

## TOPICS AND PRESENTERS

[SECURING MINNESOTA'S HOUSING FUTURE: GOVERNOR'S AFFORDABLE HOUSING TASKFORCE](#)

[SHARED USE MOBILITY: TOWARD A REGIONAL MODEL](#)

[LEARNINGS FROM BIKE SHARE, CAR SHARE AND SCOOTER SHARE](#)

[MINNESOTA MAYORS TOGETHER](#)

[UPDATE FROM GREATER MSP](#)

## PRESENTATIONS

**SECURING MINNESOTA'S HOUSING FUTURE: GOVERNOR'S AFFORDABLE HOUSING TASKFORCE**

[LINK](#)

MAYOR MIKE MAGUIRE, CITY OF EAGAN

COMMISSIONER MARY TINGERTHAL, MINNESOTA HOUSING

JEANNE CRAIN, PRESIDENT AND CEO OF BREMER FINANCIAL CORP, TASKFORCE CO-CHAIR

**The taskforce is charged with making policy proposals for the executive and legislative branches of the State government, local government, and for the private sector. It has four tasks.**

- Review existing strategies and identify gaps.
- Consider new practices that can serve Minnesotans better.
- Develop innovative solutions.
- Align recommendations with actual community experiences, needs and priorities.

### **Structure of the taskforce**

- Rental work group.
- Homeownership work group.
- Housing Stability and Opportunity work group – primarily focused on needs of lower income people and families.

### **Summary of relevant data demonstrating the affordability challenge**

- Widening gap between income and rent, though this has just recently narrowed some.
  - Median rent growing much faster than median wages.
  - Since 2000, adj. rent increase of 12%, and adj. decrease of 4% for incomes for a net 16% gap.
- 450K cost-burdened households across rental and ownership: income less than \$50K, spend 30%+ on housing
- Supply shortage of +100K homes for people earning 30% of area median income
- Tight rental market making use of Housing Choice Vouchers much harder.
  - In 2008, there was an 88% chance of finding housing with a voucher. That is now down to 60%.
- 8.8% of all rental movers in the last two years were evicted or threatened with eviction.
- MSP metro, rising rents with vacancy below 5%. Vacancy at between 2-3% is below a healthy balance.
- In 2000, the homeownership rate was 77% and is now down to 70-71%.
- Minnesotans age 25 to 34 is the state's largest age group by population (~750K)
  - This age is considered to be in "transition," meaning they are more likely to be moving from rental to ownership.

- 90%+ of people 34 and under expect to own a home someday.
- It remains cheaper on a monthly basis to own a home than in 2006, largely due to low interest rates.
- Less than two-month supply of homes under \$250K on the market and median sale prices are rising steadily.

### **Discussion Questions**

1) *Supporting affordable housing development in the face of organized opposition takes a great deal of political courage. What can the taskforce recommend that would help cities (who are trying to support affordable rental housing development) counter organized opposition to a full range of housing choices?*

- It remains challenging and important to help the public understand who occupies "affordable" housing projects and dispel misconceptions. For example, it's often first-year teachers and public safety officers.
- Developers should bring tenants from other projects to help dispel misconceptions about who they are.
- Talk about affordability as an economic imperative, not a moral one. Frame it as critical for the long-term success/stability of the region and bring numbers to demonstrate it.
- Work with regional businesses to help make the case for the need. In Dayton, an upscale home developer expressed support for workforce housing and argued it works well with their product. FedEx supported workforce housing because of their need for workers within reasonable commuting distances.
- Wayzata, Savage, and other communities report that working with landlords to tighten leases creates low tolerance for bad behavior and helps naysayers see that their concerns can be addressed.
- On the other side, many communities report fewer police calls to workforce housing projects, even when compared to single-family homes. Use this data to make the case as well.
- Cities often have more legal authority in the case of an affordable workforce project than they do with market rate because of their role providing subsidy or other accommodations. This can help make the case to the public, too.
- Developers should pay attention to elections. Supporting controversial projects can carry a political cost. Also, a supportive council could flip during the planning process, which is a risk to developers.

