ensure that plans are implemented. Hanson stated this would be really difficult to police.

Halbach stated that the local match will help communities to take this more seriously. Peterson stated that they've considered making the local match requirement higher than 25%.

Halbach stated that his hope is that these funds would go to communities with negotiated housing goals. He also felt that this fund should help support the event of multiple jurisdictions working together (as in the example of the merger between two cities) in a way that saves resources.

#### **NEXT MEETING**

July 19, 2012 - 4:00 pm at the Metropolitan Council in Room LLA. There will be a discussion focusing on outreach for Thrive MSP.

#### **ADJOURNMENT**

The meeting adjourned at 5:55 pm.

Respectfully submitted,  
Sandi Dingle, Executive Secretary