

METROPOLITAN COUNCIL
390 Robert Street N., St. Paul, MN 55101-1805
MEETING OF THE COMMUNITY DEVELOPMENT COMMITTEE
Monday, September 17, 2007

Committee Members Present: Sherry Broecker, Georgeanne Hilker, Annette Meeks, Vice-Chair; Kris Sanda, and Natalie Steffen, Chair

CALL TO ORDER:

A quorum present, Chair Steffen called the meeting of the Community Development Committee to order at 4:10 p.m. on September 17, 2007.

APPROVAL OF AGENDA & MINUTES

Steffen suggested moving 2007-21 – City of Oak Grove Comprehensive Plan Amendment, Gardas Grove, 2nd Addition, Review File 17096-24 to be heard as Item #1 since a landowner was in the audience and had a long way to go home.

Sanda moved, seconded by Meeks, to reorder the agenda of the September 17, 2007, Community Development Committee to hear Item 2007-21 first. Motion carried.

Sanda moved, seconded by Broecker, the minutes of the August 20, 2007, Community Development Committee. Motion carried.

BUSINESS

Consent List

The consent list items were moved by Meeks and seconded by Broecker. Motion carried.

2007-125 – Public Housing Agency (PHA) Plan Approval.

That the Metropolitan Council: Approve the attached Public Housing Agency Plan (PHA Plan) for 2008, authorize the Metropolitan Council Chairman to execute the required certifications and direct staff to submit the final Plan to the U.S. Department of Housing and Urban Development (HUD).

2007-271 – City of Inver Grove Heights Comp Plan Amendment, Twin City Marina, Review File 18495-35.

That the Metropolitan Council:

1. Allow the City to put the CPA into effect contingent upon the Minnesota Department of Natural Resources (MDNR) review and final approval.
2. Find that the proposed CPA is not inconsistent with Executive Order 79-19.
3. Forward the CPA information and the Metropolitan Council's findings and recommendations to the Minnesota Department of Natural Resources (MDNR) for approval.
4. Advise the City to include a copy of the final adopted local surface water management plan as a 2008 comprehensive plan component.
5. Not change the City's system statement forecasts.

2007-286 – Gateway Land Use & MUSA Addition CPA Cottage Grove, Review File 18170-12.

That the Metropolitan Council:

1. Allow the City of Cottage Grove to put the Gateway Land Use and MUSA Change comprehensive plan amendment into effect with no required modifications; and
2. Require the City to participate in the Council's plat monitoring program.

Non-Consent List

2007-21 – City of Oak Grove Comprehensive Plan Amendment, Gardas Grove, 2nd Addition, Review File 17096-24.

Victoria Dupre, senior planner, briefed members about the City of Oak Grove located in northern Anoka County, and the history of this amendment. The *2030 Regional Development Framework* designates Oak Grove as a Diversified Rural community.

The Council received the City's proposed Gardas Grove 2nd Addition comprehensive plan amendment (CPA) on November 16, 2006. The CPA site is outside of the proposed long-term wastewater service area.

Meeks commented on the proposed action language, indicated that she understood the technical aspects, but requested that future language be expressed in a more straightforward manner. Phyllis Hanson, manager, local planning assistance, explained that the language reflects statutes and legal language for standard reviews that has been set. Meeks suggested that "not more likely than not" be in quotes and the word "a" be added before the words substantial departure.

Sanda then questioned Chair Steffen on whether she agreed with the staff recommendation, and Steffen replied, "I do."

Sanda moved, seconded by Meeks, that the Metropolitan Council take the following action:

1. Find that the proposed Gardas Grove 2nd Addition CPA is a) inconsistent with the 2030 Regional Development Framework policies, b) is not more likely than not to be substantial departure or impact on regional systems plans.
2. Allow the City of Oak Grove to put the CPA into effect with no required plan modification.

Motion carried.

Chair Steffen asked Jeff Gardas if the Community Development Committee's discussion had addressed his questions. Mr. Gardas replied, "Yes," and thanked CDC members.

Next, Guy Peterson, director, community development, took the opportunity to welcome and introduce new staff. Diane Jadwinski, new CDC recording secretary, replaces Karen Patraw. Jan Bourgojn replaces Diane Jadwinski as a senior administrative assistant for Housing and Livable Communities.