2) *The state is experiencing a shortage of affordable single-family homes for sale. One factor in single-family home development costs are local fees and regulations. What are some best practices on the local level that the taskforce could recommend that allow communities to encourage affordable homeownership opportunities through land use flexibility and fee approaches for more affordable development without hurting the bottom line for communities?*

- As above, it's important to be mindful of the politics. A city can't just create a TIF district without repercussions. In terms of policy remedies, if there's a funding source to make cities whole it takes the cost argument off the table.
- In Savage, giving a developer a loan rather than outright funding changed the dialogue.
- It's important to encourage workforce housing to locate near jobs and transportation. Policies should reflect that.

### **Shoreview**

- Working to get a percentage of units designated affordable within a building helps diffuse the perceived issues. The downside is it comes nowhere near meeting demand.
- More financial tools (funding) are needed. The current council is supportive, but Shoreview is not seeing proposals because developers cannot make the numbers work.

### **Minneapolis**

- Need to start thinking of housing as a core metro service to pool resources and create a regional solution.
- Vacant land can be more expensive for the city than subsidizing the development of an affordable housing.
- Changing zoning to make it easier to build different types of products can help. The available SFH supply is related to supply of other products.
- Allowing more units on a lot will ideally lower the cost per unit when compared to an SFH, even for relatively expensive developments.

## St. Louis Park

- The point of sale inspection process has preserved the quality of smaller, more affordable homes. This leads to more additions rather than teardowns.
  - It's important to create a process by which your community can come together (renters, owners, prospective renters/owners) to get past their biases. Also, there are people who are truly poor who deserve housing and these discussions sometimes look past that need.
- 3) *Local communities are looking at a range of local policies to provide stability to households who are facing displacement through community change and the loss of NOAH properties. While there are a range of options that local communities have implemented, are there any recommendations that would be particularly helpful as local communities try to implement local policies?*
- The term “Naturally Occurring Affordable Housing” can imply “deferred maintenance.” Making sure a house or apartment building is in good condition and getting it up to code adds costs that get passed on to buyers.
  - Crystal has actually removed point of sale inspections to reduce costs. It was misconstrued as a guarantee of quality in addition to adding to the cost of buying and selling. Allowing ADUs and changing lot sizes have also helped with housing options and costs.

## SHARED USE MOBILITY: TOWARD A REGIONAL MODEL

### [LINK](#)

BRIAN ISAACSON, DIRECTOR, MNDOT

JOHN LEVIN, METRO TRANSIT

### Definitions of Shared Use Mobility

- 1) Transportation services shared among users (transit, bike share, carpool, Uber/Lyft, etc.).
- 2) Riding together and/or using the same vehicle.

### Integration of modes

- Shared use mobility can coordinate services across modes, aggregate multimodal customer information, and integrate payment across providers.
- Integration is happening across physical, digital and organizational boundaries.
  - **Physical:** Mobility hubs where multiple services exist in tandem such as bike share and car share.
  - **Digital:** Mobile apps that integrate different mobility services into a single platform.
  - **Organizational:** Mobility service providers are forming business partnerships.

### Benefits of Shared Mobility

- Provide more options, support Transportation Demand Management (TDM).
- Reduce vehicles owned and miles traveled.
- Reduce personal cost for travel.
- Reduce demand for parking and cost of providing parking.
- Increase access to opportunity, especially for those who can't/don't drive.
- Reduce public cost of transportation.

### Policy and Planning Issues

- Effect on transit.
- Effect on labor markets.
- Equity of access to modes and destinations.
- Information sharing, data privacy.
- Use of right of way, curb space.
- Agility to pursue opportunities.

- Structure of partnerships, use of public funding / subsidy.
- State/regional consistency vs. local control, innovation.

