

## REGIONAL COUNCIL OF MAYORS

October 12, 2015

### PRESENTATIONS AND DISCUSSION

#### HOUSING STRATEGIES

About half of Minnesota households spend more than 30 percent of their income on housing costs, and a significant majority of lower income households spend more than 50 percent of their income on housing, said Mary Tingerthal, commissioner of Minnesota Housing <http://www.mnhousing.gov/>.

On average, Tingerthal said, it costs about 5 percent more for housing than it did 10 years ago (in inflation-adjusted dollars). At the same time, households have had a 7 percent decrease in Minnesotans' purchasing power. "That gap has continued to grow for all of us," she said. "When I'm in my gloomiest moods, I don't see a lot that's going to change that, at least in the next five years or so."

Minnesota Housing was created in the 1970s (as the Minnesota Housing Finance Agency) primarily to issue tax-exempt bonds for affordable mortgages. Over the years, almost all of the housing activities of government have been brought into Minnesota Housing. Minnesota Housing collaborates with individuals, communities and nonprofits to provide affordable housing.

Minnesota Housing's new strategic plan [http://issuu.com/minnesotahousing/docs/2016-19\\_strategic\\_plan](http://issuu.com/minnesotahousing/docs/2016-19_strategic_plan) has just been released, with the title "Housing is the Foundation for Success." Tingerthal said the title reflects the fact that, "it is tough to get an education, get a job, raise your kids, if you don't have decent housing."

Every community has a range of income levels, she said; creating and/or maintaining affordable housing is important not just to satisfy the Metropolitan Council but "something you want to do for the good of your community." When it comes down to it, she said, "We're talking about teachers and home health aides and police officers."

Tingerthal listed three existing tools cities can use for affordable housing:

- **The Community Homeownership Impact Fund** <http://www.mnhousing.gov/wcs/Satellite?c=Page&cid=1358906164357&pagename=External/Page/EXTStandardLayout> of Minnesota Housing, which is a competitive source of funds primarily for single-family homes. It can be used to help cities with a value gap, when it costs more to create affordable housing than the units can be sold for, or with an affordability gap, when the buyers a city wants to attract can't afford to purchase in that community. Many of the mayors said they were not aware of the program.
- **Local code enforcement and inspection policies** can be used to push owners of rental properties, many of them built in the 1970s, to maintain and upgrade those properties. Bloomington Mayor Gene Winstead said his city has been able to keep rental housing up

to code through licensing and inspections. “This is a kind of housing that has a tendency to slip,” he said.

- **Construction of multifamily housing** can be aided by Minnesota Housing, which awards the vast majority of federal low-income tax credits for new housing in suburban areas, Tingerthal said. She said the agency uses criteria that encourage family housing in areas where there are jobs and transportation. Although many communities desire mixed-income development, she said it’s hard to put in mixed-income buildings because of the way tax credits work.

Carolyn Olson, president of the Greater Metropolitan Housing Corporation <http://www.gmhchousing.org>, said GMHC also has programs that help with buying and improving affordable housing stock, mostly for single-family homes.

## 2016 PRIORITIES

Caren Dewar asked the mayors present to indicate areas they are interested in exploring, in order to create an RCM agenda for 2016, which would include presentations at the monthly meetings. Many of the suggestions had to do with affordable housing, including:

- Housing preservation, not letting “naturally occurring affordable housing” in the form of older housing stock become run-down.
- Expanding use of land trusts.
- Collaboration on licensing and code-enforcement models for rental housing.
- Encouraging financial support for mixed-income and mixed-use developments.
- The recent U.S. Supreme Court decision on the Fair Housing Act <http://www.bloomberg.com/news/articles/2015-06-25/housing-discrimination-lawsuits-backed-by-u-s-supreme-court>, which says that those who file suit don’t have to prove intentional bias.
- The state’s investment in affordable housing.
- Pulling together all of the tools to maintain or create affordable housing.
- Understanding how the Met Council develops its goals for affordable housing in each city.