2007-187 - Murphy Hanrehan Park Reserve Master Plan, Three Rivers Park District.

Jan Youngquist, senior planner, presented an overview that Three Rivers Park District submitted a master plan for the Murphy Hanrehan Park Reserve for Metropolitan Council review and approval. Murphy-Hanrehan Park Reserve is located in the northeastern portion of Scott County, within the city of Savage and Credit River Township, as well as in the western portion of Dakota County within the cities of Burnsville and Lakeville. The master plan emphasizes the wilderness role of the park reserve in the regional park system, provides long term guidance for natural resources management and recommends recreational development that is appropriate to the park reserve's semi-primitive setting.

The *2030 Regional Parks Policy Plan* requires that master plans include information on 11 items reviewed in the "analysis section" below. It also requires that sufficient information be included on the estimated cost of the acquisition and development proposed in the master plan. This review concludes that the Murphy Hanrehan Park Reserve master plan contains sufficient information to meet the requirements of the *2030 Regional Parks Policy Plan* and that it is generally consistent with the requirements of the plan. It also concludes that the plan has no impact on other Council regional system/policy plans.

The total estimated cost to implement the master plan is \$6,097,000 in 2007 dollars. Approval of this master plan does not commit the Council to any funding at this time. Future development funding based on this master plan would be done through the Regional Parks Capital Improvement Program (CIP). Council action is required to approve the CIP and to approve specific grants to Three Rivers Park District.

Steffen pointed out that there was not a quorum of the Metropolitan Parks and Open Space Commission. However, the attending Commission members unanimously approved the recommendation as presented to the Community Development Committee below.

Steffen invited discussion and, hearing none, called for a motion.

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

Approve the Murphy-Hanrehan Park Reserve Master Plan (Referral No. 20010-1), subject to the following revision on page 21 of the master plan:

Replace the following sentence:

“Three Rivers Park District will work with Scott and Dakota Counties to accommodate regional trails with the understanding that paved trails should be located on the periphery of the park reserve pursuant to this master plan.”

With:

“Three Rivers Park District will work with Scott and Dakota Counties to accommodate regional trails.”

Motion carried.

2007-266 – Mississippi River Regional Trail – North Alignment Master Plan.

Jan Youngquist, senior planner, presented information that Anoka County submitted a master plan for the north alignment of the Mississippi River Regional Trail for Metropolitan Council review and approval. The Mississippi River Regional Trail will follow the Mississippi River from the southernmost Anoka County border in Fridley to the Sherburne County border in Ramsey. This master plan for the northern alignment of the regional trail consists of approximately 10 miles, which will bring the total trail length to 24 miles once developed.

The *2030 Regional Parks Policy Plan* requires that master plans include information on 11 items reviewed in the “analysis section” below. It also requires that sufficient information be included on the estimated cost of the acquisition and development proposed in the master plan. This review concludes that the Mississippi River Regional Trail North Alignment master plan contains sufficient information to meet the requirements of the *2030 Regional Parks Policy Plan* and that it is generally consistent with the requirements of the plan. It also concludes that the plan has no impact on other Council regional system/policy plans.

The total estimated cost to implement the master plan is \$1,555,630 in 2007 dollars. Approval of this master plan does not commit the Council to any funding at this time. Future development funding based on this master plan would be done through the Regional Parks Capital Improvement Program (CIP). Council action is required to approve the CIP and to approve specific grants to Anoka County.

There was not a quorum of the Metropolitan Parks and Open Space Commission. However, the attending Commission members unanimously recommended approval of the master plan. Steffen indicated a one-page clarification was distributed to change staff language from “recommendation” to “suggestion” and called for further questions.

Broecker questioned the discussion of porous asphalt as being a possibility for the trail system. Youngquist responded there was some discussion of whether Anoka County had used porous asphalt before, and they had not. Anoka County said that they would definitely consider it during development, so the Parks and Open Space Commission brought that forward as a suggestion. Broecker further questioned the cost of using porous asphalt. Youngquist responded that the cost of using this material was unclear at this time.

Sanda expressed that the chart on page 6 talks about the city of Ramsey and the city of Anoka, and further commented about each of the cities population expectations in the year 2030.