### **Focus Areas**

- Establish institutional structures to facilitate partnerships, innovation.
- Recognize different solutions for different contexts: urban, suburban, rural.
- Remain flexible in quickly, and radically changing environment.
- Keep eye on core issues: access and mobility, equity, environment, right of way management.
- Address tough questions: data access and privacy, local control vs. statewide consistency, role of public subsidy.

### **Twin Cities Shared Mobility Action Plan**

- Completed by the Share-Use Mobility Center in October 2017 with funding from McKnight. Outlines needs and opportunities for shared mobility in our region, lists gaps and challenges, helps with goals and next steps.
- The Twin Cities Shared Mobility Collective is intended to help realize the vision of the Action Plan, facilitate collaboration, share best practices, inform policy, support innovation and track progress.
- The first meeting is May 31<sup>st</sup> from 10:30 AM to 12:00 PM.

## **LEARNINGS FROM BIKE SHARE, CAR SHARE AND SCOOTER SHARE**

### [LINK](#)

**BILL DOSSETT, EXECUTIVE DIRECTOR, NICE RIDE MINNESOTA**

### **To effectively coordinate emerging mobility services like car and bike share, we need a mobility manager with oversight for all modes.**

- Mobility manager has to be a right-of-way owner because this is the bargaining chip. Private companies can't operate without access to roads, sidewalks, etc. and the right-of-way owners have the most at stake.
- Right-of-way owners must act jointly to match the market for rides.
  - A big part of why Car2Go left was different rules for MPLS, St. Paul and UMN making management more difficult.
  - This may need new regulatory oversight or possible joint-powers agreements.
- Developing and using new expertise is critical.
  - Real time data is crucial for these services, and we need people with skills working with real time data tools.
  - Tech contracting is different from most contracting that cities do. Need to cultivate new knowledge and skills.
- A mobility manager can seize opportunity to achieve public goals, but we need to get clear what these goals are. It may require compromises between municipalities.

### **The emergence of dockless bike sharing is changing the market rapidly.**

- With no technology on the bike, it's much cheaper to deploy and operate. China has seen a massive scale-up.
- Tencent and Alibaba are throwing money at dockless sharing to get more mobile payments users.
- Brands like Ofo and Mobike are already in 250 cities and valued at \$3B.
  - 20K bikes were dropped in Dallas in late 2017.
- Venture capital is pushing for a minimum viable product, which can create disorder for cities. For example, it became cheaper to put more bikes on the street than fix/maintain the ones already there, leading to heaps of discarded bikes.

### **Where we stand locally, right now**

- NiceRide MN is trying to get major right-of-way owners on board together.
- Minneapolis will become the first city to site-plan for dockless bike share, meaning bikes will have designated areas for pick up and drop off.
- This should have a positive impact on the problems associated with randomly distributed bikes in other places.

# EXECUTIVE DIRECTOR'S REPORT

## MINNESOTA MAYORS TOGETHER

MAYOR MOLLY CUMMINGS, CITY OF HOPKINS

- Nearly 70 mayors, mostly from Greater MN, convened in Perham on May 11 and 12 for the Minnesota Mayors Association annual meeting. It featured a panel discussion on mayor-to-mayor discussions.
- Minnesota Mayors Together participants comprised the panel, including Mayor Rita Albrecht (Bemidji), Mayor Ben Schierer (Fergus Falls), Mayor Brian Holmer (Thief River Falls), Mayor Jim Hovland (Edina) and Mayor Molly Cummings (Hopkins).
- So far, Minnesota Mayors Together has held two of four proposed meetings. After the four meetings are concluded, participants will discuss next steps.
- As one example of MN Mayors Together making an impact, Mayor Holmer of Thief River Falls asked Mayor Hovland to testify at the legislature regarding a bill that affects municipal liquor on a day that he could not attend. In return, Mayor Holmer testified on Edina's behalf so that Mayor Hovland would not have to travel to the legislature twice.
- Kevin Frazell of the League of Minnesota Cities interviewed Mayor Albrecht and Mayor Cummings about MN Mayors Together in their May/June magazine issue.