In the area of Building Healthy and Resilient Communities, suggestions included:

- An update on the Met Council’s water plan, with attention paid to drinking water and wastewater.
- Urban farming (although it was concluded this might not be appropriate for the full group).

In the area of Transportation and Infrastructure, the suggestions were:

- How to get more funding for transportation infrastructure.
- A look at the electric grid and how reliable or vulnerable it is, and what that means for cities.
- Railroads in the metro area and the safety issues involved, including questions about crossings over important roads and the dangers of increasing transport of oil by rail.

In the area of Economic Vitality, suggestions were:

- More on entrepreneurship and on attracting needed talent to the Twin Cities area.
- Shared economy issues, looking at new ways of service delivery such as Uber and AirBnB and what that means for cities.
- Public art.
- Support and encouragement for home businesses.
- Demographic information that helps cities understand what Millennials want in terms of employment, housing and amenities.

Dewar said RCM leaders will identify less than five things for 2016 that the group can help “move the needle on” during the year.

### **EXECUTIVE DIRECTOR’S REPORT/UPDATES**

Burnsville Mayor Elizabeth Kautz said the leadership of the U.S. Conference of Mayors <http://www.usmayors.org/default.htm> put together its agenda for Congress and for looking at candidates for President in 2016. The agenda includes:

- Transportation infrastructure.
- Education and training for a competitive workforce.
- Strengthening the relationship between the federal government and local and state governments on national security.
- Pathways for entrepreneurship.
- Trade and international tourism.

Kautz also attended the Kauffman Foundation Mayors Conference on Entrepreneurship <http://www.kauffman.org/what-we-do/programs/entrepreneurship/the-mayors-conference-on-entrepreneurship>, which offered tools mayors can access to help entrepreneurs in their cities. Included in the discussion were ways to identify and leverage entrepreneurial assets, the role that philanthropy plays in encouraging entrepreneurs and understanding the role of artists in local economies.

Caren Dewar, ULI Minnesota executive director, alerted mayors to an op-ed article about the Metropolitan Council’s housing plan, written by Eagan Mayor Mike Maguire <http://www.startribune.com/counterpoint-kersten-and-her-critics-are-wrong-on-housing-plan/331835881/>.

Due to a scheduling issue that would require finding a new location for the November RCM meeting, combined with the Veterans’ Day holiday, the group decided to cancel the November meeting.

### **COMING UP**

The next meeting will be 11:30am Monday, December 12, at Dorsey & Whitney. Former Minneapolis Mayor R.T. Rybak will discuss the work Generation Next <http://www.gennextmsp.org> is doing to close the education achievement gap. There will be no November meeting of the Regional Council of Mayors.

## ATTENDEES

### Mayors

Jim Adams	City of Crystal
Mary Giuliani Stephens	City of Woodbury
Shep Harris	City of Golden Valley
Ken Hedberg	City of Prior Lake
Kathi Hemken	City of New Hope
Jim Hovland	City of Edina
Marvin Johnson	City of Independence
Stan Karwoski	City of Oakdale
Elizabeth Kautz	City of Burnsville
Mike Maguire	City of Eagan
Lili McMillan	City of Orono
Tim McNeil	City of Dayton
Ken Willcox	City of Wayzata
Janet Williams	City of Savage
Gene Winstead	City of Bloomington

### Guests

John Breitingner, United Properties; Rick Carter, LHB; Emily Goellner, City of Golden Valley; Thad Hellman, Target; Steven Huser, Metro Cities; Margaret Kaplan, MN Housing; Larry Lee, City of Bloomington; Jay Lindgren, Dorsey & Whitney; Martin Ludden, Comcast; Pat Mascia, Briggs & Morgan; Burke Murphy, Corporation for Skilled Workforce; Carolyn Olson, GMHC; Beth Reetz, Metropolitan Council; Elizabeth Ryan, Family Housing Fund; Libby Starling, Metropolitan Council; Mary Tingerthal, MN Housing; Charlie Vander Aarde, Metro Cities; Jamie Verbrugge, City of Bloomington.

### ULI Staff, Consultants

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