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

1. Approve the Mississippi River Regional Trail North Alignment Master Plan (Referral No. 20057-1).
2. Require that prior to development of new trail segments, final plans be sent to Metropolitan Council Environmental Services for review and comment to ensure the integrity of the interceptor system.
3. Suggest that Anoka County consider the use of porous asphalt in the construction of the trail system to allow for proper runoff drainage, storage and infiltration.

Motion carried.

2007-302 – Adoption of Payment Standards for Section 8 Housing Choice Voucher Program.

Beth Reetz, manager, housing and redevelopment authority, expressed that the Metropolitan Council annually reviews and adopts Payment Standards to be used in the administration of the Section 8 Housing Choice Voucher Program. The payment standards are used to calculate the maximum monthly subsidy for an assisted family. Payment Standards must be set at amounts that assure a sufficient supply of rental housing is available to program participants. To accomplish this objective, payment standards should be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible with limited funding.

Payment standards are limited by Fair Market Rent (FMR) limits published annually by HUD for each metropolitan areas and/or county. By federal regulation, the Metropolitan Council is authorized to establish Payment Standards at amounts not less than 90% and not more than 110% of the published FMRs without HUD approval. The level at which HUD sets FMRs is expressed as a percentile point within the rent distribution of all standard-quality rental housing units occupied by renter households who moved to their present residence within the past 15 months. (Public housing units and units less than 2 years old are excluded.) During the 30-year history of the program, HUD has shifted the percentile point within the rent distribution of units for the Minneapolis St Paul Metropolitan area between the 40th, 45th and 50th percentile. Currently, HUD has established the FMRs for this metro area at the 40th percentile.

New FMRs are published annually effective October 1, 2007. The proposed FMRs for Federal Fiscal Year 2008 have gone down slightly. To ensure the Payment Standards adopted by the Metropolitan Council are within the established ranges, slight reductions are necessary. The following Payment Standards by bedroom size are recommended.

Chair Steffen called for questions. Sanda asked for clarification about the payment standards used to calculate the maximum monthly subsidy for an assisted family. Is this the amount that the agency pays towards the rent? Reetz explained that the Council uses the formula as a baseline amount, but what is deducted from it is 30% of the family’s monthly adjusted income. We start with the payment standard, subtract what the family is able to pay based on their income, and the remainder is the amount that the Council pays towards the rent.

Sanda moved, seconded by Broecker, that the Metropolitan Council: Adopt amounts listed below, as Payment Standards for the Federal Section 8 Housing Choice Voucher Rent Assistance Program effective October 1, 2007:

	Recommended	Current	Change	Previous	New	% of	# of	% of
	Payment Standards	Payment Standards		FMR	FMR	FMR	Families	Families
0 BR	\$600	\$ 586	+\$14	\$ 600	\$ 593	110%	0	0%
1 BR	\$768	\$ 729	+\$39	\$ 707	\$ 699	110%	2190	36%
2 BR	\$932	\$ 933	-\$1	\$ 858	\$ 848	110%	2071	34%
3 BR	\$1221	\$ 1,230	-\$9	\$ 1,123	\$ 1,110	110%	1373	23%
4 BR	\$1371	\$ 1,383	-\$12	\$ 1,262	\$ 1,247	110%	346	6%
5 BR	\$1577	\$ 1,590	-\$13	\$ 1,451	\$ 1,434	110%	72	1%
6 BR	\$1783	\$ 1,798	-\$15	\$ 1,640	\$ 1,621	110%	11	0%

The recommended Payment Standards represent a slight increase for 0 and 1 bedroom units and slight decreases for 2, 3, 4, 5, and 6 bedroom units. The recommended standards all reflect the maximum allowable range increase (110%) applied to the FMRs. This is necessary to ensure a sufficient supply of rental housing is available to program participants so they may successfully utilize their Section 8 Voucher. Average rents increased 2.4% in 2006 and have increased 2.7% through second quarter 2007. Second quarter 2007 average vacancy rates in the metro area fell to 3.9%, down from 4.8% second quarter 2006, according to information from GVA Marquette Advisors. Vacancy rates of 5% reflect a balanced or healthy market. Continued measure on the rental housing market is expected with continued slack in demand for home purchases and increases in foreclosures.

The recommended payment standards are low enough to enable the Metropolitan Council to continue to assist the maximum allowable number of households with existing funding levels and high enough to provide a sufficient supply of rental housing to program participants to assure continued program success. Staff recommends the Metropolitan Council adopt the payment standards for the Section 8 Housing Choice Voucher Program.