[Minnesota Cities May/June Issue Featuring MN Mayors Together](#)

## UPDATE FROM GREATER MSP

PETER FROSCH, VP STRATEGIC PARTNERSHIPS, GREATER MSP

[LINK](#)

- The 4<sup>th</sup> Regional Indicators Dashboard was released on May 11<sup>th</sup>.
- The dashboard was intended to solve how we define "competitiveness" as a region. You cannot have a regional competitiveness strategy without regional answers to "how are we doing?"
- Now that we've established measuring as a habit, the next step is to set goals around the areas we're measuring (e.g. inclusive growth, affordability).

# ATTENDEES

## MAYORS

James Hovland	City of Edina (co-chair)
Molly Cummings	City of Hopkins (co-chair)
Jim Adams	City of Crystal
Doug Anderson	City of Lakeville
Kirt Briggs	City of Prior Lake
Bob Crawford	City of Elko New Market
Jerry Faust	City of Saint Anthony
Jimmy Francis	City of South Saint Paul
Jacob Frey	City of Minneapolis
Mary Gaasch	City of Lauderdale
Kathi Hemken	City of New Hope
Marvin Johnson	City of Independence
Denny Laufenburger	City of Chanhassen
Peter Lindstrom	City of Falcon Heights
Chris Lund	City of Hamburg
Mike Maguire	City of Eagan
Sandy Martin	City of Shoreview
Tim McNeil	City of Dayton
Nora Slawik	City of Maplewood
Jake Spano	City of St. Louis Park
Ken Willcox	City of Wayzata
Janet Williams	City of Savage
Gene Winstead	City of Bloomington

## GUESTS

Warren Hanson, Greater MN Housing Fund; Rachel Robinson, Greater MN Housing Fund; Brad Larson, City of Savage; Arnie Bigbee, Edina Neighbors for Affordable Housing; Hope Meeter, Edina Neighbors for Affordable Housing; Linda Woodstrom, Edina Neighbors for Affordable Housing; Katie Rodriguez, Metropolitan Council; Eric Anthony Johnson, City of Bloomington; Jean Kane, Colliers; Amy Roberts, Comcast; Heidi Ritchie, City of Minneapolis; Libby Starling, Metropolitan Council; Janet Jeremiah, City of Eden Prairie; Margaret Kaplan, Minnesota Housing; Sandra Krebsbach, ATEA; Carolyn Olson, GMHC; Ellen Sahli, Family Housing Fund; John Breitingger, Cushman & Wakefield; Jay Lindgren, Dorsey & Whitney; Jamie Verbrugge, City of Bloomington; Austin Haaf, Humphrey School of Public Affairs; Bill Dossett, NiceRide Minnesota; Kevin Frazell, League of MN Cities; Jennifer O'Rourke, Metropolitan Council; Matt Cranston, Representative Keith Ellison; Jonathan Redberg, Target; Tracey Hester, Target; Rich Forschler, Faegre Baker Daniels; Scott Searl, Shepherd of the Hills Lutheran; Scott Neal, City of Edina; Chonté Mitchel, City of Edina; Marc Nevinski, City of Golden Valley; Mark Casey, City of St. Anthony; Karen Barton, City of St. Louis Park; Tom Harmening, City of St. Louis Park; Maria Carrillo Perez, City of St. Louis Park; Peter Frosch, GREATER MSP; Rick Carter, LHB; John Levin, Metro Transit, Brian Isaacson, MnDOT

## ULI MINNESOTA

Aubrey Albrecht, Cathy Bennett, Caren Dewar, David Baur

## NEXT MEETING

**There is no June meeting.**

Monday, July 9<sup>th</sup>, 2018

11:30 a.m. to 1:30 p.m.

Seattle Room at Dorsey & Whitney, 50 South 6th Street, Minneapolis, MN.