Motion carried.

2007-308 – Planning Area Designation Change Process.

Phyllis Hanson, manager, local planning assistance, stated that some communities within the rural and developing planning areas have requested clarification of the preferred process for changing their planning area designation. The *2030 Development Framework (DF)* anticipated this potential and spoke to the issue in *Chapter 3 Strategies for Geographic Planning Areas*.

The Council also included language in the System Statements of communities where the planning area may be more appropriately changed through the planning process. Council staff recommends that the planning area change for Oak Grove and for any other jurisdiction be accomplished through the 2008 Comprehensive Plan Update.

Chair Steffen called for questions. Meeks inquired what if the scenario called for a change in designation. Phyllis Hanson responded, that if that occurred, they would come in with an amendment to their comprehensive plan. Chair Steffen commented that the rural issues committee met just before the CDC today, and staff have done the work in the environmental services area.

Hilker moved, seconded by Sanda, that the Metropolitan Council: Adopt the following recommendation:

1. That a change to a community's planning area designation be administered through the 2008 Comprehensive Plan Update review process.
2. That to consider a planning area change, the 2008 Comprehensive Plan Update needs to include background documentation and be consistent with 2030 Development Framework policies and Systems Plans to support the change in planning area.

Motion carried.

2007-208 – Proposed Revisions to Livable Communities Program Grant Administration Procedures – Changes to End Projects.

Guy Peterson, director, community development, asked Jan Gustafson, manager, housing and livable communities, to join the committee for this discussion. He stated that, at the CDC meeting on June 18, 2007, Livable Communities staff requested that the committee endorse administrative procedures setting parameters within which grantee-requested amendments to end projects for which LCA funding was awarded would be authorized. He further explained that these changes were in large measure being driven by the current real estate slump, and that at the August meeting, at new Chair Steffen's request, a general discussion of this topic continued without consideration of any specific proposals from staff regarding possible approaches. Discussion concluded with a request from Council Member Pistilli that staff propose a process for grantees to amend their projects, including a step of ratification by the CDC.

On the 17th, staff presented a three-step process that will determine whether the requested amendment is a significant change, evaluate any proposed amendment deemed significant to determine its compliance with account-specific conditions, invite the grantee to present the proposed amendment to a Community Development Committee Review Panel comprised of three CDC members (at which time staff will also present a report on its review of the amendment), and bring the Review Panel's recommendation regarding disposition of the request to the CDC for action.

During discussion of the item, staff responded to questions about the length of time a grantee is entitled to the grant funds awarded and what happens to funds relinquished by cities, and clarified the role proposed for the CDC in approving an amendment.

Chair Steffen stated that she was fortunate enough to review this issue with Mr. Peterson last week and further expressed that she was delighted that the concept of significant change could be identified and explained. She also commented that she still has difficulties with the changes involving the LCDA account but is less concerned with the TBRA and LHIA accounts.

Steffen called for further discussion. Hilker questioned how long an organization could hang onto grant money. Peterson responded that the grant agreement is for two years. A grantee can administratively seek an extension for a third year by providing rationale for the request. Jan Gustafson stated that it is not uncommon, however, for a community—if a project is just not working—to send the Council a letter that acknowledges they are relinquishing these funds; they can also reapply.

Hilker questioned where the funds go if money comes back. Chair Steffen responded that it is added to the pot and goes back to the next round. Meeks asked a two-fold question: 1) After the 3-member review panel makes their recommendation to this body, this body approves it. The full Council has to approve the grant in the first place. Would not the full Council have to consider an amendment? 2) Do we fear any challenges—specifically, on LCDA? Peterson and Gustafson replied they do not believe this is a concern. David Theisen, legal counsel, indicated that these policies are intended to address that very issue and provided the legal rationale. He further expressed that this is a reasonable effort to try to accommodate a changing market. Steffen asked for an answer about Council Member Meeks' question #1. Peterson responded that staff is proposing that only the CDC need act on the matter, not the full Council. The issue of these administrative procedures is a change in the grant agreement, not a change in the component or element monies were granted for. He expressed that staff views this as administrative business of the Community Development Committee. Meeks concluded by commending staff for presenting a very reasonable idea for dealing with this issue.

Chair Steffen called for further comments. Patricia Nauman, representing Metro Cities, identified herself and spoke in support of the procedures as proposed, after which the committee directed staff to implement the amendment procedures as set forth in the staff memo.

Broecker moved, seconded by Sanda, that the Community Development Committee direct staff to implement the proposed grant administration procedures to address requests for revisions to the end projects (not LCA-funded elements) originally proposed as the development or redevelopment outcome in proposals assisted by Livable Communities grant awards.

Motion carried.

INFORMATION

2008 Comp Plan Update Submittals Status Report – September 2007.

Phyllis Hanson, manager, local planning assistance, provided an overview. More than 30 communities changed their anticipated submittal to a later quarter.

Chair Steffen stated that maybe at the last meeting there was some comment about cities and townships thinking they had to start all over again and that it had been made clear that was not the case. There is

relatively few cities or townships that will be able to make directional changes. She is wondering if there is anything that we could send out to cities that they could post or read at some of these public hearings.

Chair Steffen invited Patricia Nauman to return to the table to have a discussion with the committee since she represents all these cities.

Patricia Nauman, Metro Cities, suggested providing some sort of educational materials that the Metropolitan Council could provide as part of its planning handbook, encouraging cities to do more education. Steffen stated that the Metropolitan Council has some good information out there. Staff gets up and tries to set the framework for what the discussion should be that evening, and even the staff doesn't gain any respect. Steffen indicated that the discussion needs to get to the meat of what we should be looking at. Nauman agreed that this issue is an uphill battle. She further suggested that they put out a newsletter to their cities, so they would be happy to put out this message. Perhaps the one-page Metropolitan Council document could be inserted into the newsletter. Steffen expressed that it may have been unfair of her to put Nauman on the spot, but she is really trying to figure out some way to try to help this situation.

Sanda asked what would happen if we would have a one-page document from the Metropolitan Council with big type that explains in one sentence the purpose of what we are trying to do in 2008. Sanda expressed that she felt the document needed to be a handout that could be available at the meeting that states we are not going back to square one. Sanda provided an example of a meeting she attended in Blaine.

Hilker suggested providing something to the cities that they could post on their website if they chose to. Steffen expressed that she liked the idea of developing a one-page document and giving the cities the option of handing it out or not.

Steffen stated that it seemed like the Community Development Committee doesn't object to having the staff develop a cover letter that can go to cities with a paragraph that's developed that says if you choose to hand this out at a meeting that is fine, but we have had feedback that you can't really get started where you want to get started because people want to wipe out what was approved in the last round of comprehensive plans. Hanson responded a good point was that we are not totally opening up the last comp plan we just adopted, we are updating those portions that need to be updated. Chair Steffen asked Guy Peterson if a motion was needed. Mr. Peterson responded, "No."

Plat Monitoring Report.

Phyllis Hanson, manager, local planning assistance, reported that this report provides information about urban sewer residential plats approved in 2006.

Steffen asked what was being done to the cities that haven't met their promise. Hanson responded that when comprehensive plans were approved in 1998, we allowed certain guiding to go into effect. When we approve the MUSA expansions, the Council stated that the community needed to be a part of our plat monitoring program so that we can monitor this development.

Steffen again questioned what we are going to do to a city who has been in plat monitoring for three years, and they are under the 3.0 units per acre? Hanson responded unless they come forward with a comp plan amendment, we are going to continue to monitor that community.

Guy Peterson stated that we monitor them, we are in communication with them, but until they need something from us, it's at that time that we can say you are not measuring up.

Committee & Liaison Reports

There were no reports.

OTHER BUSINESS

Guy Peterson informed committee members that, effective last week, we transferred the Geographic Information Systems function that was in the Community Development Division to the Information Services

Department, under Dave Hinrichs. For many years the work of GIS and IS has been converging. Increasingly, both of those functions have focused their work on creating and supporting web based applications. Much of the activity of the GIS function has been work that serves the entire Council and not just Community Development.

Kris Sanda reported that today is the 25th anniversary of the MetroDome, and she is going to be going to a birthday party for the MetroDome – so happy birthday MetroDome.

ADJOURNMENT

Business completed, Steffen adjourned the meeting at 5:30 p.m.

Respectfully submitted,
Diane Jadwinski
Recording Secretary